REDACTED

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK

7-ELEVEN, INC., ACADEMY, LTD. D/B/A ACADEMY SPORTS + OUTDOORS, ALIMENTATION COUCHE-TARD INC., AMAZON.COM, INC., AMERICAN MULTI-CINEMA, INC., ASHLEY FURNITURE INDUSTRIES INC., BARNES & NOBLE, INC., NOOK DIGITAL LLC, BARNES & NOBLE COLLEGE BOOKSELLERS, LLC, BEALL'S, INC., BOSCOV'S, INC., BROOKSHIRE GROCERY COMPANY, THE BUCKLE, INC., THE CHILDREN'S PLACE , INC. F/K/A THE CHILDREN'S PLACE RETAIL STORES, INC., COBORN'S, INCORPORATED, COSTCO WHOLESALE CORP., CRACKER BARREL OLD COUNTRY STORE, INC., CUMBERLAND FARMS, INC., D'AGOSTINO SUPERMARKETS, INC., DICK'S SPORTING GOODS, INC., DILLARD'S, INC., DRURY HOTELS COMPANY, LLC, EUROMARKET DESIGNS, INC., D/B/A CRATE & BARREL, CB2 AND HUDSON GRACE, EXPRESS, LLC, FAMILY DOLLAR STORES, INC., FAMILY EXPRESS CORPORATION, FLEET FARM WHOLESALE SUPPLY CO., INC., FLEET FARM OF ALEXANDRIA, LLC, FLEET FARM WHOLESALE SUPPLY, FERGUS FALLS, LLC, FLEET FARM OF GREEN BAY, LLC, FLEET FARM OF MENEMONIE, LLC, FLEET FARM, LLC, FLEET FARM OF MANITOWOC, LLC, FLEET FARM OF PLYMOUTH, LLC, FLEET FARM PROPERTIES LLC, FLEET FARM SUPPLY COMPANY OF WEST BEND, LLC, FLEET FARM OF WAUPACA, LLC, FLEET FARM E-COMMERCE ENTERPRISES, LLC, FOOT LOCKER, INC., THE GAP, INC., GENESCO INC., HAT WORLD, INC., GNC HOLDINGS, INC., GULF OIL LIMITED PARTNERSHIP, HMSHOST CORPORATION, IKEA NORTH AMERICA SERVICES, LLC, JETRO CASH & CARRY ENTERPRISES, LLC, LOWE'S COMPANIES, INC., MARATHON PETROLEUM COMPANY LP, ANDEAVOR LLC, MICHAELS STORES, INC., NATIONAL ASSOCIATION OF CONVENIENCE STORES, NATIONAL GROCERS ASSOCIATION, NATIONAL RAILROAD PASSENGER CORPORATION, NIKE, INC., P.C. RICHARD & SON, INC., PACIFIC SUNWEAR OF CALIFORNIA, INC., PANDA RESTAURANT GROUP, INC., PANERA BREAD COMPANY, PETCO ANIMAL SUPPLIES, INC.,

SIXTH AMENDED COMPLAINT AND JURY DEMAND

No. 13-cv-5746(MKB)(JO)

No. 05-md-1720(MKB)(JO)

BOOKING HOLDINGS INC., PRICELINE.COM, LLC, RALPH LAUREN CORPORATION, RECREATIONAL EQUIPMENT, INC., REPUBLIC SERVICES, INC., RESTORATION HARDWARE, INC., RTW RETAILWINDS, INC., SPEEDWAY LLC, STARBUCKS CORPORATION, STEIN MART, INC., SWAROVSKI U.S. HOLDING LIMITED, THE TALBOTS, INC., THERMO FISHER SCIENTIFIC INC., THORNTONS LLC, WHOLE FOODS MARKET GROUP, INC., WHOLE FOODS MARKET ROCKY MOUNTAIN/SOUTHWEST, L.P., WHOLE FOODS MARKET CALIFORNIA, INC., MRS. GOOCH'S NATURAL FOOD MARKETS, INC., WHOLE FOODS COMPANY, INC., WHOLE FOODS MARKET PACIFIC NORTHWEST, INC., WFM-WO, INC., WFM NORTHERN NEVADA, INC., WFM HAWAII, INC., WFM SOUTHERN NEVADA, INC., THE WILLIAM CARTER COMPANY, YUM! BRANDS, INC., YUM RESTAURANT SERVICES GROUP, LLC, TACO BELL OF AMERICA, LLC, TACO BELL CORP., KFC CORPORATION, PIZZA HUT, LLC, PIZZA HUT OF AMERICA, LLC, YUM! RESTAURANTS INTERNATIONAL, INC., AND ZAPPOS.COM, INC.

Plaintiffs,

v.

VISA INC., VISA U.S.A. INC., VISA INTERNATIONAL SERVICE ASSOCIATION, MASTERCARD INCORPORATED, MASTERCARD INTERNATIONAL INCORPORATED, BANK OF AMERICA CORPORATION, BANK OF AMERICA, N.A., FIA CARD SERVICES, N.A., JPMORGAN CHASE & CO., CHASE BANK USA, N.A., CHASE PAYMENTECH SOLUTIONS, LLC, JPMORGAN CHASE BANK, N.A., CITIGROUP INC., CITIBANK, N.A., CITICORP PAYMENTS SERVICES, INC., WELLS FARGO & COMPANY, AND WELLS FARGO BANK, N.A.,

Defendants.

Plaintiffs 7-Eleven, Inc., Academy, Ltd. d/b/a Academy Sports + Outdoors, Alimentation Couche-Tard Inc., Amazon.com, Inc., American Multi-Cinema, Inc., Ashley Furniture Industries Inc., Barnes & Noble, Inc., Nook Digital LLC, Barnes & Noble College Booksellers, LLC, Beall's, Inc., Boscov's, Inc., Brookshire Grocery Company, The Buckle, Inc., The Children's Place, Inc. f/k/a The Children's Place Retail Stores, Inc., Coborn's, Incorporated, Costco Wholesale Corp., Cracker Barrel Old Country Store, Inc., Cumberland Farms, Inc., D'Agostino Supermarkets, Inc., Dick's Sporting Goods, Inc., Dillard's, Inc., Drury Hotels Company, LLC, Euromarket Designs, Inc., d/b/a Crate & Barrel, CB2 and Hudson Grace, Express, LLC, Family Dollar Stores, Inc., Family Express Corporation, Fleet Wholesale Supply Co., Inc., Fleet Farm Wholesale Supply Co., Inc., Fleet Farm of Alexandria, LLC, Fleet Farm Wholesale Supply, Fergus Falls, LLC, Fleet Farm of Green Bay, LLC, Fleet Farm of Menemonie, LLC, Fleet Farm, LLC, Fleet Farm of Manitowoc, LLC, Fleet Farm of Plymouth, LLC, Fleet Farm Properties LLC, Fleet Farm Supply Company of West Bend, LLC, Fleet Farm of Waupaca, LLC, Fleet Farm E-Commerce Enterprises, LLC, Foot Locker, Inc., The Gap, Inc., Genesco Inc., Hat World, Inc. GNC Holdings, Inc., Gulf Oil Limited Partnership, HMSHost Corporation, IKEA North America Services, LLC, Jetro Cash & Carry Enterprises, LLC, Lowe's Companies, Inc., Marathon Petroleum Company LP, Andeavor LLC, Michaels Stores, Inc., National Association of Convenience Stores, National Grocers Association, National Railroad Passenger Corporation, NIKE, Inc., P.C. Richard & Son, Inc., Pacific Sunwear of California, Inc., Panda Restaurant Group, Inc., Panera Bread Company, Petco Animal Supplies, Inc., Booking Holdings Inc., priceline.com, LLC, Ralph Lauren Corporation, Recreational Equipment, Inc., Republic Services, Inc., Restoration Hardware, Inc., RTW Retailwinds, Inc., Speedway LLC, Starbucks Corporation, Stein Mart, Inc., Swarovski U.S. Holding Limited, The Talbots, Inc., Thermo Fisher Scientific Inc., Thorntons LLC, Whole Foods Market Group, Inc., Whole Foods Market Rocky Mountain/Southwest, L.P., Whole Foods Market California, Inc., Mrs. Gooch's Natural Food Markets, Inc., Whole Foods Company, Inc., Whole Foods Market Pacific Northwest, Inc., WFM-

WO, Inc., WFM Northern Nevada, Inc., WFM Hawaii, Inc., WFM Southern Nevada, Inc., The William Carter Company, Yum! Brands, Inc., Yum Restaurant Services Group, LLC, Taco Bell of America, LLC, Taco Bell Corp., KFC Corporation, Pizza Hut, LLC, Pizza Hut of America, LLC, Yum! Restaurants International, Inc., and Zappos.com, Inc. by their undersigned attorneys Constantine Cannon LLP, allege upon knowledge with respect to their own acts and upon information and belief as to all other matters, as follows:

INTRODUCTION

1. Plaintiffs are merchants from virtually every sector in the United States including, but not limited to, merchants in the following segments: home improvement; consumer electronics; supermarket; Internet; convenience store; fuel station; apparel and accessories; department store; jewelry and giftware; hardware; auto dealership and vehicle-service center; hotel; hospitality; membership warehouse; books; sporting goods and outdoors; home-office products; home appliances; health and wellness; arts and crafts; home furnishings; furniture and housewares; children's apparel and accessories; cosmetics and fragrances; footwear and headwear; movie theater; scientific equipment; restaurant and café; pet supplies and services; and luxury goods. Plaintiffs bring this action under federal and state antitrust laws in order to recover damages and obtain injunctive relief for past and ongoing anticompetitive conduct by the two electronic-payment cartels in the United States: Visa and MasterCard. These cartels' twin conspiracies and other anticompetitive conduct have already injured merchants and consumers on a magnitude of hundreds of billions of dollars during the Damages Period (January 1, 2004, through the date of judgment), and these cartels' anticompetitive conduct will cost merchants and consumers untold more billions if that conduct is not enjoined.

2. When the Damages Period began in 2004, Visa and MasterCard were the instrumentalities that effectuated the massive conspiracies among each association's owner/member banks that had agreed to unreasonably, and illegally, restrain competition. Prior to their corporate restructurings in 2006 and 2008, respectively, MasterCard and Visa were each organized as a membership corporation, the owners and members of which were virtually all of the competing banks that issued General Purpose Payment Cards to consumers and/or that signed merchants to accept such cards. Each membership corporation was governed by bank executives selected from Visa's and MasterCard's owner/member banks, including the Bank Defendants. As the Second Circuit held, Visa and MasterCard were "not single entities; they [were] consortiums of competitors . . . owned and effectively operated by some 20,000 banks, which compete with one another in the issuance of payment cards and the acquiring of merchants' transactions," *i.e.*, banks such as the Bank Defendants that issue General Purpose Payment Cards. *United States v. Visa U.S.A. Inc.*, 344 F.3d 229, 242 (2d Cir. 2003). These competitors sat together on Visa's and MasterCard's governing boards of directors, and agreed upon the rules that would restrain competition among them.

3. One of the two principal sets of rules restraining competition, to which these banks have agreed throughout the Damages Period, is the "Honor All Issuers" rule. Pursuant to the networks' respective Honor All Issuers rules, each of Visa's and MasterCard's owner/member banks have agreed as follows: Any merchant that accepts any one bank's General Purpose Credit (or Debit) Cards issued over that network must accept all other banks' General Purpose Credit (or Debit) Cards that carry the brand of that network. The banks have also agreed to abide by additional rules that have restrained them from competing against each other for preferential treatment by merchants at the point of sale. Such preferential treatment would have resulted in

lower prices for both merchants and consumers, including by giving discounts or other benefits to preferred cardholders at the point of sale. Through such rules, the competing banks that issued Visa and MasterCard General Purpose Payment Cards have agreed not to compete with one another for merchant acceptance of those cards. Pursuant to the networks' respective default "Interchange Fee" rules, those competing banks also agreed to fix the Interchange Fees that merchants paid the banks for acceptance of those cards. That default Interchange Fee rule is the second principal restraint of competition to which these competing banks have agreed throughout the Damages Period.

4. The conspiracies began when Visa and MasterCard were structured as "consortiums of competitors," and they continued unabated after Visa and MasterCard assumed their new corporate forms. In fact, Visa, MasterCard, and the Bank Defendants designed Visa's and MasterCard's new corporate forms to create veneers of separate independent entities that superficially masked the perpetuation of their anticompetitive cartels. The competing banks sitting on Visa's and MasterCard's boards ratified the corporate reorganizations on the anticompetitive conditions that all banks continue to adhere to their agreements not to compete, and that Visa and MasterCard maintain the default Interchange Fee rules that support the price-fixing conspiracies. The underlying conspiracies have continued, and Visa's and MasterCard's substantial market power has increased.

