

In the Supreme Court of the United States

DELAWARE,
Plaintiff,
v.
PENNSYLVANIA and WISCONSIN,
Defendants.

ARKANSAS, *et al.*,
Plaintiffs,
v.
DELAWARE,
Defendant.

On Exceptions to Report of Special Master

**APPENDIX TO REPLY OF DEFENDANTS
IN NO. 145 AND PLAINTIFFS IN NO. 146
TO DELAWARE'S EXCEPTIONS TO FIRST
INTERIM REPORT OF SPECIAL MASTER
AND SUPPORTING BRIEF
VOLUME III - UNDER SEAL**

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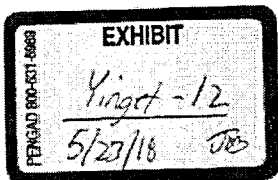
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Product and Services Reference Guide



MoneyGram®

CONFIDENTIAL July 2014

For internal use only

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Introducing MoneyGram's Product and Services Reference Guide

The Product and Services Reference Guide gives you a simple way to access up-to-date, *standardized* information that explains MoneyGram's products and services in simple terms to support you and all our regional teams. This will make it far easier for you to do your job and greatly help us to meet our corporate objective to ignite outstanding growth.

MoneyGram is committed to providing a positive agent and customer experience and continually focused on innovation and creating a competitive advantage. At the same time, we must increase our global network while maintaining margins. In order to accomplish all of our goals, we must leverage our standard products and services as outlined in the Reference Guide. If you identify a non-standard need in your region, you can submit requests via the Request Processes page on Product Center.

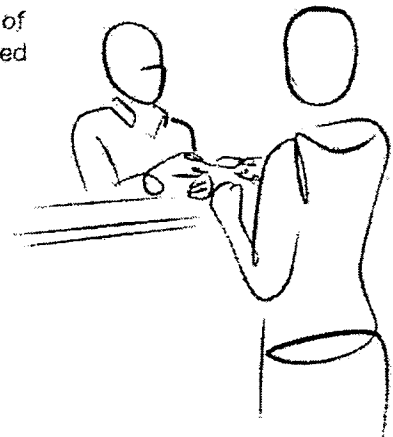
You can access the Product Center via MoneyGram Connect under Quick Links or go to MG Connect>Departments>Sales & Marketing>Product Center.

Product Center contains:

- **Product and Services Reference Guide** An all encompassing document that provides in-depth details on MoneyGram's standard products and services including overviews, process flows, benefits and more. Please note this document is for INTERNAL USE ONLY.
- **Request Processes Page** This resource provides you with the steps and documents required to submit various requests. For example, Activate a New Country, AgentWorks Enhancement or Setup Agent with directed sends.

The Product and Services Reference Guide will be reviewed for accuracy and updated every six months by subject matter experts. The Product Guide is your resource and we welcome your feedback.

We hope that you will find the Product Center full of valuable information that will help in your continued success at MoneyGram.



MoneyGram International Product and Services Reference Guide

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1 Products and Services

1.1 Financial Paper Products

Contact – Eva Yingst

Money Orders

Introduction

For consumers who do not have a checking account, check card or credit card, money orders are an ideal way for them to make consumer to consumer and consumer to business payments. As a long established paper payment instrument, they are widely accepted and generally considered to be 'as good as cash'. Customers pay a per-item-fee to purchase a money order which is determined by the individual agents. Money orders are extremely popular with consumers as they are available at a low cost and do not require complex forms. Over 50,000 MoneyGram retail agent and Financial Institution locations across the U.S. and Puerto Rico offer money order service. They can be used internationally for USD payments, if the payee can cash or deposit the money order. We do not currently offer a Canadian money order product.

Process

- Step 1** Customer visits agent to buy a money order
- Step 2** Agent collects information and enters amount
- Step 3** Agent collects payment and prints money order
- Step 4** Agent gives money order and receipt to customer
- Step 5** Customer gives or sends money order to payee

For most agents, the Point of Sale terminal automatically reports money order sales to MoneyGram every day via a phone line or other communication method. MoneyGram then charges their bank account for the amount of money orders sold plus fees.

Agent Benefits

- Generate additional revenue – Earn income through purchase fees – agent sets how much their customers pay per money order
- Cross sales – Increase store traffic creating an opportunity to cross sell existing products to customers – especially as a receive agent
- New markets – Attract customers from the unbanked and underbanked markets
- Full support – 24-hour Call Center support for agent

Customer Benefits

- Inexpensive payment method – No need for a bank account, check card or credit card to make payments
- Convenient – Easy to access and widely accepted
- Easy – No need to fill out complex forms

Agent Implementation

MoneyGram money orders can only be sold by agents in the U.S. and Puerto Rico. The only currency supported is USD. Total implementation takes approximately 55 days.

- Step 1** Agree to terms and account set-up
- Step 2** Agree to Point of Entry (POE) solution
Delta[™], Delta Network[™], DeltaWorks[™] or Delta T3[™] systems coupled with a 1600 money order dispenser. Some Financial Institutions and agents issue money orders using their own technology solutions including check im printers, typewriters or laser printers.
- Step 3** Agent Onboarding
Agents must meet specific credit and 'Know Your Agent' requirements and be willing to pay MoneyGram for face amounts of money orders sold based on the remittance schedule established in their agreement.
- Step 4** Training and go live

Target Markets

Agent

- Significant number of unbanked or underbanked customers such as regular check cashers
- Agents wishing to offer their customers a broader range of financial services – e.g. within a grocery or convenience store
- Financial Institutions who want to offer money orders to gain new customers

Customer

- Anyone without a checking account or other payment method who want to replace cash with 'good funds' payment to other consumers or businesses
- Customer looking for an alternative to electronic payments or a more trusted alternative to personal checks

PrimeLink[™] Official Checks

Introduction

PrimeLink[™] Official Checks give Financial Institutions an efficient way to provide their customers with official checks for 'good funds' payments where a wire transfer or other transaction would be impractical; for example, when buying a car or for the down payment of a new home. Financial Institutions can also use Official Checks for their own payments (interest, dividend and account payable checks) or to give to a customer withdrawing a large sum or closing their account. Each Financial Institution determines how they issue Official Checks and the fee paid by their customers, although in some cases this fee is waived. The MoneyGram Official Check processing outsourcing solution is called PrimeLink[™].

Process

- Step 1** Customer visits Financial Institution to get an Official Check to make a payment or withdraw funds from their account
- Step 2** Financial Institution collects details and enters them into teller or other system
- Step 3** Payment to cover Official Check is taken from customer's account

- Step 4** Financial institution prints Official Check and receipts (if applicable) and gives them to the customer
- Step 5** Customer gives or sends Official Check to payee
- Financial Institutions report every Official Check they issue to MoneyGram on a daily basis and wire the funds for the total to MoneyGram the following day. Some financial institutions may call in their totals to MoneyGram and we will charge their bank account via ACH for the face amount of the items issued.

Financial Institution Benefits

- Cross sales – Increase store traffic creating an opportunity to cross sell existing products to customers
- Reduced operating expenses – Outsourcing eliminates functions such as inventory management, reconciliation and research
- Control – Agent is assigned account specialist and has access to online reporting
- Branding – Official Checks are private labeled as the Financial Institution's own payment item and MoneyGram branding is not generally visible to customers

Customer Benefits

- 'Must have' payment method – When vendors insist on 'good funds' payment for certain transactions, Official Checks are a less expensive solution for the customer than a bank wire

Agent Implementation

Official Checks are only available to Financial Institutions in the U.S. and Canada. The only currency supported is USD. Total implementation takes approximately 55 days.

- Step 1** Agree to terms and account set-up
- Step 2** Agree to technical requirements
- Financial Institutions must be able to report all Official Checks they issue, either by manual entry into the web-based TExport™ system or other acceptable format on a daily basis. The TExport™ and PrimeLink™ online servicing systems require Internet access and an operating system plus browser that meet or exceed MoneyGram's minimum requirements.
- Step 3** Agent Onboarding
- Agents must meet specific 'Know Your Agent' requirements and be willing to pay MoneyGram for face amounts of all Official Checks they issue by sending a wire for the total amount the following day.
- Step 4** Training and go live

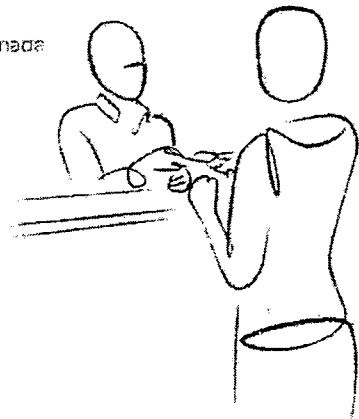
Target Markets

Agent

- Any Bank, Savings & Loan or Credit Union in the U.S. or Canada

Customer

- Any customer with a banking relationship with a Financial Institution



7 Resources

7.1 Glossary of Terms

Contact - April Grandison

ACH An industry abbreviation for Automated Clearing House

Active X A framework for defining reusable software components that is independent of programming language. Software applications can be composed from one or more of these components to provide their functionality. ActiveX controls (mini program building blocks) can create distributed applications working over the Internet through browsers. Examples include customized applications for gathering data, viewing certain kinds of files, and displaying animation.

ActiveX controls are comparable to Java applets, which programmers designed to allow browsers to download and execute them. However, Java applets can run on nearly any platform, while ActiveX components officially operate only with Microsoft's Internet Explorer and the Microsoft Windows OS.

Automated Clearing House A U.S.-based nationwide wholesale electronic payment and collection system. It is a method of transferring funds between banks via the Federal Reserve System, which is used by most financial institutions. The rules and regulations that govern ACH are established by the National Automated Clearing House Association (NACHA) and the Federal Reserve.

Activity Reports A set of four reports that allow our agents to view details of their activity with MoneyGram. These can be accessed online via the Business Portal.

AFAS A MoneyGram abbreviation for our Anti-Fraud Alert System.

Agent Any business that provides MoneyGram services. They may be banks, post offices, convenience stores, discount stores and even small, family-owned businesses.

Agent Check A type of Official Check created by MoneyGram at our bank customers' request to help them minimize their reserves as defined by Federal Reserve Board Regulation D.

AgentConnect™ A full set of specifications and services that enables MoneyGram agents to build their own money transfer applications, to run within their Point-of-Entry (POE) environments and connect to MoneyGram. AgentConnect directly answers our agent's needs for the flexibility and control required to deliver a smooth and successful integration.

Agent Onboarding The process which allows us to assess an agent's financial, credit and compliance background. Their contract terms are also negotiated and the legal agreement formalized. We then set up their settlement, commissions and POE profile on the system.

AgentWorks™ An agent-facing web-based application that supports MoneyGram money transfer (send and receive) and bill payment services. The AgentWorks system is one of the easiest to use, fastest and most intuitive in the market making it a far more convenient system for both agents and customers alike.

AML Abbreviation for Anti-money laundering

Anti-Fraud Alert system Previously known as Global Compliance, our AFAS team is responsible for preventing consumer fraud transactions from being completed. The team currently monitors send and/or receive transactions in near real-time 24 hours a day, 7 days a week.

Anti-money laundering There are specific regulations relating to anti-money laundering that must be followed in order to operate as a money service business.

API Abbreviation for Application Program Interface

Application Program Interface A set of routines, protocols and tools used by agents to interface MoneyGram's systems with their own sales transaction processing systems. A good API makes it easier to develop a program by providing all the building blocks a programmer requires.

ATM Abbreviation for Automated Teller Machine.

Automated Teller Machine Allows consumers to withdraw cash and make financial transactions connected to their bank account at any time without the need for a bank teller. Often called a Cash Point.

Base Currency

- 1 The send currency in any country.
There can only be one send currency in a country not yet converted to MC Sends.
- 2 The default receive currency. This is the currency all agents in a country must be able to send in and pay out.

BDM A MoneyGram abbreviation for a Business Development Manager

Business Portal An online reporting suite hosted and managed by MoneyGram that offers our agents four cached standard reports to help with transaction and financial settlement reconciliation.

CAPTCHA A CAPTCHA is a type of computer challenge/response that ensures that responses are generated by a real person. A common type of CAPTCHA requires the user to type letters and/or digits from a distorted on screen image. As computers cannot solve CAPTCHA challenges, anyone who enters a correct solution is presumed to be a person.

Cash to Cash Our primary money transfer service is a simple and cost effective way of sending money around the world. Cash can be paid in and paid out in a wide range of currencies, as supported by local countries. Cash is ready to collect in as little as 10 minutes.*

**Subject to agent availability, hours of operation and local regulations. Not applicable for certain transaction options in countries where MoneyGram's delayed receive service is implemented and used.*

Cashier's Check A type of Official Check that is legally defined as a check drawn by a bank on itself e.g. a draft for which the drawer and drawee are the same bank or branches of that bank.

Certification The process by which we provide quality assurance that an agent's AgentConnect development works as intended and is good to go live. This process is fully supported by our technical team as a standard process.

Commission The compensation we pay to our agents for promoting MoneyGram services and administering send or receive and bill payment transactions

Commission Plan A set of commission logic/parameters built into the Oracle system that allows commissions to be calculated against selected elements (e.g. sends, percentage marketing contribution). There are over 230 commission plans.

Commissions CRF Commissions Contract Review Form. A document that is submitted alongside the Pro forma to allow the Commissions team to evaluate and confirm that proposed commission structures are within standards.

CPS Abbreviation for Cash Payout Services

Daily Activity report Provides detailed information on daily activity by agent location. Can be accessed online via the Business Portal.

Delayed Receives A strategic service that allows customers to choose to send money with a postponed delivery (Next day after 7 am, 24 hour, or 48 hour) to enable them to take advantage of cheaper transaction fees. This option offers the same, reliable service as our 10-Minute product, but at lower cost.

Delta T3™ A POE terminal with touch screen, built-in thermal printer and Ethernet that supports money order and FormFree™ money transfer products. This is a next generation model with more functionality than Delta Network

Delta™ Dispenser Model 1600 dispenser that prints financial documents.

Delta™ Network system A terminal with 2x16 display, keypad, dial-up capability and a faster modem than Delta that supports money order products. This system is now off-sale.

Delta™ POE Money Order processing system MoneyGram's original terminal with 2x16 display, keypad and dial-up capability that supports money order products. This system is now off-sale.

DeltaWorks™ system A Windows™ based, stand-alone processing system that supports all MoneyGram's products: send and receive money transfer, ExpressPayment™, utility bill payment, money orders, vendor payments and MoneyGram prepaid cards. Its high functionality and out-of-the-box installation has made DeltaWorks the ideal entry level Point of Entry (POE) application for all kinds of agents for many years.

Directed Receives A service that allows our receive agents to offer their customers a choice of how to receive funds: e.g. customers of a directed receives bank or prepaid card can choose to collect their cash at an agent location or to have it deposited directly into their account.

Directed Receives Agent Any company or institution to which a money transfer is being directed

Directed Sends A service that allows cash pay-ins or MoneyGram Online (MGO) transactions to be sent straight to a bank account, mobile phone wallet, financial card (credit, debit, ATM) or for home delivery.

Electronic Account Money Transfer A MoneyGram service that allows customers to make money transfers directly from an account, website or via a self-service channel such as online, Interactive Voice Response (IVR), mobile phone, ATM and kiosk. Implementing Electronic Account money transfers through the AgentConnect system can be extremely complex and challenging for our agents. An implementation of this type is usually classified as Tier 3.

EMEAP Abbreviation for Europe, Middle East, Africa and Asia Pacific.

EOD Abbreviation for end of day.

Fat Client Also called **heavy, rich, or thick client** is a computer in a client-server architecture or network that provides rich functionality independent of the central server. Originally called a 'client' or 'thick client' the name is contrasted to Thin Client, which means a computer that is heavily dependent on a server's applications.

A Fat Client requires periodic connection to a network or central server, but can perform many functions without this. In contrast, a Thin Client generally does as little processing as possible and relies on accessing the server every time input data needs to be processed or validated. [see also Thin Client]

Financial Institution (FI) Any Bank, Savings & Loan or Credit Union organization.

Foreign Exchange Profit The profit realized by MoneyGram from any currency conversions where the send and receive currencies are different.

FormFree™ transactions Allows customers to send or receive money, pay bills, load prepaid card and phones without completing any forms at an agent location. Using either a direct dial telephone or a MoneyGram phone number, send customers give their transaction details directly to MoneyGram's Call Center. They then simply pay in cash at an agent location to complete the transaction.

FX Foreign Exchange.

Global Process Owner The MoneyGram team member who is responsible for the overall performance of a core global process.

Good Funds A term used to refer to payment methods that are accepted in the same way as cash.

GPO Abbreviation for Global Process Owner

High Volume Agent A tier-based agent commission bonus program based on transactional volume growth. Depending on what tier an agent reaches they receive commission at more competitive rates. Commission incentives are shared between MoneyGram and super agents. Bonuses are paid only to sub-agents who reach their growth targets.

HVA A MoneyGram abbreviation for High Volume Agent.

IMTA An industry abbreviation for International Money Transfer Agreement.

In Lane See MoneyGram xpress™

Interactive Voice Response A technology that allows our customers to use voice or touch button interaction with an automated customer service system.

ISI Abbreviation for In Store Integration

IVR An industry abbreviation for Interactive Voice Response

Know Your Agent A compliance requirement for an MSB provider in the U.S. to formally identify their agents and collect all required information to allow them to do business with them, as demanded by current bank regulations.

Know Your Customer A customer due diligence activity performed by regulated MSBs in the U.S. to formally identify their clients and gather any relevant information that is required to allow them to do business with them, as demanded by current bank regulations.

Know your customer policies are now increasingly common around the world to prevent the escalating problem of money laundering, identity theft, fraud and the financing of terrorist activities.

KYA An industry abbreviation for Know Your Agent

KYC An industry abbreviation for Know Your Customer

MC Receives A MoneyGram abbreviation for multi-currency receives.

MC Sends A MoneyGram abbreviation for multi-currency sends.

MGI A MoneyGram abbreviation for MoneyGram International, Inc.

MGO A MoneyGram abbreviation for MoneyGram Online.

Money Order A long established paper payment instrument that allows people to make consumer to consumer and consumer to business payments. They are widely accepted and considered to be 'as good as cash'.

Money Service Business A generic term used by U.S. regulators to describe any party who offers money transfers, money orders and prepaid products.

MoneyGram AccountNow Prepaid Visa® Debit Card A MoneyGram branded prepaid card that was launched in 2009 for the U.S. market only. AccountNow Inc. (a leading provider of global payment services) manages the card, which is a Visa debit product. The card BIN is sponsored by MetaBank.

MoneyGram Online (MGO) A service that gives anyone living in the U.S., United Kingdom, and Germany, who has Internet access, a simple and convenient way to transfer money to countries where MoneyGram operates. The online money transfer service is expected to continue to be rolled out in additional countries.

MoneyGram Online (MGO) Affiliate Any agent who is a member of the MoneyGram Online affiliate program who uses our co-branded landing page to offer online money transfer and bill payment services to their customers. Affiliate agents place a link on their website to MGO.

MoneyGram xpress™ An In-Lane service designed for high volume outlets such as grocery and convenience stores to offer a fast, low cost way to provide money transfers that are as easy to sell as a carton of milk. Each xpress package is a prefunded, single use money transfer available off the shelf, which makes this service an ideal choice for agents who want to avoid long lines.

MSB Abbreviation for Money Service Business

MT Abbreviation for money transfer

MTDF Money Transfer Data File: a daily or monthly non-formatted flat file sent by FTP or email to an agent. Typically used by an agent to integrate data into their financial systems or create customized reporting.

Multi Currency Receives A service that allows customers to receive money in a number of different supported currencies in one country (e.g. receive in USD, EURO and local currency).

Multi Currency Sends A service that allows customers to send money in a number of different supported currencies from one country (e.g. send in USD, EURO and local currency).

NCPD Process Abbreviation for New Channel/Partner Development Process

Net Payable Amount The difference between:

Active send currencies (e.g. USD or EURO) owed to us (the transfer amounts and customer fees relating to Transfer sends initiated by an agent)

and

Active receive currencies (e.g. USD or EURO) we owe to the agent (cash disbursed by an agent for transfer receives in the relevant currency and the commission due them for transfer sends, transfer receives and foreign exchange.)

Net Settlement The settlement method of a number of obligations between an agent and us on a 'net basis'. This means that a net position is established between MoneyGram and an agent (who owes what to whom) to establish the Net Payable Amount in accordance with the agreed settlement cycle.

OBTR Abbreviation for Option Based Transaction Routing.

OFAC Abbreviation for Office of Foreign Assets Control, a division of the U.S. Treasury.

Official Check A paper-based payment method used by financial institutions (FIs) to give to their customers who are withdrawing large sums or who want a 'good funds' payment where a wire transfer or other transaction would be impractical.

Option Based Transaction Routing Also known as Directed Cash. This service is not yet available but is on the Product roadmap for 2012/13 development. The OBTR service will allow senders to choose either the standard 'Collect Cash' service or a directed service where funds are available only at specific agents or locations for a reduced fee.

PID Abbreviation for Project Initiation Document

POE Abbreviation for Point of Entry

Point of Entry A term used to describe any MoneyGram software system that enables an agent to process MoneyGram transactions (e.g. the Delta Works™, PowerTransact™, Agent Works™ and AgentConnect™ systems). This may also be referred to as Point of Sale (POS).

Portal A web portal or links page is a web site that acts as an access point to online information. Portals present information from a range of sources in a unified way. They also offer search engine features, email, news, stock prices, databases and entertainment services. Portals provide a consistent look and feel with access control and procedures for multiple applications and databases. Examples of public web portals include AOL, iGoogle, MSN etc.

PowerTransact™ system A web-based Point of Entry (POE) system that offers agents full money transfer functionality plus Cash Management and agent level Transaction Aggregation capabilities. Transactions across all locations associated with one agent can be aggregated. The system also offers Real-time Reporting that tracks all transactions to improve overall business management plus highly configurable front and back office feature sets.

Prepaid card (PPC) Any payment card (usually MasterCard™, Maestro™, Visa Electron™ or Amex™), that is pre-loaded with a customer's own money, which can be used wherever the payment card is accepted, including online and abroad.

Prepaid card Loads A MoneyGram service that allows our U.S. agents to offer a card loading service for a range of supported prepaid card programs such as AccountNow™ and RushCard™.

PRF Proposal Request Form.

PrimeLink™ MoneyGram's official check outsourcing solution.

Pro forma A document submitted via the Savion workflow systems to obtain organizational agreement and sign-off for new agent agreements, plus amendments to existing agent agreements, which measures the financial impact of the proposed structures.

Revenue Per Transaction The amount of money (or rate) we make for every transaction made

Receipt Jacket A bi-folded, pocketed MoneyGram document holder that is required for POE integrated agents who print their own receipts.

Receive Currency The currency in which any money transfer is received. This is often the local currency, but can be one of a number of different currencies if the multi currency receives (MC Receives) service is offered by the receive agent.

Receiver Registration Number A unique number given to Registrants for quicker transaction processing and easier repeat transactions on MoneyGram POE systems. This number is also given to the sender once they have a registered a receiver's personal details and Receiving account details onto the system for Directed sends.