5. The Visa Defendants engaged in a conspiracy in restraint of trade in the General Purpose Payment Card markets, and Visa has monopolized the General Purpose Debit Card market, in the United States. The Visa Defendants' principal unlawful anticompetitive conduct was an agreement not to compete for merchant acceptance of their Visa General Purpose Payment Cards. As part of this illegal scheme, the Visa Defendants agreed to restrain competition,

including by blocking differentiation of Issuers' payment products to cardholders through direct agreements with merchants, and to collusively fix the prices that merchants paid to accept Visa General Purpose Payment Cards at supracompetitive levels. In May 2013, Visa CEO Charles W. Scharf admitted that Visa's rules **"stood in the way of [banks] working together to do something positive for the merchant."** Visa's rules equally barred the banks from doing "something positive" for cardholders, who would have benefitted from banks competing for their business by differentiating their offerings, including by offering discounts and other benefits at the point of sale, through direct agreements with merchants. That unlawful agreement continues to this day.

6. The MasterCard Defendants also engaged in a conspiracy in restraint of trade in the General Purpose Payment Card markets in the United States. The MasterCard Defendants' principal unlawful anticompetitive conduct was an agreement not to compete for merchant acceptance of their MasterCard General Purpose Payment Cards. As part of this illegal scheme, the MasterCard Defendants agreed to restrain competition, including by blocking differentiation of Issuers' payment products to cardholders through direct agreements with merchants, and to collusively fix the prices that merchants paid to accept MasterCard General Purpose Payment Cards at supracompetitive levels. That unlawful agreement continues to this day.

7. The Visa Defendants' and MasterCard Defendants' agreements not to compete and to fix prices ensured that Visa/MasterCard Issuers (including the Bank Defendants) enjoyed, and continue to enjoy, supracompetitive profits. Such supracompetitive profits have kept the banks faithful to the Visa and MasterCard cartels, and thus have maintained the cartels' discipline and market power. Starting in 2004 and extending throughout the Damages Period, the largest Visa and MasterCard Issuers examined how they could differentiate their competing cards from

one another in a way that would have directly benefitted both cardholders and merchants. These banks recognized that it was in their individual economic self-interest to break free [redacted]

8. Yet Visa and MasterCard Issuers did not do that. Instead, banks (including the Bank Defendants) continued and still continue to adhere to their core agreements not to compete (through the Honor All Issuers rules) and to fix prices (through the default Interchange Fee rules), because they earn more by colluding than by competing in ways that would have benefitted their cardholders and merchants. Those horizontal agreements have thus harmed both merchants, who pay supracompetitive Interchange Fees, and cardholders, who both pay higher prices and receive card services of diminished quality and choice.

9. The cartels' supracompetitive profits also have lured additional banks into joining the conspiracies, which has further maintained and enhanced the cartels' substantial market power. The Honor All Issuers and default Interchange Fee rules have thus been both the glue binding Visa's and MasterCard's twin cartels with their owner/member banks, and the means through which Visa and MasterCard have expanded those cartels to achieve substantial market power in the General Purpose Payment Card markets, power they wielded throughout the Damages Period and power they continue to wield to this day.

10. The Visa Defendants' and MasterCard Defendants' agreements not to compete and price-fixing schemes are naked restraints of trade and *per se* violations of Section 1 of the Sherman Act.

11. Even if the Visa Defendants' and MasterCard Defendants' conduct is analyzed under the rule of reason, the substantial harm to competition caused by the cartels violates Section 1 of the Sherman Act as an unreasonable restraint of trade. None of Defendants' anticompetitive rules and practices is reasonably necessary for the functioning of General Purpose Payment Card Networks. Any benefits that Defendants claim are achieved by these restraints of trade can be accomplished by means that are less destructive and harmful to competition. Even if Defendants' restraints have any procompetitive benefit, their anticompetitive effects—massive overcharges to merchants and their customers, higher prices and card services of diminished quality and choice for cardholders, and maintenance of substantial market power—vastly outweigh any such benefit.

12. The anticompetitive harm to merchants and consumers from Defendants' price fixing and other anticompetitive conduct has been staggering. During the Damages Period, Defendants imposed Interchange Fees estimated at more than $450 billion on merchants and consumers in the United States. Defendants' anticompetitive conduct has also injured competition in the General Purpose Payment Card markets by depriving market participants of lower prices as well as innovative new payment options and cost-saving approaches (*e.g.*, to reduce fraud) that would have substantially benefitted U.S. merchants and consumers.

JURISDICTION AND VENUE

13. This Sixth Amended Complaint (hereinafter "Complaint") is filed under Section 16 of the Clayton Act, 15 U.S.C. § 26, to prevent and/or restrain violations of Sections 1 and 2 of

the Sherman Act, 15 U.S.C. §§ 1 and 2, and for damages under Section 4 of the Clayton Act, 15 U.S.C. § 15. The Court has jurisdiction over the federal antitrust law claims alleged herein under 28 U.S.C. §§ 1331, 1337, 2201 and 2202. The Court has jurisdiction over state antitrust and unfair competition law claims alleged herein under 28 U.S.C. § 1367.

14. Defendants transact business and are found in this District. The interstate trade and commerce involved and affected by the alleged violations of antitrust law occurred, in part, within this District. The acts complained of have had, and will have, substantial anticompetitive effects in the District. Venue is proper in this District under 28 U.S.C. § 1391 and 15 U.S.C. §§ 15, 22 and 26.

DEFINITIONS

15. The following terms are used in this Complaint:

a. “Acquirer” means a bank or other financial institution that has been authorized by a General Purpose Payment Card Network to enter into agreements with merchants that enable those merchants to accept General Purpose Payment Cards for the purchase of goods and services. Acquirers authorized by the Visa and MasterCard General Purpose Payment Card Networks to acquire Visa- and/or MasterCard-branded General Purpose Payment Card transactions are members or agents of those networks.

b. “Bank Defendants” refer to all Defendants in this action other than Visa and MasterCard.

c. “Charge Card” (also referred to as a “Travel and Entertainment Card” or “T&E card”) is a General Purpose Credit Card for which the cardholder is required, under most circumstances, to pay the card balance in full each month. Diners Club cards and traditional American Express Green, Gold, Platinum and Centurion (Black) cards without preset spending limits are examples of Charge Cards. Charge Cards generate revenue for the Issuer primarily from fees charged to merchants and from annual fees charged to cardholders. In contrast, credit cards generate Issuer revenue primarily from interest charges and fees from cardholders who revolve and carry a monthly balance.

d. "Damages Period" means the period from January 1, 2004, to the date of judgment in this action.

e. "Dual-Message" transaction means an electronic payment transaction in which the authorization request and financial settlement are handled in two separate messages, and, in the U.S. market, is predominantly authenticated by cardholder signature.

f. "General Purpose Credit Card" during the Damages Period means a plastic card or other physical form factor, such as a key fob, provided by an Issuer that allows cardholders to pay for goods and services at a large number of diverse merchants by accessing a line of credit extended to the cardholder by the Issuer. Examples of General Purpose Credit Cards are the Visa and MasterCard credit cards issued by the Bank Defendants, as well as certain Visa or MasterCard corporate cards, the Discover credit card issued by Discover Financial Services, and the Optima and Blue-type credit cards issued by American Express. General Purpose Credit Cards also include Charge Cards such as the traditional American Express card that require payment at the end of a billing cycle.

g. "General Purpose Credit Card Network Services" means the services and infrastructure that a network and its members provide to merchants through which payment transactions using General Purpose Credit Cards are conducted, including authorization, clearance, and settlement.

h. "General Purpose Debit Card" during the Damages Period means a plastic card or other physical form factor, such as a key fob, provided by an Issuer that allows cardholders to pay for goods and services at a large number of diverse merchants by accessing an asset account, typically the cardholder's demand deposit account ("DDA"), at a bank or other financial institution. Visa's Signature Debit Card program (the "Visa Check Card") and MasterCard's Signature Debit Card program (sometimes referred to as "Debit MasterCard") are General Purpose Debit Cards, as are PIN Debit Cards authorized over Visa's Interlink and MasterCard's Maestro networks. General Purpose Debit Cards also include prepaid cards, which access asset accounts other than the cardholder's DDA. Examples include, but are not limited to, payroll cards and cards associated with a flexible-spending account, health- reimbursement arrangement, or health-savings account.

i. "General Purpose Debit Card Network Services" means the services and infrastructure that a network and its members provide to merchants through which payment transactions using General

Purpose Debit Cards are conducted, including authorization, clearance, and settlement.

j. "General Purpose Payment Card" means a General Purpose Credit Card or a General Purpose Debit Card.

k. "General Purpose Payment Card Network" means an electronic payment system used to accept, transmit or process transactions made by General Purpose Payment Cards for money, goods or services and to transfer information and funds among Issuers, Acquirers, merchants and users of General Purpose Payment Cards. Both Visa and MasterCard operate General Purpose Payment Card Networks.

l. "Honor All Issuers" rules are the "Honor All Cards" rules of Visa and MasterCard that require any merchant that accepts Visa- or MasterCard-branded General Purpose Credit Cards to accept all such General Purpose Credit Cards that carry the brand of that network, and the rules of Visa and MasterCard that require any merchant that accepts Visa- or MasterCard- branded General Purpose Debit Cards to accept all such General Purpose Debit Cards that carry the brand of the respective network.

m. "Interchange Fees" are fees or rates fixed by Visa or MasterCard and their owner/member banks that are paid to Issuers by merchants in conjunction with transactions in which Visa or MasterCard General Purpose Payment Cards are used as a means of payment for purchases of goods and services. Interchange Fees are deducted by an Issuer from the funds owed to a merchant prior to the settlement of a Visa or MasterCard General Purpose Payment Card transaction.

n. "Issuer" means a bank or other financial institution that issues General Purpose Payment Cards to consumers (including business employees) to pay for goods and services at merchant locations. Issuers authorized by the Visa and MasterCard General Purpose Payment Card Networks to issue Visa- and/or MasterCard-branded General Purpose Payment Cards are members of those networks.

o. "MasterCard Defendants" refer to MasterCard Incorporated and MasterCard International Incorporated and all Bank Defendants that issued MasterCard- branded General Purpose Payment Cards to consumers or acquired MasterCard-branded General Purpose Payment Card transactions for merchants during the Damages Period.

p. "PIN Debit Card" means a General Purpose Debit Card with which the cardholder authorizes a withdrawal from his or her bank account by swiping his or her card at the point of sale and entering a personal identification number ("PIN"). PIN Debit Card networks grew out of regional ATM networks and PIN Debit Card transactions are processed differently than Signature Debit Card transactions. Examples of PIN Debit Card networks include Visa's Interlink network, MasterCard's Maestro network, FIS's NYCE network, and First Data Corporation's STAR network.

q. "Premium Payment Card" means a General Purpose Credit Card that carries a higher Interchange Fee than standard General Purpose Credit Cards and is required by a network to provide a certain level of rewards or incentives to the cardholder. The "Visa Signature Preferred Card" product and "World MasterCard Card" product are examples of Premium Payment Cards.

r. "Signature Debit Card" means a General Purpose Debit Card with which the cardholder authorizes a withdrawal from his or her bank account, usually by presenting the card at the point of sale and signing a receipt or point-of-sale terminal. Signature Debit Card transactions are processed in the same way as General Purpose Credit Card transactions. Examples of Signature Debit Cards include the Visa Check Card product and the Debit MasterCard product.

s. "Single-Message" transaction means an electronic payment transaction that processes the authorization request/response and financial settlement in one message, and, in the U.S. market, is predominantly authenticated by cardholder PIN.

t. "Visa Defendants" refer to Visa Inc., Visa U.S.A. Inc., and Visa International Service Association and all Bank Defendants that issued Visa-branded General Purpose Payment Cards to consumers or acquired Visa-branded General Purpose Payment Card transactions for merchants during the Damages Period.

PARTIES

A. Plaintiffs

16. All of the Plaintiffs accepted Visa and MasterCard General Purpose Payment Cards during the Damages Period and were injured in their business or property as a result of the unlawful conduct alleged in this Complaint.

17. Plaintiff 7-Eleven, Inc. ("7-Eleven") is a Texas corporation with its principal place of business in Irving, Texas. As of October 2019, the company operates or franchises close to 8,998 convenience stores in the United States, approximately 7,278 of which are franchised. 7-Eleven's revenue for 2018 exceeded $25.5 billion. 7-Eleven is seeking to recover on behalf of its corporate and franchised 7-Eleven stores in the United States the damages incurred as a result of the conduct detailed in this Complaint. 7-Eleven is also seeking to recover for claims (both before and after the acquisition) related to any stores operated by entities which 7-Eleven acquired through stock purchases, including: White Hen Pantry, Inc. and WHP Holdings Corporation (acquired on August 10, 2006); New England Pantry, Inc. and White Hen New England (acquired on December 15, 2009);Wilson Farms, Inc. and WFI Group, Inc. (acquired on June 1, 2011); Handee Marts, Inc. (acquired on October 1, 2012); TFS NewCo LLC (Tedeschi Food Shops) (acquired on August 24, 2015); and Christy's Market, Inc. stores (acquired on September 1, 1998). 7-Eleven is also seeking to recover for claims related to any stores it acquired or began operating during the relevant time frame (starting from the time of the acquisition and integration into 7-Eleven, Inc.'s processing relationship), including: 183 ExxonMobil stores (Florida) (acquired on April 4, 2011); 163 TETCO, Inc. stores (acquired on November 2, 2012); 143 C.L. Thomas, Inc. stores (acquired on January 1, 2013); 94 Biscayne Petroleum, LLC, and Everglades Petroleum, LLC stores (acquired on November 9, 2015); 1030 Sunoco Retail, LLC, Stripes LLC, and related entities' stores (acquired on January 23, 2018).