Reference Number A unique identifier issued with each transaction that is used by agents to track and retrieve money transfer transactions.

Refunds The refund process gives us a way to restore funds to a sender or send agent, or correct a transaction that has been sent. A refund is needed where there is an issue with a transaction and adds to transaction costs.

Revenue Report This provides a recap of all agent revenue for the month. Can be accessed online via the Business Portal

RRN A MoneyGram abbreviation for Receiver Registration Number

RPT A MoneyGram abbreviation for Revenue Per Transaction

Secure Sockets Layer Cryptographic protocols that provide communication security over the Internet.

Send Currency The currency in which any money transfer is sent. This is often the local currency, but can be one of a number of different currencies, if the multi currency sends (MC Sends) service is offered by the send agent.

Service Level Agreement A commitment to how quickly a task will be completed by an internal MoneyGram department

Settlement The process which fulfills the contractual obligations between MoneyGram and our agents for the funding, and commission paid, for the financial services provided by us.

Settlement Currency The currency utilized to administer settlements and commission payments to an agent or biller or receive settlements from the agent.

Settlement Detail Report Provides agents with information on the amount owed to or paid by MoneyGram per transaction, including adjustments. Can be accessed online via the Business Portal

Settlement Risk (Or Credit Risk) The risk that settlement will not take place between an agent and us as expected. [see also Net Settlement]

Settlement Summary report Provides agents with summary information on the amount owed to or paid to them by MoneyGram. Can be accessed online via the Business Portal

SKU Industry abbreviation for Stock-Keeping Unit

SLA Abbreviation for Service Level Agreement

Software Development Kit Also known as an SDK or a devkit is a set of software development tools used to create applications for software packages or frameworks, hardware platforms, computer systems, video game consoles or similar platforms.

SSL Abbreviation for Secure Sockets Layer

Stock-Keeping Unit A number or code used to identify each unique product or item for sale.

Sub-agent A business that contracts with a MoneyGram super agent to provide MoneyGram money transfer services. Sub-agents gain economic advantages by flowing all their transactions through one super agent.

Super Agent A larger MoneyGram agent who sub-contracts with third parties, who become sub-agents and offer MoneyGram services. Super agents are financially liable for the actions of sub-agents, but earn money for the transactions they originate.

SWIFT The Society for Worldwide Interbank Financial Telecommunications operates a worldwide financial messaging network that exchanges messages between banks and other financial institutions. Most international interbank messages use the SWIFT network.

Teller's Check A type of official Check that is always drawn by a bank and usually drawn on another bank. In some cases a Teller's Check is drawn on a nonbank but is made payable at or through a bank. Legally, both types of Teller's Checks are treated identically.

Testing in External A handy way for our agents to test any new service in a separate environment before launching it through their own system.

TExport™ A web-based data entry system used by financial institutions to report the serial number and dollar amount of issued items to MoneyGram.

Thin Client Also called Lean or Slim Client is a computer or a computer program that depends on its server to do its job. This is in contrast to the traditional Fat Client – a computer that takes on these roles by itself. Thin Clients are components of a broader computer infrastructure, where many computations are shared on the same server. Their infrastructures are the amortization of some computing service across several user-interfaces. The most common type of Thin Client is a low-end computer terminal that concentrates on providing a Graphical User Interface (GUI) to the end-user. The remaining functionality, in particular the Operating System (OS), is provided by the server. [see also Fat Client]

Third Party Distributor A company, typically a distributor of instant issue prepaid card products with which MoneyGram has an agreement to distribute the MoneyGram xpress™ In-Lane money transfer Service.

TPDP An industry abbreviation for Third Party Distributor Partner.

Transaction Management Service: Money Order A web-based application that allows agents to access money order services online. Agents code their system to MoneyGram business rules to allow the capture of MoneyGram data and transmission to our systems. This allows agents to integrate the MoneyGram service into their existing POE system.

Unbanked Consumers Anyone who does not have any type of bank account and bank debit/payment card.

Underbanked Consumers Anyone who does not have access to the full range of bank services such as a checking account or bank debit/payment card.

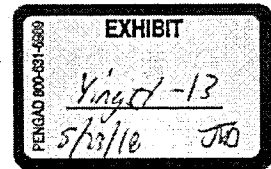
Universal Product Code A specific type of barcode widely used in North America, UK, Australia, and New Zealand for tracking trade items in stores. Its most common form, the UPC-A, consists of 12 numerical digits, which are uniquely assigned to each item.

UPC Industry abbreviation for Universal Product Code

Web Application Any application accessed over the Internet or an intranet network. Can also refer to a computer software application that is coded in a browser-supported language (such as JavaScript), combined with a browser-rendered markup language like HTML, and reliant on a common web browser to render the application executable.

Web apps are popular due to the ubiquity of web browsers and the convenience of using a web browser as a client (sometimes called a Thin Client). The ability to update and maintain web applications without distributing and installing software on multiple client computers is the key reason for their popularity, as is the inherent support for cross-platform compatibility. Common web applications include webmail, online retail sales, online auctions, wikis and many other functions.

Web Service Any communication method between two electronic devices over the web. Web services are frequently just Web Application Programming Interfaces (APIs) that can be accessed over a network and executed on a remote system hosting the service. Agent Connect is a Web Service.



PRIMELINK® OFFICIAL CHECKS

Operating Instructions



CONFIDENTIAL MG0002277

MG0002277

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These PrimeLink® Official Check Operating Instructions are a supplement to the official check program agreement between your financial institution and MoneyGram. Should there be any conflict between these Instructions and the official check program agreement, the official check program agreement shall control.

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Daily Functions

Issued Check/Item Reporting

Each business day, issuance information must be reported to MoneyGram for all checks/items issued the previous day. The information reported must include the date of issue, dollar amount, and serial number for each check/item. This information will be used by your institution as a daily control feature to facilitate the settlement process. It will also be used by MoneyGram to validate the cleared checks/items when they are presented for payment.

The process of gathering this issued check/item data will vary by customer. Depending on the areas that will be issuing checks/items and the platforms that are used, there may be multiple sources. It is critical that activities are controlled to ensure the accurate and timely reporting of issuance detail.

It is important that MoneyGram receives issued check/item information as soon as possible to deter possible fraud situations. MoneyGram provides multiple options for transmitting issued check/item data; electronic file transmission and online reporting using the TExport™ application.

Issued Check/Item Reporting Options

- **Electronic File Transmission**

MoneyGram has technical support staff that can help you establish the electronic connection. Your MoneyGram Client Support Manager will consult with your technical staff or other service provider to create an effective transmission process.

The data required in the transmission is very basic:

- | |
|--|
| <ul style="list-style-type: none">▪ Your account number▪ Serial number of the issued check▪ Face amount of the issued check▪ Date of issuance |
|--|

A record layout specification sheet will be provided to you. Some of our electronic file transmission customers are able to report refunded and voided checks/items via the file transmission. If your data processing system supports the use of transaction codes and you can map these transaction codes to our check/item type codes, it is possible to report voids to MoneyGram electronically.

- **TExport™ application**

MoneyGram has developed an easy-to-use online reporting application for customers that are unable to transmit issuance data electronically but still want the benefits Positive Pay can provide.

TExport is ideal for customers who have volumes of 50 or less checks/items per day. It also works well for stand-alone applications that are low-volume issuers, such as accounts payable applications. After you have entered the first number, the system automatically pre-fills the next sequential number in the next line. You just enter the dollar amounts. The application is also designed to handle voids and item refunds.

A report will be generated after you are finished entering checks/items, which can be used to support daily reconciliation and settlement.

See the TExport user manual for more details.

Daily Reconciliation

It is important to maintain proper audit controls over the reporting of your issuance detail and the remittance/settlement process. You must ensure that your issuance file totals, plus or minus adjusting entries, match your daily remittance/settlement amount.

There are three points of reconciliation performed by MoneyGram on a daily basis. The serial numbers that you are reporting are matched to the inventory assigned to your financial institution. The dollar total of your issued checks/items is matched to your remittance amount, and your checks/items that are presented for payment are matched to the issuance detail. We will identify and research any differences at a check/item level.

If a discrepancy is found on what you have reported or how you have funded, your MoneyGram Account Specialist will research it and contact you to resolve the difference. The monetary net difference is typically settled by adjusting the next remittance/settlement sent.

Please refer to the section on Daily Operating Procedures – Exception Processing for additional details on what action needs to be taken on discrepancies that are identified when a check/item is presented for payment.

Remittance/Settlement

The purpose of remittance/settlement is to remit funds to MoneyGram representing the dollar amount of all checks/items issued the previous day. To settle, a wire is sent to MoneyGram each day.

Deadlines

The standard deadline for Official Check wire remittance is 11:00 a.m., CT. To confirm your deadline, please refer to your Financial Institution Agreement for the specific time.

If you are a member of a group third-party settlement point, totals must be entered into the IVR by the designated time

Additional instructions on how to facilitate accurate settlement will be provided during the installation and set up process.

Wire Instructions

MoneyGram will provide you with confidential wire instructions specific to your account. Our system is able to recognize the initiation time of your wire. Please ensure adequate time is allowed for on-time arrival of your funds.

To Delete/Remove a Stop Payment

- *The financial institution must make the request.* Use PrimeLink Online at (<https://primelink.temqweb.com>) or call MoneyGram (800-323-6873).
- Provide the serial number of the check/item, the dollar amount, your institution number, the date of issue, and your name.
- A confirmation code will be provided for your records.
- If you have taken a refund for this check/item, return the funds to MoneyGram by increasing your next remittance by the amount of the check/item.
- Notify your MoneyGram Account Specialist of any stop payment deletions.

To Request a Refund

This process is suggested when all of the following occurs: You have the original check/item in your hand, it is not going to be used, it was reported to MoneyGram, and the funds are at MoneyGram.

Process to request a refund:

- Follow your own internal policies and procedures to protect your institution from fraud. Any action or non-action on the check/item is at your own risk.
- *The financial institution must make the request.* Use the PrimeLink Online system at (<https://primelink.temqweb.com>) or call MoneyGram (800-323-6873). The effective date of the refund should be the actual day you will lower your settlement to take the funds back.
- A confirmation code will be provided for your records.
- On the effective date, reduce your remittance/settlement by the amount of the refund.
- For effective balancing, whenever a Request for Refund is made, you must inform your MoneyGram Account Specialist.

Inventory

Standard check offerings include the following selections:

- **Background Colors**
 - Reflex Blue
 - Green (PMS 348)
 - Maroon (PMS 208)
- **Background Pattern (Pantograph)**
 - Parchment
- **Check Styles:**
 - Laser - 8 ½ x 11 with bottom check – blank stock (Self Print)
 - Laser - 8 ½ x 11 with bottom check – including imprinting and/or MICR
 - Left Snap
 - Continuous Forms

Some or all of the following features are standard on all check stock:

- Warning band
- Coin reactive artificial watermark on bank (MGI globe)
- Thermochromic (heat sensitive) ink stop sign on back
- Endorsement back with Microprint line
- Diagonal dimensional backer
- Toner Grip and Chemical protection to deter alteration
- Security features listed on backer
- Black ink imprinting if needed and 4 color base sheet with pantograph (includes 1- thermochromic, 2- face/pantograph, 3- backer endorsement and security printing, 4- watermark)

Custom Check Stock

We will work with your existing documents and the artwork you provide to create a proof of the check for your review and approval. We will also work with you to confirm order quantity and shipping instructions. Once you approve the proof of your new document (and, where necessary, we obtain required governmental approval), the checks will be shipped.