18. Plaintiff Academy, Ltd. ("Academy") is a privately held Texas limited partnership based in Katy, Texas and doing business as Academy Sports + Outdoors. Academy is one of the nation's largest sporting goods and outdoor retailers, with a broad assortment of quality hunting, fishing, and camping equipment and gear, along with sports and leisure products, footwear, and

apparel. As of December 2019, Academy operates over 250 stores in the United States, and sells goods over the Internet to U.S. customers. Academy had over $4.9 billion in retail sales in 2018. Academy is seeking to recover the damages incurred as a result of the conduct detailed in this Complaint, and is the entity that accepts Visa and Mastercard transactions for the subsidiaries and affiliates listed in Academy's Responses to Defendants' Interrogatories and/or Academy's Opt-Out Letter.

19. Plaintiff Alimentation Couche-Tard Inc. ("Couche-Tard") is a Canadian corporation organized under the laws of the Province of Québec, with its head office in Laval, Québec, Canada. In the United States, Couche-Tard is the largest independent convenience store operator in terms of number of company-operated stores. As of October 13, 2019, Couche-Tard's network comprised 9,815 convenience stores throughout North America, including 8,591 stores with road transportation fuel dispensing. Couche-Tard's stores in the United States operate primarily under the Circle K banner but have operated under various banners throughout North America and Europe during the relevant time frame such as Mac's Convenience Stores, Circle K Midwest, Circle K Food Stores, Bigfoot Food Stores, Handy Andy Food Stores, Dairy Mart, The Pantry, Kangaroo Express, On the Run, Holiday, Statoil, Corner Stores, and others. In September 2015, Couche-Tard announced that it would consolidate its Circle K, Statoil, Topaz, Mac's and Kangaroo Express retail brands under one refreshed global Circle K banner. Couche-Tard operates in the United States in 48 states through its U.S. subsidiaries, including: Couche-Tard U.S. Inc.; Circle K Stores, Inc.; Mac's Convenience Stores LLC; Fuel South, LLC; Fuel South Express, LLC; Flash Foods, LLC; CST Brands, LLC (f.k.a. CST Brands, Inc.), which merged into Circle K Stores, Inc. on March 2, 2020; and Holiday Stationstores, LLC. During the relevant time frame, Couche-Tard has completed acquisitions in the United States that are available at

https://corpo.couche-tard.com/en/our-company/history, including: (1) the 2001 acquisition of the assets of Johnson Oil Company, Inc., owner of 225 Bigfoot Food Stores LLC stores located in the U.S. Midwest (Bigfoot Food Stores LLC was renamed to Mac's Convenience Stores LLC in June 2002); (2) the 2002 acquisition of 12 stores from Bruce Miller Oil Company, 16 Handy Andy Food Stores and 287 Dairy Mart stores located in the U.S. Midwest; (3) the 2003 acquisition of The Circle K Corporation from ConocoPhillips Company that operated 1,663 Circle K corporate stores located in 16 states and had a franchising or licensing relationship with 627 additional stores in the U.S. and worldwide; (4) the 2004 acquisition of 22 stores in Arizona from Shell Oil Products which were converted into Circle K Stores; (5) the 2011 acquisition of 33 company-operated stores in Louisiana operating under the On the Run banner from Exxon Mobil; (6) the April 18, 2012 purchase of Scandinavian convenience and fuel retailer Statoil Fuel & Retail ASA; (7) the March 15, 2015 acquisition of The Pantry, Inc., an operator of convenience stores that operated under The Pantry, Kangaroo Express and Bean Street Coffee Company banners that were scheduled to be rebranded as Circle K stores; (8) the June 28, 2017 acquisition of CST Brands, Inc. an operator of convenience stores that operated under the banners Corner Store, Nice N Easy Grocery Shoppes (or Nice N Easy) and Flash Foods (Corner Store locations will be rebranded to Circle K stores by the end of 2020); and (9) the December 22, 2017 acquisition of all issued and outstanding equity interest of Holiday Stationstores, LLC. and certain affiliated companies which consist of 522 company-operated and franchise locations in 10 U.S. states, two food commissaries, and a fuel terminal. Couche-Tard is seeking to recover the damages incurred as a result of the conduct detailed in this Complaint at stores operated by it as well as its subsidiaries and affiliates listed herein (with the exception of Holiday Stationstores and CST Brands other than the Flash Foods, and Fuel South entities), all of which have assigned their claims to Couche-Tard.

20. Plaintiff Amazon.com, Inc. ("Amazon") is a Delaware corporation with its principal place of business in Seattle, Washington. Amazon opened its virtual doors on the World Wide Web in July 1995 and it seeks to offer Earth's Biggest Selection. Amazon seeks to be Earth's most customer-centric company for four primary customer sets: consumers, sellers, enterprises, and content creators. Amazon serves consumers through its retail websites, and focuses on selection, price, and convenience. Amazon's subsidiary, plaintiff Zappos.com, Inc. ("Zappos") is an online service company that sells shoes, clothing, handbags, accessories and more through two main websites: Zappos.com and 6pm.com (formerly Shoedini.com). Amazon and Zappos are seeking to recover the damages they have incurred as a result of the conduct detailed in this Complaint, damages incurred by Amazon.com, Inc. and Zappos.com, Inc. subsidiaries listed in their Opt-Out Letters, as well as damages for the following subsidiaries as of the date of their integration into the Amazon.com, Inc. processing system: Abebooks (August 2008); Audible Inc. (January 2008); Booksurge (April 2005); Brilliance Audio, Casa.com (November 2010), CDNOW (November 2002); Comixology (April 2014); Diapers.com (November 2010); Egghead (December 2001); Endless.com (December 2007); Fabric.com (June 2008); IMDB (April 1998); NICE (February 2016); Shoedini.com, Shopbop.com (February 2006); Soap.com (November 2010); SOUQ (July 2017); The Book Depository, Twitch Interactive (August 2014); Wag.com, Woot and Woot.com (June 2010). Amazon.com, Inc. is the entity that accepts Visa and Mastercard transactions for all other subsidiaries and affiliates listed in Amazon.com, Inc.'s Opt-Out Letter.

21. Plaintiff American Multi-Cinema, Inc. ("AMC") is a Missouri corporation with its principal place of business in Leawood, Kansas. AMC and its subsidiaries are principally involved in the theatrical exhibition business and, as of December 31, 2018, own, operate or have interests in 637 movie theatres in the United States, with approximately $5.4 billion in retail sales.

As further specified in its expert report served on October 5, 2018, AMC is asserting claims for the damages it incurred as well as the following entities that have been merged into AMC, no longer actively operate, and no longer accept credit or debit card payments: Carmike Cinemas and Digiplex (acquired by AMC in a December 2016 stock acquisition of Carmike Cinemas and its subsidiary Digiplex); Loews Theatres (acquired by AMC in a multi-step merger in 2006, and including its subsidiaries Star Theatres and Magic Johnson Theatres, which AMC also acquired); Kerasotes Showplace Theatres (pursuant to a stock acquisition in May 2010); and Starplex (pursuant to a stock acquisition in July 2015).

22. Plaintiff Ashley Furniture Industries, Inc. ("Ashley Furniture") is a Wisconsin corporation with its principal place of business in Arcadia, Wisconsin. Ashley Furniture is the largest manufacturer of furniture in the world, and manufactures and distributes home furnishings and accessories in the United States and internationally. On December 17, 2017, Ashley Furniture purchased a majority interest in the Dufresne Spencer Group ("DSG"), which has assigned its claims to Ashley Furniture. Ashley Furniture is seeking to recover the damages incurred as a result of the conduct detailed in this Complaint by itself and the subsidiaries or affiliates of Ashley Furniture or DSG listed in Exhibit A that operate in the United States, which either process or have processed Visa and Mastercard payments under Ashley Furniture's processor agreements or have assigned their claims to Ashley Furniture.

23. Plaintiff Barnes & Noble College Booksellers, LLC ("B&N College") is a Delaware limited liability company based in Basking Ridge, New Jersey. B&N College is a wholly-owned subsidiary of B&N Education, Inc., which is a wholly-owned subsidiary of Barnes & Noble Education, Inc. B&N College operates approximately 770 campus bookstores at colleges and universities across the United States. Its operations include the sales of textbooks and course-

related materials, emblematic apparel and gifts, trade books, school and dorm supplies, and convenience and café items on college and university campuses. B&N College also offers a textbook rental option to its customers, as well as electronic textbooks and other course materials through a digital platform. B&N College had approximately $1.8 billion in retail sales during the fiscal year that ended April 30, 2016. B&N College is seeking to recover the damages it incurred as a result of the conduct detailed in this Complaint, as well as damages incurred by its affiliates MBS Direct, LLC, Promoversity LLC, and Student Brands, LLC, all of which have assigned their claims in this matter to B&N College. B&N College is the entity that accepts Visa and MasterCard transactions for all other subsidiaries and affiliates listed in B&N College's Responses to Defendants' Interrogatories and/or B&N College's Opt-Out Letter.

24. Plaintiff Barnes & Noble, Inc. is a Delaware corporation, and Plaintiff Nook Digital LLC (f/k/a Barnes & Noble.com LLC, and previously Barnes & Noble.com, Inc.), is a Delaware Limited Liability Company (together "Barnes & Noble") with their principal place of business in New York, New York. Barnes & Noble is the nation's largest bookseller and a leading retailer of content, digital media and educational products providing customers easy and convenient access to books, magazines, newspapers, and other content across its multi-channel distribution platform. As of fiscal year 2016, Barnes & Noble operated 640 bookstores in all 50 states, and one of the Web's premier e-commerce sites, BN.com (www.bn.com). Barnes & Noble had approximately $4.164 billion in Barnes & Noble-branded store and Internet sales for the fiscal year ended April 30, 2016. Barnes & Noble is seeking to recover the damages incurred as a result of the conduct detailed in this Complaint, including by the following subsidiaries which process Visa and Mastercard payments under Barnes & Noble's processor agreements in the United States: B. Dalton Bookseller, LLC; Barnes & Noble Bookquest LLC; Barnes & Noble Booksellers, Inc.;

Barnes & Noble Cafe LLC; Barnes & Noble Café Texas, LLC; Doubleday Book Shops Inc.; and Fictionwise LLC.

25. Plaintiff Beall's, Inc. ("Beall's") is a privately held Florida corporation with its principal place of business in Bradenton, Florida. Beall's is engaged in the operation of three store formats through its wholly-owned subsidiaries Beall's Stores, Inc. and Beall's Outlet Stores, Inc. Beall's owns and operates 518 stores in the United States, primarily in small- and medium-sized communities in Florida and other southern U.S. states, and sells goods over the Internet to U.S. customers. Beall's had approximately $1.5 billion in retail sales in the fiscal year ended July 30, 2016. Beall's is seeking to recover the damages incurred as a result of the conduct detailed in this Complaint, including by its subsidiaries and affiliates: Beall's, Inc. & Subsidiaries, Beall's Health & Fitness, LLC, Beall's Stores, Inc. (F/K/A Beall's Department Stores, Inc.), Beall's Westgate Corporation, Burke's Westgate Stores, LLC, Beall's Coastal Home, Inc., Beall's Outlet Stores, Inc., Burke's Outlet Stores, LLC (F/K/A Burke's Outlet Stores, Inc.), Burke's Outlet - LA, L.L.C., Burke's Outlet - TX, Inc., Burke's Outlet Stores - ALA, Inc., Burke's Outlet Stores - CA, Inc., SEJAX Holdings, LLC (F/K/A BDS SPA, LLC), Bunulu, LLC (F/K/A Coastal Outdoor Concepts, LLC), and My Gift Cottage.com, all of which have assigned their claims in this matter to Plaintiff Beall's, Inc.

26. Plaintiff Booking Holdings Inc., formerly known as The Priceline Group Inc., is a Delaware corporation with its principal place of business in Norwalk, Connecticut. Plaintiff priceline.com, LLC is a Delaware limited liability company and wholly-owned subsidiary of Booking Holdings Inc., also with its principal place of business in Norwalk, Connecticut. Prior to April 1, 2014, The Priceline Group Inc. was known as priceline.com Incorporated. Prior to April 1, 2014, priceline.com Incorporated ran the priceline.com website and priceline.com merchant

model business relevant to this lawsuit. On April 1, 2014, priceline.com, LLC, a newly formed entity, assumed the former operations of priceline.com Incorporated as they relate to the priceline.com business relevant to this lawsuit. The Priceline Group Inc. and priceline.com, LLC are collectively referred to as "Priceline." Priceline is seeking to recover the damages it incurred as a result of the conduct detailed in this Complaint, as well as damages incurred by its affiliates Booking.com BV, Agoda Company, and OpenTable, Inc.

27. Plaintiff Boscov's, Inc. ("Boscov's") is a Pennsylvania corporation with its principal place of business in Reading, Pennsylvania. Boscov's is a family owned department store founded by Solomon Boscov in 1911. Boscov's operates through 48 stores reaching across 8 states in the Mid-Atlantic region. Boscov's had net sales of approximately $1.2 billion in 2018. Boscov's is seeking to recover the damages incurred as a result of the conduct detailed in this Complaint, including for its subsidiary Boscov's Department Store, LLC, which has assigned its claims in this matter to Boscov's, Inc. Boscov's Department Store, LLC is the entity that accepts Visa and Mastercard transactions for all other subsidiaries and affiliates listed in Boscov's Responses to Defendants' Interrogatories and/or Boscov's Opt-Out Letter.

28. Plaintiff Brookshire Grocery Company ("Brookshire") is a Texas corporation with its principal place of business in Tyler, Texas. Brookshire is a Texas-based regional food chain that has been providing families with quality foods since 1928. Brookshire currently operates more than 175 store locations under the banners of Brookshire's Food Stores, Brookshire's Express Lane, FRESH by Brookshire's, Spring Market, Super 1 Foods Stores, Super 1 Wine & Spirits, Zippy B, and Zippy B Liquor. Brookshire is seeking to recover the damages incurred as a result of the conduct detailed in this Complaint for stores operating under its banners.

29. Plaintiff The Buckle, Inc. ("The Buckle") is a Nebraska corporation with its principal place of business in Kearney, Nebraska. The Buckle is a retailer of medium to better-priced casual apparel, footwear, and accessories for fashion-conscious young men and women. As of February 1, 2020, The Buckle operated 446 retail stores in 42 states throughout the continental United States under the names "Buckle" and "The Buckle," and it sells merchandise over the Internet to U.S. customers. The Buckle had net sales of approximately $900.3 million in fiscal year 2019. The Buckle is seeking to recover the damages incurred as a result of the conduct detailed in this Complaint.

30. Plaintiff The Children's Place, Inc. f/k/a The Children's Place Retail Stores, Inc. ("The Children's Place") is a Delaware corporation with its principal place of business in Secaucus, New Jersey. The Children's Place is the largest pure-play children's specialty apparel retailer in North America. The Company designs, contracts to manufacture, sells at retail and wholesale, and licenses to sell fashionable, high-quality merchandise at value prices, primarily under the proprietary "The Children's Place," "Place" and "Baby Place" brand names. As of November 2, 2019, the Company operated 955 stores in the United States, Canada and Puerto Rico, an online store at www.childrensplace.com, and had 260 international points of distribution open and operated by its eight franchise partners in 19 countries. The Children's Place (Barbados) Inc. is a subsidiary of The Children's Place and operates The Children's Place stores in Puerto Rico. The Children's Place had net sales of $1.518 billion in the United States and Puerto Rico for the fiscal year ended January 30, 2016. The Children's Place is seeking to recover the damages incurred, including by its subsidiaries The Children's Place (Barbados), Inc. and thechildrensplace.com, Inc. that operate in the United States, as a result of the conduct detailed in this Complaint.

31. Plaintiff Coborn's, Incorporated ("Coborn's") is a Minnesota corporation with its principal place of business in St. Cloud, Minnesota. Founded in 1921, today Coborn's operates over 120 retail locations, including 61 grocery stores, throughout the Midwest. Coborn's is seeking to recover the damages incurred as a result of the conduct detailed in this Complaint.

32. Plaintiff Costco Wholesale Corp. ("Costco") is a Washington corporation with its principal place of business in Issaquah, Washington. Founded in 1983 in Seattle, Washington, Costco owns and operates a chain of 783 membership warehouses, including 544 in the United States and Puerto Rico, 100 in Canada, 39 in Mexico, 29 in the United Kingdom, 26 in Japan, 16 in Korea, 13 in Taiwan, 11 in Australia, 2 in Spain, 1 in China, 1 in France, and 1 in Iceland. Costco also operates electronic commerce web sites in the United States, Canada, the United Kingdom, Mexico and Korea. Costco had over $152.7 billion in retail sales as of August 2019. Costco is seeking to recover the damages incurred by itself and its subsidiaries CWC Travel, Inc. and CWC WDC LLC, as a result of the conduct detailed in this Complaint. Costco is the entity that accepts Visa and Mastercard transactions for its subsidiaries listed in Costco's Responses to Defendants' Interrogatories and/or Opt-Out Letter.

33. Plaintiff Cracker Barrel Old Country Store, Inc. ("Cracker Barrel") is a Tennessee corporation with its principal place of business in Lebanon, Tennessee. Cracker Barrel, along with its subsidiaries CBOCS West, Inc., CBOCS Pennsylvania, LLC, CBOCS Properties, Inc. and CBOCS Texas, LLC, is engaged in the operation and development of its old country stores and restaurants, which provide a rustic, old country-store design offering a full-service restaurant menu featuring home-style country food, and a wide variety of decorative and functional items featuring rocking chairs, holiday and seasonal gifts and toys, apparel, cookware and foods. Cracker Barrel operates over 650 stores in the United States, and sells goods over the Internet. Cracker Barrel had

over $3.0 billion in sales in its 2018 fiscal year. Cracker Barrel is seeking to recover the damages incurred as a result of the conduct detailed in this Complaint, and is the entity that accepts Visa and MasterCard transactions for the subsidiaries and affiliates listed in Cracker Barrel's Responses to Defendants' Interrogatories and/or Cracker Barrel's Opt-Out Letter.

34. Plaintiff Cumberland Farms, Inc. ("Cumberland Farms") is a Delaware corporation with its principal place of business in Westborough, Massachusetts. Cumberland Farms operates approximately 560 retail stores, gas stations, and a support system including petroleum and grocery distribution in eight states across the Northeast and Florida. Cumberland Farms is seeking to recover the damages incurred as a result of the conduct detailed in this Complaint.

35. Plaintiff D'Agostino Supermarkets, Inc. ("D'Agostino") is a retail grocery chain operating under the laws of New York with its principal place of business in Larchmont, New York. D'Agostino operates 9 grocery stores in the state of New York. D'Agostino is seeking to recover the damages incurred as a result of the conduct detailed in this Complaint.

36. Plaintiff Dick's Sporting Goods, Inc. ("Dick's") is a Delaware corporation with its principal place of business in Coraopolis, Pennsylvania. Dick's was founded in 1948 and is an authentic full-line sporting goods retailer offering a broad assortment of brand name sporting goods equipment, apparel, and footwear in a specialty store environment. As of November 2, 2019, Dick's and its affiliates operate over 733 stores in 47 states, and sell goods over the Internet to U.S. customers. Dick's had approximately $7.2 billion in consolidated sales in 2015. Dick's is seeking to recover the damages incurred as a result of the conduct detailed in this Complaint, including under the following DBAs or by the following subsidiaries, which either process Visa and Mastercard payments under Dick's processor agreements, have been merged into Dick's, or

have assigned their claims to Dick's: A.D. Starr; Chelsea Collective; Chick's Sporting Goods, Inc.; Chick's Sporting Goods, LLC; Field & Stream; Galyan's Trading Company, Inc.; Galyan's Trading Company, LLC; GameChanger Media, Inc.; Golf Galaxy GolfWorks, Inc.; Golf Galaxy, LLC (formerly Golf Galaxy, Inc.); and TrueRunner.

37. Plaintiff Dillard's, Inc. ("Dillard's") is a Delaware corporation with its principal place of business in Little Rock, Arkansas. Dillard's was founded in 1938 by William T. Dillard, and currently ranks among the nation's largest fashion apparel, cosmetics, and home furnishing retailers. Dillard's currently operates 291 stores in the United States, and sells goods over the Internet to U.S. customers. Dillard's had over $6.3 billion in retail sales in fiscal year 2018. Dillard's is seeking to recover the damages incurred as a result of the conduct detailed in this Complaint.

38. Plaintiff Drury Hotels Company, LLC ("Drury") (previously Drury Inns, Inc.) is a privately owned Nevada limited liability company with its principal place of business in Cape Girardeau, Missouri. Drury is a hotel management company that offers top-quality lodging at a reasonable price. Drury operates, and accepts and processes card transactions for more than 150 hotels in 25 states across the United States. Drury had approximately $514 million in retail sales in 2015. Drury is seeking to recover the damages incurred, including by any subsidiaries and/or affiliates or locations listed in its Opt-Out Letter, as a result of the conduct detailed in this Complaint. Drury is the entity that accepts and processes transactions for the subsidiaries and affiliates listed in Drury's Response to Defendants' Interrogatories and/or Drury's Opt-Out Letter.

39. Plaintiff Euromarket Designs, Inc., d/b/a Crate & Barrel, CB2 and Hudson Grace ("EDI"), is a privately held Illinois corporation with its principal place of business in Northbrook, Illinois. EDI is a prominent retailer of housewares, home furnishings and furniture. As of the end

of 2019, EDI operates 84 Crate & Barrel stores and 20 CB2 stores in the United States and sells goods over the Internet to customers around the world. Crate & Barrel Holdings, Inc. is the sole owner of EDI and Meadowbrook, L.L.C. (d/b/a The Land of Nod until 2018), and the holder of various assets relating to the companies' businesses. EDI had approximately $1.7 billion in retail sales for the fiscal year ended March 3, 2019. EDI is seeking to recover the damages incurred as a result of the conduct detailed in this Complaint, for itself and as assignee of Meadowbrook.

40. Plaintiff Express, LLC ("Express") is a Delaware limited liability company with its principal place of business in Columbus, Ohio. Express, LLC, together with its subsidiary Express Fashion Operations, LLC, conducts the operations of the company. Express, LLC and Express Fashion Operations, LLC are each wholly-owned by Express, Inc. Express is a leading fashion brand for women and men. Since 1980, Express has provided the latest apparel and accessories to help customers build a wardrobe for every occasion, offering fashion and quality at an attractive value. As of February 2, 2019, Express operated 631 stores in 46 states across the United States, as well as in Puerto Rico. Express also sells goods over the Internet. Express had net sales of over $2.1 billion in 2018. Express is seeking to recover the damages incurred as a result of the conduct detailed in this Complaint.

41. Plaintiff Family Dollar Stores, Inc. ("Family Dollar") is a Delaware corporation with its principal place of business in Chesapeake, Virginia. As of January 8, 2020, Family Dollar operated a chain of approximately 7,900 general merchandise retail discount stores in 46 states, providing value-conscious consumers with a selection of competitively priced merchandise in convenient neighborhood stores. Family Dollar had net sales of over $10.48 billion in fiscal year 2014. On July 6, 2015, Family Dollar became a wholly-owned subsidiary of Dollar Tree, Inc., a publicly held corporation. Family Dollar is seeking to recover the damages incurred by Family

Dollar Stores, Inc.; Family Dollar, Inc.; Family Dollar Stores of Alabama, LLC; Family Dollar Stores of Arkansas, LLC; Family Dollar Stores of Colorado, LLC; Family Dollar Stores of Connecticut, LLC; Family Dollar Stores of D.C., LLC; Family Dollar Stores of Delaware, LLC; Family Dollar Stores of Florida, LLC; Family Dollar Stores of Georgia, LLC; Family Dollar Stores of Indiana, LLC; Family Dollar Stores of Iowa, LLC; Family Dollar Stores of Kentucky, LP; Family Dollar Stores of Louisiana, Inc.; Family Dollar Stores of Maryland, LLC; Family Dollar Stores of Massachusetts, LLC; Family Dollar Stores of Michigan, LLC; Family Dollar Stores of Mississippi, Inc.; Family Dollar Stores of Missouri, LLC; Family Dollar Stores of New Jersey, LLC; Family Dollar Stores of New Mexico, Inc.; Family Dollar Stores of New York, Inc.; Family Dollar Stores of North Carolina, Inc.; Family Dollar Stores of Ohio, Inc.; Family Dollar Stores of Oklahoma, LLC; Family Dollar Stores of Pennsylvania, LLC; Family Dollar Stores of Rhode Island, LLC; Family Dollar Stores of South Carolina, LLC; Family Dollar Stores of South Dakota, LLC; Family Dollar Stores of Tennessee, Inc.; Family Dollar Stores of Texas, LLC; Family Dollar Stores of Vermont, LLC; Family Dollar Stores of Virginia, Inc.; Family Dollar Stores of West Virginia, LLC; and Family Dollar Stores of Wisconsin, LLC, as a result of the conduct detailed in this Complaint. Family Dollar, Inc., the entity that maintains the processing relationship for all Visa and Mastercard transactions accepted at Family Dollar's locations and sales channels, has assigned its claims to Family Dollar.