Reorders

Pre-Printed Check Stock – MICR documents

If your check stock is pre-printed with the MICR line, we can automatically replenish check stock. When your inventory level reaches a pre-established reorder point, our system signals a reorder. We will notify you that the reorder point has been reached, and to determine if the reorder will be identical to the last order, or if changes are necessary. Once approved and printed the checks will ship.

Blank Laser Stock

You will be responsible for placing reorders on your blank laser stock.

Self-Printers

"Self-printers" are financial institutions who elect to print checks utilizing blank check stock, printing MICR and other information on the checks. Self-printers must adhere to the following guidelines:

1. **Approval.** Financial institution may only print checks in a form that is pre-approved by MoneyGram and in a form that conforms at all times with applicable ANSI standards. MoneyGram will have no obligation to process any checks under the Agreement that are not in a form which MoneyGram has pre-approved. The financial institution will provide samples of a check form it proposes to use to MoneyGram for approval. Once a form of check has been approved by MoneyGram, the financial institution will not make any subsequent modifications to the approved form without submitting the modified form for pre-approval by MoneyGram in accordance with the terms of these Operating Instructions.
2. **Testing.** In order to obtain MoneyGram's approval of a form of check, the financial institution will submit to MoneyGram ten (10) original test printed checks from each printing site, each marked "non-negotiable", for testing prior to financial institution's issuance of checks using such form.

Original printed documents (cannot be scanned or faxed copies) should be sent to:

MoneyGram Setup and Support Department
6701 Parkway Circle
MBC-1035
Brooklyn Center, MN 55430

3. **Print Quality.** Financial institution is required to use MoneyGram's MICR specifications and applicable ANSI standards when printing checks to be processed under the Agreement. Financial institution agrees that all checks printed by the financial institution and presented to MoneyGram for processing under the Agreement will be of a print quality satisfactory to MoneyGram such that those checks can be machine read and processed. *Financial institution is required to use MICR toner.*
4. **Reject Checks.** MoneyGram reserves the right to impose an additional monthly fee and/or reject item fee per check for all non-machine readable checks printed by the financial institution and presented to MoneyGram for processing under the Agreement.

5. **Serial Numbers.** Financial institution will use those serial numbers assigned to it by MoneyGram when printing checks. The financial institution is specifically prohibited from using any serial numbers on Checks that were not assigned to the financial institution by MoneyGram. Should the financial institution require additional serial number set(s), financial institution must notify MoneyGram of such requirement and allow MoneyGram ten (10) business days to provide the financial institution with additional assigned serial number set(s).
6. **MoneyGram Required Changes.** MoneyGram may require that the financial institution modify its approved forms of Checks to reflect changes in clearing banks, routing and transit numbers, and similar processing matters. MoneyGram will provide the financial institution with reasonable advance notice of such modifications and the deadline by which such modifications must be made. The financial institution will make all such requested modifications at the financial institution's sole expense and on or before the assigned deadline for such modifications.
7. **Non-Compliance.** MoneyGram may require the financial institution to stop issuing self printed Checks immediately if any of the following occur: (a) financial institution prints Checks using serial numbers not assigned by MoneyGram; (b) Checks printed by financial institution and presented to MoneyGram for processing do not conform to MoneyGram's MICR specifications and/or applicable ANSI standards; or (c) Checks printed by financial institution and presented to MoneyGram for processing reject at a rate deemed excessive by MoneyGram in its sole discretion.

Unclaimed Property

The unclaimed property process for MoneyGram Official Check products will vary depending on the type of product. The responsibility for reporting and remitting unclaimed property is determined by who is the holder of the unclaimed MoneyGram Official Check product. The following pages detail the process for each product in the form of Q & A Fact Sheets for each product.

- Cashier's Check
- Teller's Checks
- Agent Check
- Agent Check Money Orders

Customer reports sent by MoneyGram will list the product type(s) being issued by the financial institution.

Note that the information provided herein was accurate as of December 2012. Please consult your own legal resources for current information.

Cashier's Checks (Product 014) Questions and Answers

When does a Cashier's Check become unclaimed property subject to unclaimed property laws?

An uncashed Cashier's Check becomes unclaimed property subject to unclaimed property laws when the following occurs:

- The holder (the financial institution issuing the Cashier's Check) has had no communication with the owner and/or payee of the Cashier's Check.
- The Cashier's Check remains uncashed for the applicable time set forth in the unclaimed property laws of the state having the primary claim to the property.

Who has the responsibility for reporting an unclaimed Cashier's Check?

The financial institution issuing the Cashier's Check is responsible for reporting an unclaimed Cashier's Check because it is the holder of the unclaimed Cashier's Check. Given the nature of a Cashier's Check, MoneyGram is not a holder of the check/item.

What determines the state to which unclaimed Cashier's Checks must be reported?

The financial institution reporting an unclaimed Cashier's Check must make this determination.

When must unclaimed Cashier's Checks be reported?

The financial institution reporting unclaimed Cashier's Checks must make this determination based on the applicable state unclaimed property law.

What type of information does MoneyGram provide regarding unclaimed Cashier's Checks?

If requested, MoneyGram will provide a report of all unclaimed Cashier's Checks.

Teller's Checks (Product 016) Questions and Answers**When does a Teller's Check become unclaimed property subject to unclaimed property laws?**

An uncashed Teller's Check becomes unclaimed property subject to unclaimed property laws when the following occurs:

- The holder (MoneyGram or the financial institution issuing the Teller's Check) has had no communication with the owner and/or payee of the Teller's Check.
- The Teller's Check remains uncashed for the applicable time set forth in the unclaimed property laws of the state having the primary claim to the property.

Who has the responsibility for reporting an unclaimed Teller's Check?

MoneyGram contractually assumes the responsibility for reporting unclaimed Teller's Checks. MoneyGram and the financial institution issuing a Teller's Check share the responsibility; however, only one needs to make the report.

What determines the state to which unclaimed Teller's Checks must be reported?

MoneyGram contractually assumes the responsibility for reporting unclaimed Teller's Checks. MoneyGram must report the unclaimed Teller's Checks to Delaware because MoneyGram has a Delaware domicile.

When must unclaimed Teller's Checks be reported?

Under Delaware's unclaimed property law, MoneyGram must report Teller's Checks that have been unclaimed for five years, with a reporting date of December 31.

What type of information does MoneyGram provide regarding outstanding Teller's Checks?

If requested, MoneyGram will provide a report of all Teller's Checks to be remitted at the next unclaimed property report deadline.

When checking the status of a Teller's Check, what will indicate that the Teller's Check has been reported and remitted as unclaimed property?

The Teller's Check status will change to reflect the completion of the unclaimed property process. Its status will be listed as "Completed Unclaimed Property."

If a Teller's Check has been reported and remitted as unclaimed property, what will happen if the Teller's Check is presented for payment?

The original Teller's Check, indemnified photocopy or image replacement document will be honored and payment will be made.

Agent Checks (Product 015) Questions and Answers

When does an Agent Check become unclaimed property subject to unclaimed property laws?

An uncashed Agent Check becomes unclaimed property subject to unclaimed property laws when the following occurs:

- The holder (MoneyGram) has had no communication with the owner and/or payee of the Agent Check.
- The Agent Check remains uncashed for the applicable time set forth in the unclaimed property laws of the state having the primary claim to the property.

Who has the responsibility for reporting an unclaimed Agent Check?

MoneyGram is responsible for reporting an unclaimed Agent Check, because it is the holder of any unclaimed Agent Check.

What determines the state to which an unclaimed Agent Check must be reported?

MoneyGram has a Delaware domicile and, as such, must report unclaimed Agent Checks to Delaware.

When must unclaimed Agent Checks be reported?

Under Delaware's unclaimed property law, MoneyGram must report Agent Checks that have been unclaimed for five years, with a reporting date of December 31.

What type of information does MoneyGram provide regarding outstanding Agent Checks?

If requested, MoneyGram will provide a report of all Agent Checks to be remitted at the next unclaimed property report deadline.

When checking the status of an Agent Check, what will indicate that the Agent Check has been reported and remitted as unclaimed property?

The Agent Check's status will change to reflect the completion of the unclaimed property process. Its status will be listed as "Completed Unclaimed Property."

If an Agent Check has been reported and remitted as unclaimed property, what will happen if the Agent Check is presented for payment?

The original Agent Check, indemnified photocopy or image replacement document will be honored and payment will be made.

Agent Check Money Orders (Product 017) Questions and Answers**When does an Agent Check Money Order become unclaimed property subject to unclaimed property laws?**

An uncashed Agent Check Money Order becomes unclaimed property subject to unclaimed property laws when the following occurs:

- The holder (MoneyGram) has had no communication with the owner and/or payee of the Money Order.
- The Money Order remains uncashed for the applicable time set forth in the unclaimed property laws of the state having the primary claim to the property.

Who has the responsibility for reporting an unclaimed Agent Check Money Order?

MoneyGram is responsible for reporting an unclaimed Agent Check Money Order, because it is the holder of an unclaimed Money Order.

What determines the state to which unclaimed Agent Check Money Orders must be reported?

MoneyGram reports any unclaimed Agent Check Money Orders to the state in which the Money Order was originally purchased.

When must unclaimed Agent Check Money Orders be reported?

The state that MoneyGram reports unclaimed Agent Check Money Orders is based on where it was originally purchased. That state's unclaimed property laws determine when the unclaimed Agent Check Money Orders are reported. The period of time varies by state and ranges from three to seven years.

What type of information does MoneyGram provide regarding outstanding Agent Check Money Orders?

If requested, MoneyGram will provide a report of all Agent Check Money Orders to be remitted at the next unclaimed property report deadline.

When checking the status of an Agent Check Money Order, what will indicate that the Agent Check Money Order has been reported and remitted as unclaimed property?

The Agent Check Money Order's status will change to reflect the completion of the unclaimed property process. Its status will be listed as "Completed Unclaimed Property."

If an Agent Check Money Order has been reported and remitted as unclaimed property, what will happen if the Agent Check Money Order is presented for payment?

The original Agent Check Money Order, indemnified photocopy or image replacement document will be honored and payment will be made.

Product Types

MoneyGram Official Check Products

Product	Report & Remit Responsibility	State with Primary Claim	Years of Abandonment
Cashier's Checks	Financial Institution	Financial Institution must make this determination.	Varies by State
Teller's Checks	MoneyGram (Contractually)	Delaware	5 Years
Agent Checks	MoneyGram	Delaware	5 Years
Agent Check Money Orders	MoneyGram	The state in which the money order was originally issued.	Varies by State

Cashier's Checks

Courts have traditionally defined a "cashier's check" as a check drawn by a financial institution on itself.

Revised Article 3 of the Uniform Commercial Code ("UCC")¹ specifies the rights and obligations of drawers, drawees, and holders of checks. UCC section 3-104(g) defines a cashier's check as follows:

"Cashier's check" means a draft with respect to which the drawer and drawee are the same financial institution or branches of the same financial institution.

¹ All references to UCC Article 3 in this Fact Sheet are to Article 3 as revised in 1990 and 2002. Some states, including New York, have not adopted revised Article 3.

Federal Reserve Board Regulation CC (12 Code of Federal Regulations Part 229) limits the time that a financial institution may hold funds deposited by check before making the funds available to the depositor. A cashier's check is a "next-day" item under Regulation CC if the depositor is the payee and deposits the check in his or her account in person to a live teller using a proper deposit slip (a depository financial institution is permitted to require the use of a special deposit slip or envelope as a condition of making funds available on a next-day basis). A cashier's check is defined as follows in 12 CFR 229.2(i):

"Cashier's check" means a check that is –

- (1) Drawn on a financial institution;
- (2) Signed by an officer or employee of the financial institution on behalf of the financial institution as drawer;
- (3) A direct obligation of the financial institution; and
- (4) Provided to a customer of the financial institution or acquired from the financial institution for remittance purposes.