42. Plaintiff Family Express Corporation ("Family Express") is an Indiana corporation with its principal place of business in Valparaiso, Indiana. Family Express owns and operates 74 convenience stores and fueling centers in northern Indiana. Family Express is seeking to recover the damages incurred as a result of the conduct detailed in this Complaint.

43. Plaintiffs Fleet Farm Wholesale Supply Co., Inc. (f/k/a Fleet Wholesale Supply Co., Inc.), a Delaware corporation with its principal place of business in Appleton, Wisconsin; Fleet Farm of Alexandria, LLC (f/k/a Fleet and Farm of Alexandria, Inc.), a Delaware corporation with its principal place of business in Appleton, Wisconsin); Fleet Farm Wholesale Supply, Fergus Falls, LLC (f/k/a Fleet Wholesale Supply of Fergus Falls, Inc.), a Delaware corporation with its principal place of business in Appleton, Wisconsin; Fleet Farm of Green Bay, LLC (f/k/a Fleet and Farm of Green Bay, Inc.), a Delaware corporation with its principal place of business in Appleton, Wisconsin; Fleet Farm of Menemonie, LLC (f/k/a Fleet and Farm of Menomonie, Inc.), a Delaware corporation with its principal place of business in Appleton, Wisconsin; Fleet Farm, LLC (f/k/a Mills Fleet Farm, Inc.), a Delaware corporation with its principal place of business in Appleton, Wisconsin; Fleet Farm of Manitowoc, LLC (f/k/a Fleet and Farm of Manitowoc, Inc.), a Delaware corporation with its principal place of business in Appleton, Wisconsin; Fleet Farm of Plymouth, LLC (f/k/a Fleet and Farm of Plymouth, Inc.), a Delaware corporation with its principal place of business in Appleton, Wisconsin; Fleet Farm Properties LLC (f/k/a Mills Properties), a Delaware corporation with its principal place of business in Appleton, Wisconsin; Fleet Farm Supply Company of West Bend, LLC (f/k/a Fleet and Farm Supply Company of West Bend, Inc.), a Delaware corporation with its principal place of business in Appleton, Wisconsin; Fleet Farm of Waupaca, LLC (f/k/a Fleet and Farm of Waupaca, Inc.), a Delaware corporation with its principal place of business in Appleton, Wisconsin; and Fleet Farm E-Commerce Enterprises, LLC (f/k/a Mills E-Commerce Enterprises, Inc.), a Delaware corporation with its principal place of business in Appleton, Wisconsin (collectively, the "Fleet Farm Companies") individually own and operate dozens of stores and businesses in Minnesota, Wisconsin, Iowa, South Dakota, and North Dakota primarily under the "Mills Fleet Farm" or "Fleet Farm" brand names, including: retail stores,

online stores, vehicle service centers, and related operations. The Fleet Farm Companies are seeking to recover the damages incurred as a result of the conduct detailed in this Complaint.

44. Plaintiff Foot Locker, Inc. ("Foot Locker") is a New York corporation with its principal place of business in New York, New York. Foot Locker is a leading global retailer of athletically inspired shoes and apparel with nine brands: Foot Locker, Kids Foot Locker, Lady Foot Locker, Footaction, Champs Sports, Eastbay, Runners Point and Sidestep. Foot Locker owns and operates over 2,000 stores in the United States, and sells goods over the Internet to U.S. customers. Foot Locker had approximately $7.4 billion in retail sales in 2015. Foot Locker is seeking to recover the damages incurred as a result of the conduct detailed in this Complaint, and is the entity that accepts Visa and Mastercard transactions for the subsidiaries and affiliates listed in Foot Locker's Responses to Defendants' Interrogatories and/or Foot Locker's Opt-Out Letter. As further specified in its expert report served on October 5, 2018, Foot Locker is also asserting damages incurred by Athletic Fitters Inc., which Foot Locker purchased in 2008 and for which Foot Locker accepts Visa and Mastercard payments; and CCS Direct, LLC, which Foot Locker owned from November 2008 through November 2014, and for which Foot Locker accepted Visa and Mastercard payments.

45. Plaintiff The Gap, Inc. ("Gap") is a Delaware corporation with its principal place of business in San Francisco, California. Gap is a leading global specialty retailer with seven brands: Gap, Banana Republic, Old Navy, Athleta, Hill City, Janie and Jack, and Intermix. Gap offers clothing, accessories, and personal care products for men, women, children, and babies in stores worldwide through about 3,200 company operated stores, over 400 franchise stores, and e-commerce sites. Gap had approximately $15.8 billion in net sales in 2015. Gap is seeking to recover the damages incurred as a result of the conduct detailed in this Complaint and is the entity

that accepts Visa and Mastercard transactions for the subsidiaries and affiliates listed in Gap's Responses to Defendants' Interrogatories and/or Gap's Opt-Out Letter.

46. Plaintiff Genesco Inc. ("Genesco") is a Tennessee corporation with its principal place of business in Nashville, Tennessee. Genesco is a specialty retailer and branded company that sells footwear and accessories in approximately 1,500 retail stores throughout the United States and internationally, principally under the names Journeys, Journeys Kidz, Shi by Journeys, Schuh, Schuh Kids, Little Burgundy, and Johnston & Murphy and on a number of websites. Genesco had approximately $1.7 billion in U.S. net sales in its 2019 fiscal year. Effective as of February 2, 2019, Genesco completed the sale of its Lids Sports Group to FanzzLids Holdings, LLC. Genesco is seeking to recover the damages incurred by Genesco Inc., Genesco Partners Joint Venture, and Genesco Partners Joint Venture #2, as a result of the conduct detailed in this Complaint. Genesco is the entity that maintains the processing relationship for all Visa and Mastercard transactions accepted at Genesco's locations and sales channels.

47. Plaintiff GNC Holdings, Inc. ("GNC") is a Delaware corporation with its principal place of business in Pittsburgh, Pennsylvania. GNC is a specialty retailer that sells health and wellness products, including vitamins, minerals, and herbal supplement products, sports nutrition products, and diet products. GNC sells its products at 2,989 company-owned locations in the United States, 2,978 franchise stores worldwide, and over the Internet to U.S. customers through GNC.com. GNC generated approximately $2.353 billion in revenue in fiscal year 2018. GNC is seeking to recover the damages incurred as a result of the conduct detailed in this Complaint, including under the following subsidiary or affiliate entities, which have assigned their claims to GNC: General Nutrition Centers, Inc., General Nutrition Corporation, and General Nutrition Companies, Inc.

48. Plaintiff Gulf Oil Limited Partnership ("Gulf") is a Delaware limited partnership with its principal place of business in Wellesley Hills, Massachusetts. Gulf is a supplier of quality motor fuels to thousands of outlets cross its over 30-state footprint. Gulf also supplies heating oil, lubricants, and bio-fuels. Gulf owns and operates seventeen petroleum terminals and supplies wholesale product through various third-party terminals. Until December 29, 2015, Gulf was a wholly-owned subsidiary of Cumberland Farms. Gulf is seeking to recover the damages incurred as a result of the conduct detailed in this Complaint.

49. Plaintiff Hat World, Inc. ("Hat World") is a Minnesota corporation with its principal place of business in Indianapolis, Indiana. Hat World is a subsidiary of Lids Holdings Inc., which is owned by FanzzLids Holdings, LLC. Effective as of February 2, 2019, Genesco completed the sale of its Lids Sports Group to FanzzLids Holdings, LLC. LIDS Sports Group, an operating entity within Hat World, is a leading sports-licensed retailer that sells headwear, sports apparel, and accessories in more than 1,100 mall-based, airport, street level, factory outlet, and department store locations throughout the United States. LIDS Sports Group is comprised of LIDS retail stores, Locker Room by LIDS retail stores, and LIDS Clubhouse. Locker Room by LIDS also operates under the nameplates Fanzz, Just Sports, Seattle Team Shop, Buckeye Corner, Tiger Mania, and Sports Fan-Attic Jersey City, and operates locations within Macy's department stores. LIDS Clubhouse operates team-specific professional sports and university athletics retail stores. Lids Sports Group also sells goods over the Internet to U.S. customers. Hat World had approximately $771 million in U.S. sales in its 2019 fiscal year. Hat World is seeking to recover the damages incurred by Hat World, Inc., SIOPA Sports of America, LLC, Fanzz Holdings, Inc., and Fanzz Gear, Inc., as a result of the conduct detailed in this Complaint. Hat World is the entity

that maintains the processing relationship for all Visa and Mastercard transactions accepted at Hat World's locations and sales channels.

50. Plaintiff HMSHost Corporation ("HMSHost") is a Delaware corporation with its principal place of business in Bethesda, Maryland. HMSHost is the world's largest provider of food, beverage and retail services for travelers. HMSHost operates in more than 120 airports worldwide, including the top 20 busiest airports in North America, and at more than 100 Turnpike travel plaza stops in North America. On November 30, 2012, HMSHost Corporation merged with Autogrill Group, Inc., with the surviving corporation retaining the name HMSHost Corporation. On October 11, 2016, HMSHost acquired Stellar Partners, Inc., a leading travel venue retailer. HMSHost is seeking to recover the damages incurred as a result of the conduct detailed in this Complaint, including by Autogrill Group, Inc., Host International, Inc. and Stellar Partners, Inc., all of which have either merged with or assigned their claims to HMSHost Corporation..

51. Plaintiff IKEA North America Services, LLC ("IKEA North America") (successor to IKEA U.S., Inc.) is a Virginia limited liability company with its principal place of business in Conshohocken, Pennsylvania. The IKEA Group is a global retailer whose stated vision and business idea is "to create a better everyday life for the many people by offering a wide range of well-designed, functional home furnishing products at prices so low that as many people as possible will be able to afford them." The retail operations of IKEA North America and its affiliate IKEA US Retail LLC (previously IKEA New York, LLC, IKEA U.S. East, LLC, and IKEA U.S. West, Inc.) (collectively "IKEA US") are an extension of the global brand. As of January 2020, IKEA US operates 50 stores in the United States, and sells products over the Internet to U.S. customers. IKEA US had approximately $5.4 billion in retail sales in fiscal year 2019. IKEA North America is seeking to recover the damages incurred, including by its affiliate

IKEA US Retail LLC that operates in the United States, as a result of the conduct detailed in this Complaint. IKEA North America is the entity that maintains the processing relationship for all Visa and Mastercard transactions accepted at IKEA US locations and sales channels.

52. Plaintiff Jetro Cash & Carry Enterprises, LLC is a Delaware limited liability company, and a subsidiary of Jetro Holdings, LLC, a Delaware limited liability company with its principal place of business in College Point, New York (collectively, "Jetro"). Jetro is a wholesale cash and carry, serving grocery retailers and foodservice operators, and operates a total of 134 warehouses across 34 states under the names "Jetro Cash & Carry" and "Restaurant Depot." Jetro is seeking to recover the damages incurred as a result of the conduct detailed in this Complaint, including by its affiliates JRD Unico, Inc., Jetro Holdings, LLC, JRD Holdings, LLC, Restaurant Depot, LLC, RD America, LLC, RD Mass, Inc., RD United, LLC, RD/JET, LLC, and Jetro RDNY LLC, all of which have assigned their claims in this matter to Jetro Cash & Carry Enterprises, LLC.

53. Plaintiff Lowe's Companies, Inc. ("Lowe's"), is a North Carolina corporation with its principal place of business in Mooresville, North Carolina. Through its operating subsidiary Lowe's Home Centers, LLC (f/k/a Lowe's Home Centers, Inc. and successor by merger to Lowe's HIW, Inc.), as of February 1, 2019, Lowe's operated 1,723 home improvement retail stores across the United States and sold goods over the Internet. Lowe's had approximately $71.3 billion in company-wide net sales in Fiscal Year 2018. Lowe's is seeking to recover the damages incurred as a result of the conduct detailed in this Complaint, including by its current and past subsidiaries, which either process or have processed Visa and Mastercard payments under Lowe's processor agreements, have merged into Lowe's, or have assigned their claims to Lowe's: Lowe's Home Centers, LLC (f/k/a Lowe's Home Centers, Inc. and successor by merger to Lowe's HIW, Inc.),

Lowe's Home Centers, Inc., Lowe's HIW, Inc., Allied Trade Group, Inc., Allied Trade Group, LLC, Marble & Granite Works, LLC, Maintenance Supply Headquarters, LP (for itself and as successor in interest to the claims of Central Wholesalers, Inc.), and Orchard Supply Company, LLC (for itself and as successor in interest to the claims of Orchard Supply Hardware, LLC).

54. Plaintiff Marathon Petroleum Company LP ("Marathon") (f/k/a Marathon Petroleum Company LLC prior to October 1, 2010 and Marathon Ashland Petroleum LLC prior to September 1, 2005) is a Delaware limited partnership with its principal place of business in Findlay, Ohio. Marathon is one of the largest petroleum product refiners, marketers and transporters in the United States. The company operates a sixteen-plant refining network, a comprehensive terminal and transportation system, and extensive wholesale and retail marketing network. Marathon supplies petroleum products to approximately 6715 retail outlets in 36 states across the United States. Marathon-branded fueling stations are predominantly independently owned and operated. Marathon had revenues of approximately $72 billion in 2015. On October 1, 2018, following a merger, Andeavor LLC became a wholly-owned subsidiary of Marathon Petroleum Corporation, Marathon's limited partner. Marathon is seeking to recover the damages incurred, including those incurred by Andeavor LLC, as a result of the conduct detailed in this Complaint.

55. Plaintiff Michaels Stores, Inc. ("Michaels") is a Delaware corporation with its principal place of business in Irving, Texas. Michaels, together with any subsidiaries, is the largest arts and crafts specialty retailer in North America, providing materials, project ideas, and education for creative activities. As of February 1, 2020, Michaels operates 1,274 Michaels stores in the United States and Canada and sells goods over the Internet to U.S. customers. Michaels operates or has operated stores under the Michaels, Aaron Brothers, Star Decorator's Wholesale

Warehouse, and Recollections brand names. On February 2, 2016, Michaels acquired Lamrite West, Inc., which operated 32 arts and crafts retailer stores under the Pat Catan's brand name. In fiscal year 2019, Michaels had over $5.07 billion in retail sales. Michaels is seeking to recover the damages incurred by Michaels Stores, Inc., Aaron Brothers, Inc., and Pat Catan's as a result of the conduct detailed in this Complaint. Lamrite West, Inc. has assigned its claims in this matter to Michaels Stores, Inc.

56. Plaintiff National Association of Convenience Stores ("NACS") is a trade association organized under the laws of Virginia with its principal place of business in Alexandria, Virginia. NACS is an international trade association representing more than 2,200 retail and 1,600 supplier company members. NACS member companies do business in nearly 50 countries worldwide, with most members based in the United States. NACS is seeking to recover the damages incurred as a result of conduct detailed in this Complaint, including damages incurred by the subsidiaries and/or affiliates Conexxus, Inc., NACS Foundation, NACSPAC, NACS – CSX, LLC, NACS Registration, NACS-CSE, and The Fuels Institute that operate in the United States. NACS is the entity that accepts Visa and Mastercard transactions for these subsidiaries and affiliates.

57. Plaintiff National Grocers Association ("NGA") is a national trade association organized under the laws of the District of Columbia with its principal place of business in Arlington, Virginia. NGA represents the retail and wholesale grocers that comprise the independent sector of the food distribution industry, as well as affiliated associations, manufacturers, and service suppliers. NGA is seeking to recover the damages incurred as a result of the conduct detailed in this Complaint.

58. Plaintiff National Railroad Passenger Corporation ("Amtrak") is the national rail operator for intercity passenger service in the United States. Amtrak operates a nationwide rail network in the United States, serving more than 500 destinations in 46 states, the District of Columbia and three Canadian provinces on more than 21,300 miles of routes. For fiscal year 2018, Amtrak posted revenue of $3.4 billion, and Amtrak customers took 31.7 million trips. Amtrak is seeking to recover the damages incurred as a result of the conduct detailed in this Complaint.

59. Plaintiff NIKE, Inc. ("NIKE") is an Oregon corporation with its principal place of business in Beaverton, Oregon. NIKE's principal business activity is the design, development and marketing worldwide of high-quality footwear, apparel, equipment, accessories and services. NIKE is the largest seller of athletic footwear and athletic apparel in the world. NIKE sells its products to retail accounts, through NIKE-owned retail stores and Internet sales, and through a mix of independent distributors and licensees, in virtually all countries around the world. NIKE had over $39.1 billion in revenue in fiscal year 2019. NIKE is seeking to recover the damages incurred as a result of the conduct detailed in this Complaint by NIKE, Inc., including damages incurred by its wholly-owned subsidiary brand Converse, headquartered in Boston, whose Visa and Mastercard payment card transactions were processed through NIKE's acquirer-processor at all relevant times.

60. Plaintiff Pacific Sunwear of California, Inc. is now known as Pacific Sunwear of California, LLC ("PacSun"). PacSun is a California corporation with its principal place of business in Anaheim, California. PacSun is a leading specialty retailer delivering a curated collection of the most relevant brands and styles to a community of inspired youth through its unique 35-year heritage at the center of California lifestyle. PacSun operates over 400 stores throughout the United States and Puerto Rico. PacSun reorganized under chapter 11 of the

bankruptcy code in 2016 and is now owned by Golden Gate Capital, who also owns Eddie Bauer through a single operating company, PSEB LLC. PacSun is seeking to recover the damages incurred by PacSun (including through its brand Demo Stores) as a result of the conduct detailed in this Complaint.

61. Plaintiff Panda Restaurant Group, Inc. ("Panda RG") is a California corporation with its principal place of business in Rosemead, California. Panda RG operates a chain of restaurants that offer Chinese food, gourmet Mandarin and Szechuan cuisine, and Japanese grill favorites, as well as appetizers, soups and salads, entrees, noodles and rice products, and sides. Panda RG operates over 2,200 restaurants in 49 states, Guam, and Puerto Rico. Panda RG had over $3.4 billion in revenue in 2018. Panda RG accepts Visa and Mastercard transactions on behalf of itself and its affiliates Panda Express, Hibachi-San, Panda Inn, Wasabi Sushi and Wasabi, and is seeking to recover the damages incurred as a result of the conduct detailed in this Complaint.

62. Plaintiff Panera Bread Company ("Panera") is a Delaware corporation with its principal place of business in St. Louis, Missouri. Panera is a national bakery-cafe concept with over 2,000 company-owned and franchise-operated bakery-cafe locations in 46 states, the District of Columbia, and Ontario, Canada. Panera serves approximately 9 million customers per week system-wide and is currently one of the largest food service companies in the United States. Panera operates under the Panera Bread, Saint Louis Bread Co., and Paradise Bakery & Cafe trademark names. In 2017, Panera acquired ABP Holding Co. Inc., parent company of ABP Corporation, operator of the Au Bon Pain bakery-cafe concept. Panera had approximately $2.43 billion in retail sales in 2016. Panera is seeking to recover the damages incurred as a result of the conduct detailed in this Complaint, including under the following subsidiaries, which either

process Visa and Mastercard payments under Panera's processor agreements or have assigned their claims to Panera: Panera Bread Company, Panera, LLC, Paradise Bakery & Café, Inc., Bakery Café Cards, LLC, Artisan Bread, LLC, Cap City Bread, LLC, and Au Bon Pain Holding Co. Inc.

63. Plaintiff P.C. Richard & Son, Inc. ("P.C. Richard") is a Delaware corporation. P.C. Richard, through its subsidiaries (including, but not limited to, P.C. Richard & Son Long Island Corporation), is a privately owned and operated company founded in 1909. P.C. Richard is engaged principally in the retail sale of home appliances, televisions, consumer electronics, home office products, and mattresses principally in the New York metropolitan area and in New Jersey, Connecticut and Northeast Philadelphia. As of August 31, 2016, the company operated 65 showrooms, and it sells merchandise over the Internet to U.S. customers. P.C. Richard is seeking to recover the damages incurred as a result of the conduct detailed in this Complaint, including by its subsidiary P.C. Richard & Son Long Island Corporation, which has assigned its claims in this matter to P.C. Richard and is the entity that accepts Visa and MasterCard transactions for the subsidiaries and affiliates listed in P.C. Richard's Responses to Defendants' Interrogatories and/or P.C. Richard's Opt-Out Letter.

64. Plaintiff Petco Animal Supplies, Inc. ("Petco") is a Delaware corporation with its principal place of business in San Diego, California. Petco is a leading national pet specialty retailer of premium pet food, supplies, and services with over 1,500 Petco stores in the United States, Mexico and Puerto Rico as well as petco.com. Petco is seeking to recover the damages it incurred as a result of the conduct detailed in this Complaint, including as assignee of its wholly-owned subsidiary, Petco Wellness LLC, successor-in-interest to Petco's former wholly-owned subsidiary, Foster & Smith Inc. d/b/a Drs. Foster and Smith.

65. Plaintiff Ralph Lauren Corporation ("Ralph Lauren") is a Delaware corporation with its principal place of business in New York, New York. Ralph Lauren is a global leader in the design, marketing, and distribution of premium lifestyle products, including men's, women's, and children's apparel, accessories, fragrances, and home furnishings. Ralph Lauren operates in three distinct but integrated segments: Wholesale, Retail, and Licensing. As of April 2, 2016, Ralph Lauren's merchandise was sold through 493 retail stores and 583 concession-based shops-within-shops, as well as through its various e-commerce sites. In addition, as of April 2, 2016, the Company's global licensing partners operated 93 Ralph Lauren stores, 42 Ralph Lauren concession shops, and 133 Club Monaco stores and shops. Ralph Lauren had approximately $7.405 billion in sales in fiscal year 2016. Ralph Lauren is seeking to recover the damages incurred, including by its subsidiaries Ralph Lauren Retail, Inc. (f/k/a Fashion Company of America) and Club Monaco U.S., LLC, as a result of the conduct detailed in this Complaint. Ralph Lauren is the entity that accepts Visa and Mastercard transactions for the subsidiaries and affiliates listed in Ralph Lauren's Responses to Defendants' Interrogatories and/or Opt-Out Letter.

66. Plaintiff Recreational Equipment, Inc. ("REI") is a member-owned consumer cooperative organized under the laws of the State of Washington with headquarters in Kent, Washington. REI is a national outdoor retailer selling consumers the products they need to enjoy human-powered outdoor recreation. REI offers its own line of quality award-winning gear and apparel, in addition to products from top brands for camping, climbing, cycling, fitness, hiking, paddling, snow sports, and travel. REI is also the largest provider in the United States of education in outdoor recreation, through the REI Outdoor School and most of its stores. REI operates 161 stores in the United States and sells its products via the Internet and catalogue to U.S.

customers. REI had approximately $2.96 billion in retail sales in 2019. REI is seeking to recover the damages incurred as a result of the conduct detailed in this Complaint.

67. Plaintiff Republic Services, Inc., a Delaware corporation with its principal place of business in Phoenix, Arizona, together with its consolidated subsidiaries listed in Exhibit A (referred to collectively as "Republic"), is the second largest provider of non-hazardous solid waste collection, transfer, disposal, recycling and environmental services in the United States, as measured by revenue. As of June 30, 2016, Republic operated facilities in 39 states and Puerto Rico through 333 collection operations, 203 transfer stations, 193 active landfills, 66 recycling centers, 7 treatment, recovery and disposal facilities, and 10 saltwater disposal wells. Republic also operated 69 landfill gas and renewable energy projects and had post-closure responsibility for 125 closed landfills. Republic had over $9 billion in revenue in 2015. Republic is seeking to recover the damages incurred, including by Allied Waste Industries, Inc. and the subsidiaries listed in Exhibit A that operate in the United States and that either process Visa and Mastercard payments under Republic's processor agreements, including its addendums, and/or have assigned their claims to Republic, as a result of the conduct detailed in this Complaint.

68. Plaintiff Restoration Hardware, Inc. ("Restoration Hardware") is a Delaware corporation with its principal place of business in Corte Madera, California. Restoration Hardware is a luxury home furnishings retailer that offers a growing number of categories including furniture, lighting, textiles, bathware, decorative accessories, outdoor and children's furnishings. These products are sold through Restoration Hardware's stores, catalogs and websites. On May 27, 2016, Restoration Hardware acquired a controlling interest in Design Investors WW Acquisition Company, LLC, which owns Waterworks, a premier luxury bath and kitchen brand. For fiscal year 2018, the Company operated approximately 85 retail stores and 39 outlet stores in

the United States and Canada, and had sourcing operations in Shanghai and Hong Kong. Restoration Hardware had over $2.5 billion in net revenues in fiscal year 2018. Restoration Hardware is seeking to recover the damages incurred as a result of the conduct detailed in this Complaint.

69. Plaintiff RTW Retailwinds, Inc. (formerly New York & Company, Inc.) ("New York & Company") is a Delaware corporation with its principal place of business in New York, New York. New York & Company is a leading specialty retailer of women's fashion apparel and accessories, and the modern wear-to-work destination for women, providing perfectly fitting pants and NY Style that is feminine, polished, on-trend and versatile. As of January 30, 2016, New York & Company operated 490 stores in the United States, and it sells merchandise over the Internet to U.S. customers. New York & Company had approximately $1 billion in net sales in 2015. New York & Company is seeking to recover the damages incurred as a result of the conduct detailed in this Complaint, including by its subsidiary Lerner New York, Inc., which has assigned its claims in this matter to New York & Company and is the entity that accepts Visa and Mastercard transactions for the subsidiaries and affiliates listed in New York & Company's Responses to Defendants' Interrogatories and/or New York & Company's Opt-Out Letter.