Cashier's checks sold or issued by financial institutions on the MoneyGram Official Check Program qualify as cashier's checks under all definitions.

Teller's Checks

UCC section 3-104(h) defines a teller's check as follows:

"Teller's check" means a draft drawn by a financial institution (i) on another financial institution, or (ii) payable at or through a financial institution.

The Official Comment to UCC section 3-104 says:

A teller's check is always drawn by a financial institution and is usually drawn on another financial institution. In some cases a teller's check is drawn on a nonfinancial institution but is made payable at or through a financial institution. Article 3 [of the UCC] treats both types of teller's checks identically. . . .

Under Federal Reserve Board Regulation CC (12 Code of Federal Regulations Part 229), a teller's check is "a check provided to a customer of a financial institution or acquired from a financial institution for remittance purposes, that is drawn by the

financial institution, and drawn on another financial institution or payable through or at a financial institution." (12 CFR 229.2(gg)).

Generally, the drawer of a check may stop payment by notifying the drawee.

However, if a financial institution draws a teller's check and sells it to a remitter, the financial institution is obligated to pay the check. If the drawer financial institution stops payment or wrongfully refuses to pay the check, it may be liable for damages to the person who is asserting the right to payment. (UCC section 3-411).

This means that a teller's check sold by the financial institution to a remitter is similar to a cashier's check. A teller's check should be as acceptable to a payee as a cashier's check.

Under some circumstances, a teller's check is a "next day" item under Federal Reserve Board Regulation CC. Like a cashier's check, a teller's check is a next-day item if the depositor is the payee and deposits the check in his or her account in person to a live teller using a proper deposit slip (a depository financial institution is permitted to require the use of a special deposit slip or envelope as a condition of making funds available on a next-day basis). (12 CFR 229.10(c)(v)).

Agent Checks and Regulation D

MoneyGram created Agent Checks at our financial institution customers' request to help our customers minimize their Federal Reserve Board Regulation D reserves.

Regulation D is found at 12 Code of Federal Regulations Part 204. 12 CFR 204(a)(1) defines "deposits" to which the reserve requirements apply. These include:

An outstanding teller's check, or an outstanding draft, certified check, cashier's check, money order, or officer's check drawn on the depository institution, issued in the usual course of business for any purpose, including payment for services, dividends, or purchases. (12 CFR 204(a)(1)(iii)).

The Agent Check is drawn by MoneyGram on its account at another financial institution, so the Agent Check does not fall within this definition.

MoneyGram's financial institution customer is not liable on the Agent Check. The financial institution's only obligation is on the contract with MoneyGram. This means that after the financial institution has remitted to MoneyGram as provided in the contract, the financial institution has no further obligation and nothing to reserve.

"Deposit" is defined also to include:

Money received or held by a depository institution, or the credit given for money or its equivalent received or held by the depository institution in the usual course of business for a special or specific purpose, regardless of the legal relationships established thereby, including escrow funds, funds held as security for securities loaned by the depository institution, funds deposited as advance payment on subscriptions to United States securities, and funds held to meet its acceptances. (12 CFR 204.2(a)(1)(ii)).

While some financial institutions have interpreted this paragraph to mean that reservable "deposits" include funds held by the financial institution between the day it issues an Agent Check and the day it remits to MoneyGram, 12 CFR 204.2(a)(2) provides that:

"Deposit" does not include: (i) Trust funds received or held by the depository institution that it keeps properly segregated as trust funds and apart from its general assets or which it deposits in another institution to the credit of itself as trustee or other fiduciary. If trust funds are deposited with the commercial department of the depository institution or otherwise mingled with its general assets, a deposit liability of the institution is created.

The Financial Institution Agreement for Official Checks between MoneyGram and its financial institution customer requires that the financial institution hold funds in trust until remitted to MoneyGram. See section 7(a) of the Agreement.

Each financial institution must consult its own advisors to determine whether this procedure meets the financial institution's Regulation D requirements.

Agent Check Money Orders

See "Agent Checks and Regulation D" section above.

Terms and Definitions

Account refers to the level at which MoneyGram maintains information about customer issuance, inventory, balances and settlement activities. Accounts are attached to customers and are the accounting categories by which MoneyGram maintains check/item and monetary information about its customers.

Account number is sometimes found on the check/item, but it is always attached to each check/item within the computer system. It is the foundation for all of MoneyGram's processing, reporting, and controls. The number is a combination of the customer number, product number, and disbursement type.

ACH refers to automated clearinghouse, a mechanism for transmitting and processing electronic payments.

Adjustment is a process by which either debit or credit advice must be issued to fully reconcile and balance an account.

Balance is a customer's Official Check balance, and is the sum of the previous business day's closing balance, plus today's settlement, minus today's clearings, plus any monetary adjustments entered today. It is the net total funds on hand, on behalf of a customer.

Business day refers to a day in which MoneyGram is open for business.

Check stock refers to the disbursement documents a financial institution is using.

Clearing or Cleared Check/Item is a check/item that has passed through the banking system, has been run through the MoneyGram internal processing system and has been posted to a customer's account.

Clearings are checks/items that are received through banking channels for payment.

Collection checks/items refers to checks/items returned on a collection basis on behalf of the financial institution by MoneyGram.

Credit copy is a ply of a check/item used by a financial institution to post credit to a general ledger account. This is often used to create the transmission file to MoneyGram.

Customer number is the financial institutions eight-digit number assigned when a customer record is originally established.

Debit/Credit adjustment is a notification used by MoneyGram to communicate a dollar amount variance.

Destroyed checks/items are serial numbers or ranges in MoneyGram's inventory system which have been deleted from customer assignment. This usually reflects check stock that has been destroyed.

Disbursement type (sometimes known as "application") indicates the purpose for which a financial institution issued a check/item. Examples of disbursement types include: dividend checks, loan checks, escrow checks, expense checks, interest checks.

Escheat is to turn over abandoned funds from a financial institution to a state government. When the state takes control of funds, it is referred to as unclaimed property.

Face amount refers to the imprinted dollar amount on the check/item.

Inquiry is a request from the institution giving us special instructions for a check/item for after it clears. **Instrument** refers to an Official Check or other disbursement vehicle used by financial institutions.

Internal accounts represent either internal transaction or general ledger accounts within a financial institution.

Inventory refers to non-issued checks/items that may or may not be stored on financial institution premises.

Issuance is the process of creating financial institution disbursements. This includes preparing the check/item and routing internal financial institution forms, or electronically capturing this information.

Issuance reporting is reporting issued checks/items to MoneyGram.

Issued check/item or reported check/item is a check/item that has been reported as issued by the financial institution. This reporting is accomplished by electronically transmitting the serial number and dollar amount of the issued check/item to MoneyGram.

IVR refers to Interactive Voice Response. (The phrases IVR and ARU are sometimes used interchangeably.) Both generally refer to the computerized, telephonic voice response system that financial institutions can use to answer questions and place stops and voids on check/items.

MICR refers to Magnetic Ink Character Recognition. Magnetized ink is printed in a special font on the bottom of a check/item.

PrimeLink® Official Check is the name of the MoneyGram product line that includes Cashier's Checks, Teller's Checks, Agent Checks and Agent Check Money Orders.

Outstanding refers to a check/item which has been reported as issued but has not yet cleared or been presented for payment.

Paid refers to a check/item that has been presented for payment and not returned.

Paid unadvised refers to a situation where a check/item is presented for payment and MoneyGram has not received issuance information for the check/item.

Photocopy refers to a copy of the front and back side of a cleared check/item.

Ply refers to a part of a multi-ply check/item.

Presented checks/items are those presented for payment at a MoneyGram designated clearing point to be paid on behalf of the customer.

Presentment describes the process or time a specific check/item is presented to MoneyGram for payment.

Remittance is another term used for settlement. Refer to settlement.

Reported (issued check/items) transmission is an electronic file sent from a financial institution or their data processor to MoneyGram. The check/items in the file contain the serial number, dollar amount, and account number of all items issued the previous business day.

Settlement (Sometimes referred to as remittance) describes the process whereby the financial institution sends MoneyGram the funds necessary to cover issued check/items.

Settlement account is the account which is used for settlement for a financial institution. For instance, a financial institution with four branches may send MoneyGram only one wire payment per day, and have that wire include payment for sales at all four branches. In this case, the branch or location that sends the payment is referred to as the "settlement account" for itself the other three branches.

Stop pay is a request by a financial institution to decline the acceptance of a check/item presented for payment.

Refund refers to the dollar amount due a financial institution for an outstanding check/item.

Stop payment orders are given by the financial institution to place a stop payment on a check/item when it is presented, and return it via banking channels.

Stop/watch inquiry is an order given by the financial institution to notify the financial institution when the check/item has been presented. Financial institutions will then

provide additional instructions to MoneyGram upon notification.

TExport™ refers to the Internet-based reporting method used by some official check customers to record the issued check/items (sales) and transmit the information to MoneyGram.

Unclaimed property is property that has not been claimed by the payee/holder within the appropriate time frame as defined by the property description and location of the holder. (See also: Escheat)

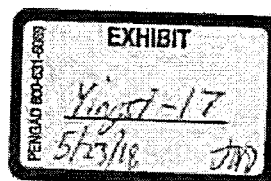
Void refers to a check/item which will never clear.

AMENDED AND RESTATED CLEARING AGREEMENT/ADDENDUM TO MELLON GLOBAL CASH MANAGEMENT TERMS AND CONDITIONS

1. **Parties.** This Amended and Restated Clearing Agreement/Addendum to Mellon Global Cash Management Terms and Conditions (this "Agreement") dated as of March 12, 2009 ("Effective Date") is between MoneyGram Payment Systems, Inc. (formerly Travelers Express Company, Inc.), a Minnesota corporation (**"MPSI"**) and The Bank of New York Mellon (formerly Boston Safe Deposit and Trust Company) (**"Bank"**). This Agreement supersedes and replaces that certain Clearing Agreement/Addendum to Mellon Global Cash Management Terms and Conditions between the parties dated August 13, 2001.
2. **Purpose of this Agreement.**
 - 2.1 **MPSI's Business.** MPSI is engaged in the business of processing Money Orders, bank Official Checks, Share Drafts, Gift Certificates, and other drafts drawn on or by financial institutions or corporations (collectively referred to in this Agreement as **"MPSI Items"** whether or not MPSI is the drawer). Processing is the same for all MPSI Items.
 - 2.2 **Bank's Services.** MPSI has requested, and Bank has agreed to provide, services as follows: (1) Agent Checks and Teller's Checks will be drawn on Bank, and (2) other MPSI Items will be cleared and settled through Bank, as more specifically provided below.
3. **Definitions.**
 - **Agent Checks:** Checks drawn by MPSI on Bank.
 - **Business Day:** A day when the Federal Reserve Bank of Boston is open for business.
 - **Cashier's Checks:** Checks drawn by a financial institution (MPSI's customer) on itself, and as defined under Article 3 of the Uniform Commercial Code.
 - **Concentration Account:** An account into which MPSI will wire funds as provided in *Exhibit G, "Accounts"*.
 - **CT:** Prevailing Central Time.
 - **ET:** Prevailing Eastern Time.
 - **Gift Certificates:** Drafts drawn by MPSI on itself payable through Bank.
 - **Internal Account:** An account to be owned by Bank.
 - **Money Orders:** Drafts drawn by MPSI on itself payable through Bank.
 - **Official Checks:** Agent Checks, Teller's Checks and Cashier's Checks.
 - **Remittance Accounts:** Accounts into which MPSI's customer's will wire funds as provided in *Exhibit F, "Accounts"*.
 - **Settlement Accounts:** Accounts that will be debited to pay the daily cash letter for MPSI Items as provided in *Exhibit F, "Accounts"*.