70. Plaintiff Speedway LLC ("Speedway") is a Delaware limited liability company with its principal place of business in Enon, Ohio. Speedway's sole member is MPC Investment LLC, whose sole member is Marathon Petroleum Corporation. As of January 1, 2020, Speedway operates approximately 2800 company-owned convenience stores with fuel dispensing across 22 states and operates 1059 additional stores and fuel dispensing stations in 14 states.[1] On September

[1] For these additional 1059 Stores, fuel is, or was during the relevant time period, sold under the following brands: Tesoro, Giant, Conoco, Shell, 76, Chevron, Western, Mobil, Flyers, ARCO, and USA Gasoline.

30, 2014, pursuant to a Purchase Agreement, by and between Speedway and Hess Corporation dated May 21, 2014 and as amended, Speedway purchased from Hess the ownership interests of Hess Retail Holdings LLC, Hess Wilco Holdings LLC, Hess Retail Operations LLC, Hess Retail Stores LLC, Hess Realty LLC, WilcoHess LLC, and Wilco Food Services LLC. All of these entities were subsequently merged into Speedway LLC. Speedway is seeking to recover the damages incurred by Speedway for owned and operated stores, including for stores under the brands and banners Rich Oil, Smokes for Less, Hess, WilcoHess, Wilco, SuperAmerica (until December 2010),[2] Gas America (rebranded as Speedway in May 2012), Tesoro, Giant, Conoco, Shell, 76, Chevron, Western, Mobil, Flyers, ARCO, and USA Gasoline, as a result of the conduct detailed in this Complaint.

71. Plaintiff Starbucks Corporation ("Starbucks") is a Washington corporation with its principal place of business in Seattle, Washington. Starbucks is the premier roaster, marketer and retailer of specialty coffee in the world, operating in 81 markets. Starbucks purchases and roasts high-quality coffees that it sells, along with handcrafted coffee, tea and other beverages and a variety of fresh food items, through company-operated stores. Starbucks also sells a variety of coffee and tea products and licenses its trademarks through other channels such as licensed stores, grocery and national foodservice accounts. In addition to its flagship Starbucks Coffee brand, Starbucks has sold goods and services under the following brands: Teavana, Seattle's Best Coffee, Evolution Fresh, La Boulange, Ethos, Starbucks Reserve, and Princi. Starbucks acquired Tazo in 1999, Seattle Coffee Company (including Seattle's Best Coffee and Torrefazione Italia Coffee) in 2003, and La Boulange and Teavana in 2012. Starbucks sold the Tazo brand in 2017. Starbucks

[2] As of October 8, 2018, Speedway began rebranding SuperAmerica Stores as Speedway.

had revenues of approximately $24.72 billion in fiscal year 2018. Starbucks is seeking to recover the damages incurred as a result of the conduct detailed in this Complaint, including by Seattle's Best Coffee, Torrefazione Italia, and Teavana, each of whom has processed payment card transactions under Starbucks' master agreement for payment card processing.

72. Plaintiff Stein Mart, Inc. ("Stein Mart") is a Florida corporation with its principal place of business in Jacksonville, Florida. Stein Mart is a national retailer offering the fashion merchandise, service, and presentation of a better department or specialty store. Stein Mart's focused assortment of merchandise features current-season, moderate to better fashion apparel for women and men, as well as accessories, shoes, and home fashions, all offered at prices competitive with off-price retail chains. Stein Mart operated 287 stores in the United States in 20 states and an ecommerce site as of February 2019. Stein Mart had approximately $1.26 billion in net sales in 2015. Stein Mart is seeking to recover the damages incurred as a result of the conduct detailed in this Complaint.

73. Plaintiff Swarovski U.S. Holding Limited ("Swarovski") is a Rhode Island corporation with its principal place of business in Cranston, Rhode Island. Swarovski, a subsidiary of Swarovski International Holding AG, manufactures and markets crystal giftware and jewelry. Swarovski had approximately $485 million in retail sales in 2012. Swarovski is seeking to recover the damages incurred as a result of the conduct detailed in this Complaint, including by its subsidiaries Swarovski North America Limited, Amazar Americas Holding, Inc., Amazar Americas, Inc., Signity Americas Ltd., Swarovski Crystallized LLC, Swarovski Digital Business USA Inc., Swarovski Financial Services Corp, Swarovski Optik North America Limited, Swarovski Retail Ventures Ltd., Swarovski Retail Ventures Puerto Rico Ltd., Touchstone Crystal,

Inc., Chamilia, LLC., A. Schonbek & Co, Inc., and Swarovski Lighting, Ltd., which have assigned their claims to Swarovski U.S. Holding Limited.

74. Plaintiff The Talbots, Inc. ("Talbots") is a Delaware corporation with its principal place of business in Hingham, Massachusetts. Talbots is a specialty retailer offering women's apparel, accessories, and shoes sold under the Talbots brand. Talbots operates under an integrated omni-channel platform selling its merchandise through its 550 stores, its circulation of catalogs, and online through its website, www.talbots.com. Talbots is seeking to recover the damages incurred as a result of the conduct detailed in this Complaint on behalf of Talbots and its former subsidiary J. Jill, as specified in the schedules attached to the report of Talbots' damages expert. As described within the SEC filings of the companies, the acquisition of J. Jill by Talbots was completed by way of a merger in May 2006; and the sale of J. Jill in July 2009 was completed by way of an asset purchase transaction, where Talbots retained all rights that were not specifically transferred.

75. Plaintiff The William Carter Company ("Carter's") is a Massachusetts corporation with its principal place of business in Atlanta, Georgia. Carter's is a leading provider of apparel and related products exclusively for babies and young children, with history dating back to 1865. Carter's owns the Carter's and OshKosh B'gosh brands, two of the most recognized brands in the U.S. children's apparel marketplace. In February 2017, Carter's acquired Skip Hop, a leading baby and young child lifestyle brand. These brands are sold in leading department stores, national chains, and specialty retailers domestically and internationally, through more than 1,000 company-operated stores in the United States, Canada, and Mexico, and to U.S. customers over the Internet. Carter's had nearly $3.5 billion in retail sales in fiscal year 2018. Carter's is seeking to recover the damages incurred by the conduct in this Complaint, including under the following subsidiaries or

affiliate entities, which have assigned their claims to Carter's: Carter's, Inc., Carter's Giftcard Company, Inc., Carter's Retail, Inc., OshKosh B'Gosh Retail, Inc., and OshKosh B'Gosh, Inc.

76. Plaintiff Thermo Fisher Scientific Inc. ("TFS") is a Delaware corporation with its principal place of business in Waltham, Massachusetts. It is the world leader in serving science, enabling its customers to make the world healthier, cleaner and safer by providing analytical instruments, equipment, reagents and consumables, software and services for research, manufacturing, analysis, discovery and diagnostics. TFS serves more than 400,000 customers, including pharmaceutical and biotech companies, hospitals, clinical diagnostic labs, universities, research institutions, and government agencies. TFS had more than $24 billion in revenue in 2018. TFS is seeking to recover the damages incurred by itself and on behalf of its wholly-owned subsidiaries listed in Exhibit A, which process Visa and Mastercard card payments under TFS' processor agreements or have assigned their claims to TFS, as a result of the conduct detailed in this Complaint.

77. Plaintiff Thorntons LLC (f/k/a Thorntons Inc.) ("Thorntons") is a Delaware limited liability company with its principal place of business in Louisville, Kentucky. As of January 2020, Thorntons operates 200 Retail Motor Fuel and Convenience Stores in the states of Illinois, Indiana, Ohio, Kentucky, Tennessee and Florida. Thorntons had over $2.2 billion in retail sales in 2019. Thorntons is seeking to recover the damages incurred as a result of the conduct detailed in this Complaint.

78. Plaintiffs Whole Foods Market Group, Inc., a Delaware corporation with its principal place of business in Austin, Texas; Whole Foods Market Rocky Mountain/Southwest, L.P., a Texas limited partnership with its principal place of business in Austin, Texas; Whole Foods Market California, Inc., a California corporation with its principal place of business in

Emeryville, California; Mrs. Gooch's Natural Food Markets, Inc., a California corporation with its principal place of business in Glendale, California; Whole Foods Company, Inc., a Louisiana corporation with its principal place of business in Austin, Texas; Whole Foods Market Pacific Northwest, Inc., a Delaware corporation with its principal place of business in Austin, Texas; WFM-WO, Inc., a Delaware corporation with its principal place of business in Austin, Texas; WFM Northern Nevada, Inc., a Delaware corporation with its principal place of business in Austin, Texas; WFM Hawaii, Inc., a Hawaii corporation with its principal place of business in Glendale, California; and WFM Southern Nevada, Inc., a Delaware corporation with its principal place of business in Glendale, California. Whole Foods Market Group, Inc., Whole Foods Market Rocky Mountain/Southwest, L.P., Whole Foods Market California, Inc., Mrs. Gooch's Natural Food Markets, Inc., WFM-WO, Inc., and Whole Foods Market Pacific Northwest, Inc. are all wholly-owned subsidiaries of Whole Foods Market, Inc. Whole Foods Market, Inc. is a publicly traded Texas holding company. WFM Southern Nevada, Inc. and WFM Hawaii, Inc. are wholly-owned subsidiaries of Mrs. Gooch's Natural Food Markets, Inc. WFM Northern Nevada, Inc. is a wholly-owned subsidiary of Whole Foods Market California, Inc. The above-listed Whole Foods Market entities are collectively referred to herein as "Whole Foods." Whole Foods currently operates approximately 420 stores in the United States, Canada, and the United Kingdom. Whole Foods had approximately $15.4 billion in sales in fiscal year 2015. Whole Foods is seeking to recover the damages incurred as a result of the conduct detailed in this Complaint.

79. Plaintiff Yum! Brands, Inc. ("Yum!") is a North Carolina corporation with its principal place of business in Louisville, Kentucky. Yum! is one of the world's largest restaurant companies with over 48,000 restaurants in more than 140 countries and territories, as of March 2019. Yum!'s brands—KFC, Pizza Hut, and Taco Bell—are the global leaders of the chicken,

pizza, and Mexican-style food categories. Yum! is seeking to recover the damages incurred by its corporate-owned and operated stores as a result of the conduct detailed in this Complaint, including damages incurred by its subsidiary plaintiffs Yum Restaurant Services Group, LLC (f/k/a TRICON Restaurant Services Group, Inc.), Taco Bell of America, LLC, Taco Bell Corp., KFC Corporation (f/k/a Kentucky Fried Chicken Corporation; successor of KFC U.S. Properties, Inc.), Pizza Hut, LLC (successor of Pizza Hut, Inc.), Pizza Hut of America, LLC, and YUM! Restaurants International, Inc.

80. [INTENTIONALLY LEFT BLANK]

81. [INTENTIONALLY LEFT BLANK]

B. Defendants

1. Visa and MasterCard

82. Prior to the Visa IPO, Defendant Visa U.S.A. Inc. ("Visa U.S.A.") operated as a nonstock, nonassessable Delaware membership corporation with its principal place of business in Foster City, California. Its owner/members included approximately 14,000 banks.

83. Prior to the Visa IPO, Defendant Visa International Service Association ("Visa International") operated as a nonstock, nonassessable Delaware membership corporation with its principal place of business in Foster City, California. Its owner/members included approximately 21,000 banks.

84. Prior to the Visa IPO, Visa U.S.A. and Visa International were each governed by a board of directors (and Visa International had regional boards of directors for each of its geographical regions) comprised of bank executives selected from their owner/member banks, including some Bank Defendants. Visa U.S.A. also was a regional group member of Visa International.

85. Visa U.S.A. and Visa International, as well as other Visa entities not named as defendants in this Complaint, conducted a number of corporate restructurings in 2007 and 2008 to combine several previously independent corporate entities into Defendant Visa Inc. On March 19, 2008, Visa Inc. conducted an initial public offering through which it offered ownership shares to the general public and also issued ownership shares to its owner/member banks. As a result, Visa Inc. became and operates today as a publicly-traded Delaware corporation, with its principal place of business in Foster City, California. Upon the restructuring, Visa U.S.A. and Visa International became wholly owned subsidiaries of Visa Inc. and they continue to operate as such today. Visa Inc., Visa U.S.A., and Visa International are collectively referred to herein as "Visa."

86. Visa operates General Purpose Payment Card Networks and did so throughout the Damages Period.

87. Prior to the MasterCard IPO, Defendant MasterCard Incorporated was a private, SEC-registered share company, organized under the laws of Delaware with its principal place of business in Purchase, New York. Defendant MasterCard International Incorporated, a wholly owned subsidiary of MasterCard Incorporated with its principal place of business also in Purchase, New York, was a Delaware membership corporation that, prior to the MasterCard IPO, consisted of more than 23,000 owner/member banks worldwide and was the principal operating subsidiary of MasterCard Incorporated.

88. Prior to the MasterCard IPO, MasterCard Incorporated and MasterCard International Incorporated were governed by a global board of directors, as well as regional boards of directors for each of their geographical regions, that were comprised of bank executives selected from their owner/member banks, including some Bank Defendants.