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- **Share Drafts:** Drafts drawn by credit union members on their share accounts.
 - **MPSI Items:** As defined in Section 2.1 hereof.
 - **Tellers Checks:** Checks drawn jointly by MPSI and a financial institution (a MPSI customer) on Bank, and as defined under Article 3 of the Uniform Commercial Code.
 - **Terms and Conditions:** That certain Mellon Global Cash Management Services Terms and Conditions between MPSI and Bank accepted as of August 13, 2001.
 - **Uniform Commercial Code:** The Uniform Commercial Code as enacted in the Commonwealth of Massachusetts.
4. **Services.** Bank will maintain a city routing and transit number ("R&T") for MPSI's exclusive use and a Regional Check Processing Center ("RCPC") R&T for MPSI's use. Bank will utilize its routing and transit numbers to clear MPSI items, including:
- MPSI items cleared and presented through the Federal Reserve Bank of Philadelphia (hereinafter called the "Federal Reserve Bank") and contained in the Federal Reserve Bank cash letters received by Bank.
 - MPSI items delivered to Bank as the presentment point pursuant to any direct presentment arrangement entered into by Bank under Section 229.36(f) of Regulation CC.
 - MPSI items presented by local clearing houses.
 - MPSI items presented over-the-counter to Bank.
5. **Settlement Accounts; Bank's Internal Account.** MPSI agrees to establish and maintain with Bank Settlement Accounts to which aggregate check debit amounts will be posted, including special purpose entity Settlement Accounts. Bank will establish a single Internal Account owned by Bank to which one net settlement of all presented MPSI Items will occur daily. MPSI shall have the right to debit the Settlement Accounts and credit the Internal Account by using the BNYMellon iTelecash electronic transaction and reporting system ("iTelecash").
6. **Incoming Wire Data Transmissions.** Bank will send to MPSI an electronic transmission capturing remittance information with respect to the presented MPSI Items using Bank's file format at the following times each Business Day:

Remittances Captured
File Due

up to 12:30 pm ET/11:30 AM CT

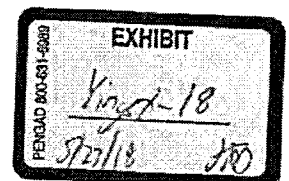
1:00 PM ET/12:00 PM CT

12:30 PM ET to 4:30 PM ET/11:30 AM CT to 3:30 PM CT

5:00 PM ET/4:00 PM CT

MoneyGram Payment Systems, Inc.
Huntington National Bank
RESTATED AND AMENDED CLEARING AGREEMENT

1. **Parties.** This Restated and Amended Clearing Agreement is between MoneyGram Payment Systems, Inc. ("MPSI") and The Huntington National Bank ("Bank").
2. **Purpose of this Agreement.**
 - 2.1 **MPSI's Business.** MPSI is engaged in the business of processing money orders, bank official checks, share drafts, gift certificates, and other drafts drawn on or by financial institutions or corporations (collectively referred to in this Agreement as "MPSI Items" whether or not MPSI is the drawer).
 - 2.2 **Bank's Services.** MPSI has requested, and Bank has agreed to provide, services as follows: (1) Agent Checks and Teller's Checks will be drawn on Bank, and (2) other MPSI Items will be cleared and settled through Bank, as more specifically provided below.
3. **Definitions:**
 - **Agent Checks:** Checks drawn by MPSI on Bank. MPSI is both the "Drawer" and "Issuer" as defined respectively in Section 3-103(3) and Section 3-105 of the 1994 Official Text of the Uniform Commercial Code ("UCC"). Bank is the "Drawee" as defined in UCC Section 3-103(2).
 - **Business Day:** A day when MPSI is open for business. MPSI follows the calendar of the Minneapolis Federal Reserve Bank.
 - **Cashier's Checks:** Checks drawn by a financial institution which is MPSI's customer on itself. The financial institution is both the "Drawer" and the "Drawee" as defined respectively in UCC Section 3-103(3) and Section 3-103(2).
 - **Checks:** Cashier's Checks, Agent Checks and Tellers Checks are all "checks" as defined in UCC Section 3-104 and Section 229.2(k) of Regulation CC of the Board of Governors of the Federal Reserve System, 12 CFR 229 (Regulation CC).
 - **Gift Certificates:** Drafts drawn by MPSI on itself payable through Bank.
 - **Money Orders:** Drafts drawn by MPSI on itself payable through Bank.
 - **Share Drafts:** Drafts drawn by credit union members on their share accounts.
 - **Tellers Checks:** Checks drawn jointly by MPSI and a financial institution (a MPSI customer) on Bank. MPSI is designated the "Issuer", and the customer financial institution is designated the "Drawer" on the face of the check. "Drawer" and "Issuer" mean the same thing as defined in UCC Section 3-105. Bank is the "Drawee".
4. **Services.** Bank will utilize its city routing and transit number, 044015543, to clear MPSI items, including:
 - MPSI items cleared and presented through the Federal Reserve Bank of Cleveland (hereinafter called the "Fed" and contained in the Bank's Fed cash letters.
 - MPSI Items delivered to Bank as the presentment point pursuant to any direct presentment arrangement entered into Bank under Section 229.36(f) of Regulation CC.
 - MPSI Items presented by local clearing houses.
 - MPSI Items presented over-the-counter to Bank.



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5. **Settlement Account.** MPSI agrees to establish and maintain with Bank a Settlement Account to which charges and credits for the payment of all MPSI Items described in paragraph 4 (Agent Checks, Tellers Checks, and Cashier's Checks) will be made and to which charges and credit for cash letter adjustments will be made. Agent Checks and Tellers Checks will be drawn on the Settlement Account.
6. **Presentment Notices.** Bank will, each Business Day, notify MPSI of the total dollars clearing the Settlement Account as provided in *Exhibit A, "Presentment Notices"*.
7. **Transfer of Funds.** Each day that there are MPSI Items clearing, MPSI will wire transfer funds equal to the aggregate of such MPSI Items plus or minus adjustments included in the presentment notice into the Settlement Account. The wire will be sent by 4:00 PM Central Time. Bank will charge the Settlement Account for the amount of such incoming MPSI Items and will charge or credit the Settlement Account for adjustments posted that day.
8. **Clearing Detail Transmission.** Bank will provide by data transmission each Business Day's Settlement Account clearing detail as provided in *Exhibit B, "Sorting Criteria"*, to MPSI by 3:00 PM Central Time. The transmission will include all Items. The transmission will equal that day's total settlement charges excluding adjustments. The clearing detail transmission record format will be as defined and tested by the Parties prior to the performance of this Agreement.
9. **Delivery of MPSI Items.** MPSI will pay the cost of having incoming MPSI Items transported by overnight delivery to MPSI at

6601 Shingle Creek Parkway
Suite 1400
Brooklyn Center, MN 55430

for processing. MPSI Items will be made available to MPSI's courier in a timely manner so as to ensure that such MPSI Items will be delivered no later than 10:30 AM Central Time the following business day.

If Bank provides images of MPSI Items ("MPSI Items" include images of the front and back of checks or drafts) in lieu of delivering originals to MPSI, via a CD, Internet, or Image Transmission (i.e., Company receives MPSI Items via a secure FTP line), Company must inspect the MPSI Items within 30 calendar days after receipt. If Company determines the MPSI Items on the CD, Internet, or Image Transmissions are distorted, illegible or the like, then Company within such thirty day period must notify Bank via telephone during Business Days. If, in connection with Company's notification, Bank determines that MPSI Items are distorted, illegible, or the like, then Bank will send (i) a copy of the MPSI Items in question via facsimile or (ii) the original check or draft in question via U.S. mail, without charge. If Company requests a copy of an MPSI Item for reasons other than poor image quality, the Bank will send (i) a copy of the MPSI Item in question via facsimile or (ii) the original check or draft in question via U.S. mail, with charge. After the thirty-day period, Bank will destroy MPSI Items and original checks or drafts used to create MPSI Items on the Internet, Image Transmission or Company's CD, and as such Bank will not be able to reproduce the MPSI Items or original checks or drafts after the thirty-day period. Bank will not be responsible or liable for any loss or damage suffered by Company due to Bank's or Company's inability to provide MPSI Items or the original checks or drafts after the thirty-day period has expired.

10. Over-the-Counter MPSI Items.

- 10.1 Any MPSI Items received by Bank over-the-counter, directly by mail, or otherwise not in the manner described in Section 4 shall be handled by Bank and MPSI in the manner described in sub-paragraphs 10.2 and 10.3 below.

- 10.2 MPSI Item presentments will be honored by Bank on the day they are presented if the presentment meets Bank's normal deadline of 12:00 Noon Eastern Standard Time. MPSI Items presented after the deadline will be deposited with the Fed and will be included in the following day's activity.
- 10.3 MPSI provides in its agreements with its financial institution customers that they may place stop payment requests, and MPSI agrees to honor those requests. MPSI also stops and refuses payment of MPSI Items when it has a legal defense to payment. MPSI provides a procedure for Bank to telephone MPSI and inquire whether a stop has been placed as to a particular MPSI Item before Bank cashes the MPSI Item. In the event that an attempt is made to cash a MPSI item over-the-counter, Bank may telephone MPSI's Operations Department at 800-323-6873 or (612) 569-2930 and inquire whether a stop has been placed as to the MPSI Item. MPSI authorizes Bank to refuse to cash any MPSI Item as to which a stop has been placed. The Parties agree to follow the authorization code procedure that MPSI prescribes for its protection with respect to the foregoing. In the event Bank does not telephone MPSI, or in the event Bank cashes a MPSI Item after notice that a stop has been placed as to such MPSI item, Bank cashed the MPSI item at its own risk.
11. **Responsibility for Adjustment.** The Parties agree to handle adjustments as provided in *Exhibit C, "Adjustments"*.
12. **Responsibility for Examination of MPSI Items.** Between the Parties to this Agreement, MPSI and not Bank, has the sole responsibility to examine MPSI Items presented for payment under this Agreement and to decide and settle all questions and matters relating to examination of such MPSI Items including, without limitation, dishonor and returns, stop payments, absence or genuineness of signatures, validity of amounts, alterations, endorsements, forgeries and the like.
13. **Responsibility for Returned MPSI Items.** MPSI will return MPSI Items to be returned by it hereunder, in a timely manner through another bank. In an emergency, MPSI may request Bank to temporarily handle such returns through Bank, and Bank agrees to make reasonable efforts to do so.
14. **Service Standards; Costs.** Except as otherwise required by this Agreement, Bank agrees to meet reasonable commercial banking standards in performing the services rendered in this Agreement. In addition, Bank agrees to meet reasonable service requirements submitted to Bank by MPSI in writing and as mutually agreed upon from time-to-time as outlined in an Exhibit to this Agreement. Both Parties warrant that in performing this Agreement, that they will accurately process date/time data from, into and between the twentieth and twenty-first centuries, the years 1999 and 2000, and leap year calculations. Bank agrees to pay any costs incurred by MPSI due to any failure by Bank to perform its obligations under this Agreement, including but not limited to any failure or delay in reporting or processing under Section 6 or transmitting under Section 8 or transportation of MPSI Items under Section 9.
15. **Sufficiency of Funds in Settlement Account.**
- 15.1 Each business day that Bank, in accordance with this Agreement, pays for MPSI Items presented for payment hereunder, MPSI shall have sufficient collected funds on deposit in the Settlement Account to cover the amount of all such MPSI Items presented and not returned that business day. If Bank determines that such collected funds are insufficient to cover MPSI Items presented by for payment, it shall immediately give MPSI notice by telephone as set forth in *Exhibit D, "Notices"*.
- 15.2 If, at or after 4:00 PM Central Time that business day, Bank determines that such collected funds are still insufficient to cover MPSI Items for payment that business day, the Items will be paid and the Settlement Account will be determined to be in an

overdraft status. MPSI will be subject to the Bank's normal overdraft fees as outlines in *Exhibit E*.

- 15.3 MPSI may cure any such insufficiency and thus avoid the return of any MPSI Items by depositing sufficient collected funds to the Settlement Account at Bank on the next business day by 12:00 Noon Central Time. In addition, MPSI will pay the Bank interest on the amount of the insufficiency calculated at the Prime Rate effective on that date as reported in the *Wall Street Journal*. If MPSI does not cure said insufficiency as thus provided, Bank will cause MPSI Items not then covered by the deposit of collected funds in the Settlement Account to be returned to the Fed in time to meet the Fed's deadline that business day for the return of such MPSI Items. Such returned MPSI Items shall be deemed dishonored and shall be returned as required by applicable law.

16. Indemnification.

- 16.1 MPSI hereby agrees at all times to indemnify, defend at its expense, and hold harmless Bank from and against any and all claims by third persons, for losses, liabilities, damages, actions, charges and expenses (including reasonable attorney's fees, fines and costs of defense) incurred by Bank by reason of the delivery and handling of MPSI Items by MPSI pursuant to this Agreement, or resulting to Bank from any failure by MPSI to comply with any applicable provisions of the UCC and Regulation CC imposing upon Bank certain duties and obligations as a Drawee bank and Paying bank with respect to the clearing and settlement of MPSI Items hereunder, except to the extent that losses are sustained or expenses incurred as the result of a breach of this Agreement, gross negligence or intentional wrongdoing by Bank or its employee or agent (whether or not within the scope of employment or agency).
- 16.2 MPSI will indemnify Bank and hold it harmless from any liability or expense that Bank may incur as the result of following the instruction of MPSI pursuant to Section 10.3 above, except where primarily caused by the Bank's gross negligence, intentional wrongdoing, or breach of this Agreement.
- 16.3 The provisions of this Section 16 shall survive termination or expiration of this Agreement.

17. Fees. The Parties agree to pay fees as provided in *Exhibit E, "Fee Schedule"*.

18. **Maintenance of Financial Condition.** Bank and MPSI each agree to maintain themselves in sound financial condition. For Bank, "sound financial condition" means among other things, that Bank will maintain, during the term of this Agreement, minimum regulatory capital in amounts not less than that required by applicable regulations to qualify it as "adequately capitalized" under Section 33 of the Federal Deposit Insurance Act. For both Bank and MPSI, "sound financial condition" means, among other things, that such Party is able to pay its debts in the ordinary course of business. MPSI will provide Bank with audited annual financial statements and unaudited financial statements twenty days after the end of each financial reporting period.

19. **Application of Laws.** Each party agrees to comply with all federal and state laws of their respective state applicable to their respective business. This Agreement is made under the laws of Ohio and it will be interpreted according to Ohio law. The Parties agree and consent to jurisdiction and venue in the United States District Court for the District of Ohio or in any Ohio state court of competent jurisdiction for any lawsuit brought in connection with this Agreement.

20. **No Waivers; Cumulative Rights; Amendments.** No delay on the part of either party to Agreement in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege hereunder preclude other or

further exercise hereof or the exercise of any other right, power or privilege. The rights and remedies specified herein are cumulative and are not exclusive of any rights or remedies which either Party of this Agreement would otherwise have. No amendment, modification or waiver of, or consent with respect to, any provisions hereof shall in any event be effective against a Party to this Agreement unless in writing and signed by such Party.

21. **Variation of UCC.** The Parties intend that the terms and conditions of this Agreement constitute, as specifically provided herein, a variation by agreement of the provisions of UCC Article 4, to the extent and within the limitations prescribed in UCC Section 4-103.
22. **Force Majeure.** Failure by either Party to perform this Agreement is not a breach of this Agreement if such failure to perform is caused by natural disaster, act of God, war, strike, civil insurrection, power failure, or other circumstances which are not anticipated and not within the control of such Party, (including, but not limited, to changes in Fed operating rules or procedures that have a material impact on either Party's performance under this Agreement), provided that each Party agrees to take reasonable steps to prevent the interruption of business. Both Parties agree to have a disaster recovery plan and to provide a copy to each other upon request.
23. **Term, Termination.**
 - 23.1 **Term and Renewal.** The initial term of this Agreement is five (5) years from the Effective Date stated below. It shall be automatically renewed from year-to-year thereafter until terminated as provided herein.
 - 23.2 **Termination Not for Cause.** Either Party may terminate this Agreement as of the end of any term by giving at least twelve (12) months written notice.
 - 23.3 **Termination for Cause.** Either Party may terminate this Agreement at any time upon prior written notice (unless not practicable to give same) in the event of a material breach by the other Party, including a failure by the other Party to maintain a sound financial condition as determined by the terminating Part in its reasonable discretion. A material breach includes but is not limited to breach of the year 2000 compliance warrant in Section 14 above or failure to resume essential business and data processing operations within a twenty-four (24) hour period after a catastrophic event. Repeated failures to perform, delays, or interruptions in the aggregate may be a material breach even if a single failure, delay or interruption would not be a material breach.
24. **Post-Termination Responsibilities.** Bank will continue to handle MPSI Items until the expiration date of each Item as if this Agreement had not been terminated or until MPSI asks Bank to discontinue, whichever occurs first. The Parties will also continue to pay fees and MPSI will continue to fund the Settlement Account after such termination.
25. **Assignment.** Neither Party may assign this Agreement, or any of its obligations under this Agreement, without the prior written consent of the other Party, and any purported assignment without such consent shall be ineffective. This Agreement remains in effect notwithstanding any change of control of Bank or MPSI.
26. **Confidential Information.** The Parties agree to keep information confidential as provided in *Exhibit F, "Confidentiality"*.
27. **Dispute Resolution.** The Parties agree to resolve any disputes between them as provided in *Exhibit G, "Dispute Resolution"*.
28. **Disaster Recovery Corporate Policy Statement and Recovery Policy.** Both Parties will outline their process under *Exhibit H*.

29. **Entire Agreement.** This Agreement is the entire Agreement between the Parties relating to MPSI Item Clearings. There are no oral promises. The following exhibits are part of this Agreement:

- Exhibit A, "Presentment Notices"
- Exhibit B, "Sorting Criteria"
- Exhibit C, "Adjustments"
- Exhibit D, "Notices"
- Exhibit E, "Fee Schedule"
- Exhibit F, "Confidentiality"
- Exhibit G, "Dispute Resolution"
- Exhibit H, "Disaster Recovery Corporate Policy Statement and Recovery Process"

Effective Date:

Bank: Huntington National Bank

By: Christin A. Fulton

Name: Christin A. Fulton

Title: Vice President

Date: 6/7/07

MoneyGram Payment Systems, Inc.

By: Tammy M. Bauer

Name: Tammy M. Bauer

Title: VP Settlement Operations

Date: 6/8/07

By: Timothy J. Galliker

Name: Timothy J. Galliker

Title: VP & Treasurer

Date: 6/8/07

TELLER'S CHECK UNCLAIMED PROPERTY REPORTING

**INFORMATION SHEET FOR SALES GROUP
AUGUST 2005**

WHAT: Revision to policies and procedures regarding the reporting of unclaimed Teller's Checks. Specifically, TECI will now report all unclaimed Teller's Checks to Delaware, TECI's state of incorporation.

WHO: 400+ TECI Customers that issue Teller's Checks. This change **ONLY** applies to those Customers that issue Teller's Checks.

WHY: This is a decision that came after much review and discussion between Legal and key personnel from Payment Systems. Based on a careful review of unclaimed property laws and TECI's obligations under those laws, TECI has determined that when it reports unclaimed Teller's Checks, it is most appropriate for TECI to report those items to its state of incorporation, as opposed to reporting those items to a Customer's state of incorporation. As TECI's state of incorporation is now Delaware, TECI will report unclaimed Teller's Checks to Delaware.

WHEN: At the time the next report of unclaimed Teller's Checks is due to Delaware.

TECI will send a letter to each customer, explaining this revision in our policies and procedures for reporting of unclaimed Teller's Checks. The letter will be sent to the attention of the contact at the Customer that receives monthly reports from TECI

These letters will be mailed on Tuesday, August 23rd. If you would like to communicate to any of your Customers prior to the Customer's receipt of the letter, please feel free to do so. If, after your review of the list of Customers and respective contacts at those Customers you would like to us to change the contact person, please e-mail Lorrie Johnson directly no later than this Friday, August 19th at LJohnson@moneygram.com.

ANSWERS TO SOME POTENTIAL CUSTOMER QUESTIONS:

Q: How long has TECI been reporting unclaimed Teller's Checks to the issuing Customer's state of incorporation?

A: Generally, since TECI begin providing Teller's Checks as part of its Official Check Program. For Customers with multiple locations in multiple states, TECI may have reported unclaimed Teller's Checks to the state where the item was issued.

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Exhibit No. 42
Witness: Derrick
Date: 8/19/05
Reporter: B. Carey, RPR

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Q: If a Customer wants additional information on TECI's past reporting of its unclaimed Teller's Checks, can we provide that additional information?

A: Yes.

Q: What does the current version of the Official Check Resource Guide say about the reporting of unclaimed Teller's Checks?

A: The current version of the Official Check Resource Guide states that TECI will report unclaimed Teller's Checks to the Customer's state of incorporation. We are making a change to this aspect of the Official Check Resource Guide.

Q: What does our competition do with regard to the reporting of unclaimed Teller's Checks?

A: Unknown. However, what our competition does will not affect our position.

Q: Are our Customers exposed because of the manner in which we reported unclaimed Teller's Checks in the past?

A: No. TECI has contractually taken responsibility for reporting unclaimed Teller's Checks. TECI retains all potential liability associated with that reporting.

Q: What options does a Customer have if it believes our change in policy on the reporting of unclaimed Teller's Checks is unacceptable to that Customer?

A: At this time, the Customer has no option but to accept this change. We may evaluate other options based on Customer requirements and feedback.

For a majority of our Customers this will be a non-issue. For some Customers, this change in our reporting of unclaimed Teller's Checks will provide a benefit due to Delaware's 5-year abandonment period.

Further, the fact remains that if a Customer chooses to report unclaimed Teller's Checks itself, the Customer will be required to perform significant due diligence to try and locate and contact the remitter and/or payee of those Teller's Checks before reporting the Teller's Checks as unclaimed property. This is because while TECI's records do not contain payee/remitter information, our Customers' records do contain that information. TECI may report unclaimed Teller's Checks as 'payee unknown;' our Customers do not have that option.

Also remember that should an unclaimed Teller's Check be presented for payment after the item has been reported as unclaimed property, TECI will pay the item and work directly with the State to collect the amount.

Q: Can a TECI Customer that issues Teller's Checks terminate its agreement with TECI because of this change in TECI's policy on reporting of unclaimed Teller's Checks?

A: No.

Q: Did TECI make this decision to save costs?

A: No.

SUMMARY

Changes are inevitable in any business. Our customers know this and experience this on a regular basis. TECI continues to provide excellent value in its Official Check outsourcing solution, and reporting of unclaimed Teller's Checks and Agent Checks remains an important component of the overall outsourcing benefit. Our goal is to minimize any negative impact either financially or operationally to our Customers. We should keep in mind that for most Customers, this change has little, if any, impact on those Customers. For other Customers, this change provides a benefit.

ADDITIONAL BACKGROUND INFORMATION/TALKING POINTS:

- For many years, TECI was a Minnesota Corporation.
- In June 2004, TECI and its subsidiaries were spun off from their former parent corporation, Viad Corporation.
- At that time, and as a result of the spin, TECI and its subsidiaries became part of MoneyGram International, Inc., which is a Delaware Corporation.
- MoneyGram Payment Systems, Inc., a wholly owned subsidiary of TECI and a major component of MoneyGram International's overall business, is also a Delaware Corporation.
- So, post-spin, TECI, a Minnesota Corporation, was sandwiched in between its parent and large subsidiary, which are both Delaware Corporations.
- For this and other business reasons, we reincorporated TECI as a Delaware Corporation effective June 30, 2005.
- For our Customers, this change was seamless, and there has been no real change in the identity of or major operations of TECI other than the fact that it is now a Delaware Corporation.
- One area of TECI's operations that is affected by the reincorporation is the manner in which TECI reports certain types of unclaimed property.
- TECI is always the holder of certain items, i.e., Agent Checks, Money Orders etc., and reports those items when they become unclaimed property. In the past, Agent Checks were reported to Minnesota, because Minnesota is TECI's domicile. They will now be reported to Delaware. Delaware's unclaimed property reporting period is 5 years. Minnesota's unclaimed property reporting period is 3 years. Money Orders are reported to the state

where they were purchased, and this will continue.

- Both TECI and the issuing Customer are the holders of any unclaimed Teller's Checks, and either party may report unclaimed Teller's Checks. Whichever party reports the items must report those items to that party's state of incorporation. Because TECI's records do not contain information that identifies the remitter or payee of Teller's Checks, when TECI reports unclaimed Teller's Checks, it reports those items as 'payee unknown.' Both TECI and the issuing Customer are then freed from having to try and contact the remitter and/or payee of unclaimed Teller's Checks.



MONEYGRAM PAYMENT SYSTEMS, INC.

UNCLAIMED PROPERTY REPORTING PROCEDURES

Written by
Kate Petrick

Last Revised 9/28/2006
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Exhibit No. 50
Witness: Petrick
Date: 6/5/18
Reporter: B. Carey, RPR

Procedure Tab Names

Introduction
Unclaimed Property Policy
Definitions
State Rules
Unclaimed Property Reports
Money Order Paper Reports
Money Order Electronic Reports
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Agent Check & Teller Check Reports
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ACMO & Money Transfer Check Electronic Reports
Vendor Check Paper Reports
Payroll Check Paper Reports
Bill Payment Paper Reports

Unclaimed Property Policy

MoneyGram
International



Policy Number:

Policy Name:

Unclaimed Property Reporting for MoneyGram Payment Systems, Inc.

Policy Purpose:

Identify company products subject to state unclaimed property laws and describe unclaimed property reporting process.

Policy Scope:

Definition of unclaimed property, indicate company products to be included in state unclaimed property reports, and describe reporting process.

The Policy

Unclaimed property consists of various types of intangible personal property, including, but not limited to, uncashed money orders and checks, savings and checking accounts, wages, securities, dividends, insurance refunds or claims, and utility refunds and deposits. It is the policy of MoneyGram International, Inc. and its subsidiaries to report outstanding company products, company checks, and employee payroll checks at the appropriate age according to state unclaimed property laws. State unclaimed property reporting will be handled by the regulatory staff of the Legal Department according to state unclaimed property laws.

Cross Reference to Other Policies

Date Submitted: 10/28/05

Department: Legal

Policy Issue Date:

Where to Find the State Rules Tables for Unclaimed Property Reporting

Below is the list of company products and checks that are required by law to be reported as unclaimed property. Indicated next to each category are whether the rules are automated or manual and the name of the automated system/software or manual document. This information is necessary to create or run property reports to be included with the state unclaimed property report.

Company Product and Checks	Automated or Manual	Name of system, software, or document
Retail money orders	Automated	State Requirements Maintenance File (SRMF)
Gift certificates	Automated	State Requirements Maintenance File (SRMF)
Payroll money orders	Automated	State Requirements Maintenance File (SRMF)
Money transfers	Manual	legal\lobbyist\abandonment periods for money orders.doc
Stored value cards	Manual	
Official checks – agent checks	Automated	Tracker (Vendor—Fiserv)
Official checks – teller checks	Automated	Tracker (Vendor—Fiserv)
Official checks – agent check money orders	Automated	Tracker (Vendor—Fiserv)
Money transfer checks	Automated	Tracker (Vendor—Fiserv)
Bill payments	Manual	legal\ucp\info\vendor_payroll_due diligence_info.xls
Accounts payable checks (vendor checks)	Manual	legal\ucp\info\vendor_payroll_due diligence_info.xls
Employee payroll checks	Manual	legal\ucp\info\vendor_payroll_due diligence_info.xls

Definitions

Business Association

As defined in the 1995 Uniform Unclaimed Property Act, a business association means a corporation, joint stock company, investment company, partnership, unincorporated association, joint venture, limited liability company, business trust, trust company, safe deposit company, financial organization, insurance company, mutual fund, utility, or other business entity consisting of one or more persons, whether or not for profit. MoneyGram is defined as a business association for unclaimed property reporting.

Company Products

The following is a list of company products and checks to be reported as unclaimed property at the appropriate time as required by each state's unclaimed property laws:

- Retail money orders (MO)
- Money transfers (MT)
- Stored value cards (pre-paid debit cards) (SVC)
- Official checks—agent checks (AC)
- Official checks—teller checks (TC)
- Official checks—agent check money orders (ACMO)
- Money transfer checks (MTC)
- Gift certificates (GC)
- Payroll money orders (PY)
- Bill payments ((BP)
- Accounts payable checks (vendor checks) (VC)
- Employee payroll checks (PC)

Domicile

As defined in the 1995 Uniform Unclaimed Property Act, domicile means the state of incorporation of a corporation and the State of the principal place of business of a holder other than a corporation.

Due Diligence

Holders are required to send written notice to the owner within a certain time frame as specified in state unclaimed property laws if the holder has an address for the owner and the value of the property is a certain dollar amount as specified in the state unclaimed property law. Since MoneyGram does not have the names and/or addresses of the owners of money orders, gift certificates, payroll money orders, money transfers, money transfer checks, or official checks, due diligence is not required. MoneyGram is required to perform due diligence for bill payment checks, vendor checks and payroll checks if the owners' names and addresses are in its records.

Enterprise Output Solution (EOS)

This is a mainframe application used by MoneyGram employees to view reports created from jobs run on the mainframe. Money order, gift certificate, and payroll money order reports are stored in EOS.

Holder

A person or entity obligated to hold the property of an owner that is subject to state unclaimed property laws. MoneyGram is the holder of outstanding money orders, money transfers, gift certificates, payroll money orders, official checks, money transfer checks, bill payment checks, vendor checks, and payroll checks.

MAMO

MAMO is the acronym for Mid-America Money Orders. This was a company that was purchased by MoneyGram Payment Systems, Inc. and was part of the acquisition of MoneyGram in 1998. The company merged the MAMO outstanding money orders into its outstanding money orders. Any remaining MAMO outstanding money orders are intermingled with the company's outstanding money orders on unclaimed property reports.

OutsideView32

OutsideView32 is a communications program that connects a PC to a wide variety of remote systems, also known as hosts. It is used to connect to the money order and money transfer mainframe systems.

Owner

A person whose name appears on the records of a holder as the person entitled to property held, issued, or owing by the holder. The owner of a money order, gift certificate, payroll money order, or official check is the purchaser. The owner of a money transfer or money transfer check is the recipient. The owner of a bill payment check, vendor check or payroll check is the payee.

RMO

RMO is the acronym for Republic Money Orders. This was a company that was acquired by Travelers Express Company, Inc. in 1989. The company merged the RMO outstanding money orders into its outstanding money orders. Any remaining RMO outstanding money orders are intermingled with the company's outstanding money orders on unclaimed property reports.

When RMO was acquired, it did not service charge its money orders. Beginning in 1990, service charge language was added to the RMO money orders and the company began applying the service charge policy to those money orders with the service charge language.

Security Protect Assets File (SPAF)

A reported money order resides on the Money Order system Outstanding File until the original money order is presented for payment or until it is considered to be unclaimed property under state unclaimed property laws. When the money order is deemed to be unclaimed property, the information is removed from the Outstanding File and placed on the Security Reference File (SRF) and the Security Protect Assets File (SPAF). Information remains on the SPAF forever, but the information is limited to report date and amount.

Security Reference File (SRF)

A reported money order resides on the Money Order system Outstanding File until the original money order is presented for payment or until it is considered to be unclaimed property under state unclaimed property laws. When the money order is deemed to be unclaimed property, the information is removed from the Outstanding File and placed on the Security Reference File (SRF) and the Security Protect Assets File (SPAF). Unclaimed property reporting data comes from the SRF. Information remains on the SRF until the set retention period is reached.

Service Charge

As defined in the 1995 Uniform Unclaimed Property Act, "A holder may deduct from property presumed abandoned a charge imposed by reason of the owner's failure to claim the property within a specified time only if there is a valid and enforceable written contract between the holder and the owner under which the holder may impose the charge and the holder regularly imposes the charge, which is not regularly reversed or otherwise canceled. The amount of the deduction is limited to an amount that is not unconscionable."

MoneyGram deducts service charges on only the money order and agent check money order products. The company uses three different service charge rules. The reason why there are three is because it becomes more costly to maintain outstanding money order records, and the company increased the monthly amount and the time period as to when the service charge is applied to keep up with these rising costs.

The following are the three rules:

1. Twenty-five cents per month after three years; maximum \$21 (became inactive on October 4, 2000)
2. Effective October 4, 2000, 35¢ per month after one year; maximum \$29.40 (became inactive on December 31, 2005)
3. Effective December 31, 2005, 50¢ per month after one year; maximum \$42

State Requirements Maintenance File (SRMF) (Screen UP01)

The State Requirements Maintenance File (SRMF) is the database in the money order system unclaimed property subsystem that houses the state unclaimed property rules for money orders, gift certificates, and payroll money orders. There are also records for agent checks, MAMO gift certificates, and travelers' checks in the SRMF, but these records are not used since (1) all remaining outstanding travelers checks have already been reported as unclaimed property to the states, (2) the rules for agent checks are housed in the software Tracker, and (3) all remaining outstanding MAMO gift certificates have already been reported as unclaimed property to the state of Kentucky (MAMO's state of incorporation).

The SRMF was created to keep track of state unclaimed property reports for money orders, gift certificates, and payroll money orders according to each state rules. It is also used with the service charge rules file (SCRF) to keep track of the company service charge rules.

To modify the information in the SRMF, you must have access. Access is limited to a small number of employees to keep this information secure. An error in modifying the information can lead to incorrect state reporting.

Unclaimed Property (UCP)

Unclaimed property consists of various types of intangible personal property, including, but not limited to, uncashed money orders and checks, dormant savings and checking accounts, wages, securities, dividends, insurance refunds or claims, and utility refunds and deposits. It becomes unclaimed because the company holding the property ("holder") either has no record of the owner's addresses or cannot locate the owner because, most likely, the owner has moved. State unclaimed property laws require holders to attempt to locate and return property to the rightful owners, which is a process called "due diligence." If holders are unable to locate the owners or do not have the owner's addresses, they are required to turn over the property to the state after a certain period of time, which is called the "dormancy period." At this point in time, the property has now become "unclaimed."

Unclaimed property is typically turned over to the state of the property owner's last known address. If a holder does not have owner addresses, the unclaimed property is turned over to the holder's state of incorporation. The exception to these rules are money orders and travelers checks, which, by federal law, are turned over to the state in which the money order or travelers check was issued.

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