89. On May 25, 2006, MasterCard Incorporated and MasterCard International Incorporated conducted an initial public offering and entered into several related agreements to offer ownership shares to the general public and to issue ownership shares to MasterCard's owner/member banks. As a result, MasterCard Incorporated became and operates today as a publicly-traded Delaware corporation with its principal place of business in Purchase, New York. Upon the restructuring and continuing to this day, MasterCard International Incorporated has remained MasterCard Incorporated's principal operating subsidiary with its principal place of business also in Purchase, New York, and doing business as MasterCard Worldwide. MasterCard Incorporated and MasterCard International Incorporated (and MasterCard Worldwide) are collectively referred to herein as "MasterCard."

90. MasterCard operates General Purpose Payment Card Networks and did so throughout the Damages Period.

2. The Bank Defendants

91. Defendant Bank of America, N.A. is a national banking association with a principal place of business in Charlotte, North Carolina. Defendant Bank of America Corporation is a Delaware Corporation with its principal place of business in Charlotte, North Carolina, and is the ultimate parent of Bank of America, N.A. Defendant FIA Card Services, N.A., is a wholly owned subsidiary of NB Holdings, Inc., itself a wholly owned subsidiary of Bank of America Corporation. FIA Card Services, N.A., is a national banking association with its principal place of business in Wilmington, Delaware. Bank of America, N.A., and FIA Card Services, N.A., are members of Visa and MasterCard that issue Visa- and MasterCard-branded General Purpose Payment Cards. Bank of America, N.A., Bank of America Corporation, FIA Card Services, N.A., and their predecessors and subsidiaries are collectively referred to herein as "Bank of America."

92. Prior to the Visa IPO and at times during the Damages Period, Bank of America was represented on the Visa U.S.A. Board of Directors. Prior to the MasterCard IPO and at times during the Damages Period, MBNA America Bank, N.A., which merged with and into Bank of America on January 1, 2006, was represented on the MasterCard U.S. and Global Boards of Directors. Bank of America issues General Purpose Payment Cards to individuals and businesses throughout this judicial district. It also provides card acceptance services to merchants throughout this judicial district through its substantial ownership in BA Merchant Services, LLC and Banc of America Merchant Services, LLC. Bank of America has had actual knowledge of, and has knowingly participated in, the conspiracies alleged in this Complaint.

93. Defendant JPMorgan Chase & Co. is a global financial firm that is incorporated in Delaware and has its principal place of business in New York, New York. Defendant Chase Bank USA, N.A. is a wholly owned subsidiary of JPMorgan Chase & Co. and issues Visa- and MasterCard-branded General Purpose Payment Cards. Chase Bank USA, N.A. is a national banking association and has its principal place of business in Newark, Delaware. Defendant Chase Paymentech Solutions, LLC is a limited liability company organized under the laws of Delaware with its principal place of business in Dallas, Texas. Defendant JPMorgan Chase Bank, N.A., is a national bank organized under the laws of the United States with its principal place of business in Columbus, Ohio. JPMorgan Chase & Co., Chase Bank USA, N.A., Chase Paymentech Solutions, LLC, JPMorgan Chase Bank, N.A., and their predecessors and subsidiaries are collectively referred to herein as "Chase."

94. Prior to the Visa IPO and at times during the Damages Period, Chase and various companies ultimately acquired by Chase (including Bank One Corporation and Bank One Delaware, N.A. (acquired by Chase in July 2004), Washington Mutual Bank (acquired by Chase in

September 2008), and Providian National Bank (acquired by Washington Mutual in October 2005)) were represented on the Visa U.S.A. Board of Directors. Prior to the MasterCard IPO and at times during the Damages Period, Chase was represented on the MasterCard Global Board of Directors and Washington Mutual was represented on the MasterCard U.S. Board of Directors. Chase has also been represented on the Visa Inc. Board of Directors. A longstanding Chase senior executive, Charles Scharf, has been installed as the CEO of Visa Inc., and another former Chase executive, Ryan McInerney, has been hired as President of Visa Inc. Chase issues General Purpose Payment Cards to individuals and businesses throughout this judicial district. It also provides card acceptance services to merchants throughout this judicial district. Chase has had actual knowledge of, and has knowingly participated in, the conspiracies alleged in this Complaint.

95. Defendant Citigroup Inc. is a global bank that is incorporated in Delaware and has its principal place of business in New York, New York. Defendant Citibank, N.A. is a national bank located in South Dakota for purposes of the National Bank Act, with its main office in New York, New York, and is an indirect subsidiary of Citigroup Inc. Citibank, N.A. issues Visa- and MasterCard-branded General Purpose Payment Cards. Defendant Citicorp Payment Services, Inc., a Delaware corporation with its principal place of business in Long Island City, New York, is a subsidiary of Citibank, N.A. Citigroup Inc., Citibank, N.A., Citicorp Payment Services, Inc., and their predecessors and subsidiaries are collectively referred to herein as “Citigroup.”

96. Prior to the MasterCard IPO and at times during the Damages Period, Citigroup was represented on the MasterCard U.S. and Global Boards of Directors. It has also been represented on the post-IPO MasterCard Board of Directors. Citigroup issues General Purpose Payment Cards to individuals and businesses throughout this judicial district. It also provides card

acceptance services to merchants throughout this judicial district. Citigroup has had actual knowledge of, and has knowingly participated in, the conspiracies alleged in this Complaint.

97. Defendant Wells Fargo & Company is a financial holding company which is incorporated in Delaware with a principal place of business located in San Francisco, California. Defendant Wells Fargo Bank, N.A. is a national association and wholly owned subsidiary of Wells Fargo & Company with a main office located in Sioux Falls, South Dakota. Wachovia Bank, N.A. merged into Wells Fargo Bank, N.A. Wells Fargo Bank, N.A. issues, and Wachovia Bank, N.A. issued, Visa- and MasterCard-branded General Purpose Payment Cards. Wells Fargo & Company, Wells Fargo Bank, N.A., and their predecessors and subsidiaries are collectively referred to herein as "Wells Fargo."

98. Prior to the Visa IPO and at times during the Damages Period, Wells Fargo and Wachovia were represented on the Visa U.S.A. Board of Directors. Wells Fargo issues General Purpose Payment Cards to individuals and businesses throughout this judicial district. Through its "Wells Fargo Merchant Services" division, it also provides card acceptance services to merchants throughout this judicial district. Wells Fargo has had actual knowledge of, and has knowingly participated in, the conspiracies alleged in this Complaint.

99. Bank of America, Chase, Citigroup, and Wells Fargo are collectively referred to herein as the "Bank Defendants." The Bank Defendants and/or entities they acquired were owner/member banks of the pre-IPO Visa and MasterCard networks. The Bank Defendants are actual or potential competitors for the issuance of General Purpose Payment Cards and the acquisition of merchants. The Bank Defendants are members of both Visa and MasterCard networks and have conspired with each other and with other Visa and MasterCard Issuers not to compete for merchants' acceptance of General Purpose Payment Cards, to require the payment of

an Interchange Fee on every Visa and MasterCard transaction, and to fix the level of Interchange Fees that they charge to merchants.

100. Certain banks, including some Bank Defendants, were board members of Visa from the beginning of the Damages Period through Visa's IPO in 2008 (and some banks, including Chase, were board members of post-IPO Visa). As Visa board members and/or as owner/members of Visa, the banks (including the Bank Defendants) collectively controlled every aspect of Visa's business. This collective control included the banks' agreements: (1) not to compete with one another for merchants' acceptance of Visa General Purpose Payment Cards; (2) to fix the Interchange Fees for Visa General Purpose Payment Card transactions in furtherance of their agreement not to compete; and (3) to set Visa's rules, including all the rules detailed in this Complaint. Additionally, given the banks' control over pre-IPO Visa, they explicitly agreed to proceed with Visa's IPO on the condition that Visa's post-IPO structure would enable substantive continuation of the agreement not to compete and price fixing detailed in this Complaint. All Visa owner/member banks effectively delegated to Visa, in perpetuity, the ability to fix the banks' Interchange Fees to merchants. Each Bank Defendant (and all Visa owner/member banks) knew that all other Visa members were also delegating their pricing decisions to Visa and MasterCard, which arrangement was further ratified by an agreement of Visa's owner/member banks when they voted to approve Visa's restructuring, and each Bank Defendant (and all Visa owner/member banks) knew that Visa would continue to enforce, *inter alia,* its default Interchange Fee and Honor All Issuers rules.

101. Certain banks, including some Bank Defendants, were board members of MasterCard from the beginning of the Damages Period through MasterCard's IPO in 2006 (and some banks, including Citigroup, were board members of post-IPO MasterCard). As MasterCard

board members and/or as owner/members of MasterCard, the banks (including the Bank Defendants) collectively controlled every aspect of MasterCard's business. This collective control included the banks' agreements: (1) not to compete with one another for merchants' acceptance of MasterCard General Purpose Payment Cards; (2) to fix the Interchange Fees for MasterCard General Purpose Payment Card transactions in furtherance of their agreement not to compete; and (3) to set MasterCard's rules, including all the rules detailed in this Complaint. Additionally, given the banks' control over pre-IPO MasterCard, they explicitly agreed to proceed with MasterCard's IPO on the condition that MasterCard's post-IPO structure would enable substantive continuation of the agreement not to compete and price fixing detailed in this Complaint. All MasterCard owner/member banks effectively delegated to MasterCard, in perpetuity, the ability to fix the banks' Interchange Fees to merchants. Each Bank Defendant (and all MasterCard owner/member banks) knew that all other MasterCard members were also delegating their pricing decisions to Visa and MasterCard, which arrangement was further ratified by an agreement of MasterCard's owner/member banks when they voted to approve MasterCard's restructuring, and each Bank Defendant (and all MasterCard owner/member banks) knew that MasterCard would continue to enforce, *inter alia,* its default Interchange Fee and Honor All Issuers rules.

FACTUAL ALLEGATIONS

A. Defendants' Cartels

102. Defendants have created and maintained two separate cartels that implemented their agreements not to compete and to fix prices. One conspiracy was perpetrated by the Visa Defendants; the other was perpetrated by the MasterCard Defendants. Both conspiracies are ongoing.

103. The pillars of each of these conspiracies are Visa's and MasterCard's Honor All Issuers rules. Pursuant to these rules, each network's owner/member banks have agreed that any merchant that accepts any one bank's General Purpose Credit (or Debit) Cards issued over that network must accept all other banks' General Purpose Credit (or Debit) Cards that carry the brand of that network. These "all or nothing" rules thereby constitute agreements among the banks not to compete for merchants' acceptance of their General Purpose Credit (or Debit) Cards, including through direct agreements with merchants that would have enabled differentiation of their products at the point of sale.

104. To reinforce their agreements not to compete for merchant acceptance, each network's Issuers have colluded to fix the Interchange Fees they charge merchants on every transaction through the default Interchange Fee rules. This has prevented merchants from realizing the price-reducing benefits of Issuers competing on price, which would have occurred in a competitive market. Instead, merchants accepting either Visa or MasterCard General Purpose Payment Cards pay the same Interchange Fee on a given transaction regardless of which Issuer is involved. There is no competition. Within each conspiracy, Issuers charge merchants exactly the same inflated prices that are the products of the banks' collusion. While these banks compete in some respects for cardholders, they do not compete on the basis of differentiating their products for cardholders at the point of sale through direct agreements with merchants or on the Interchange Fees that merchants pay to accept their Visa and MasterCard General Purpose Payment Cards.

105. Visa and MasterCard are the enterprises by which competing banks implement and effectuate their agreements not to compete and to fix prices. These schemes rely on rules—such as the Honor All Issuers rules, default Interchange Fee rules, and other rules and policies that

establish mechanisms for monitoring and enforcing these price-fixing schemes—that bind all Visa and MasterCard Issuers and Acquirers.

106. In addition to inflicting direct anticompetitive harm on merchants and cardholders with these conspiracies to fix prices and otherwise restrain competition, Defendants also have used them to acquire and maintain their substantial market power. Specifically, Visa and MasterCard used these supracompetitive Interchange Fees as an incentive for Issuers (who receive the Interchange Fees paid by merchants) to issue Visa and MasterCard General Purpose Payment Cards. Using price fixing to induce Issuers to join their cartels, Visa and MasterCard acquired sufficient market power in the General Purpose Payment Card markets such that most merchants were compelled to accept their cards for payment. Moreover, once a merchant started accepting Visa's and MasterCard's General Purpose Payment Cards for payment, it was virtually impossible to stop accepting them. Once Visa and MasterCard acquired substantial market power over merchants, they maintained it by forcing merchants to pay ever higher Interchange Fees to continue to fund these price-fixing schemes and thereby perpetually maintain and enhance their cartels' market power through the present day.

107. Although Visa and MasterCard initially focused their anticompetitive conduct on General Purpose Credit Cards, once they achieved substantial market power in the General Purpose Credit Card market, they leveraged it to achieve substantial market power in the General Purpose Debit Card market by forcing merchants to accept Defendants' Signature Debit Card transactions as a condition of accepting Defendants' dominant General Purpose Credit Card transactions and by engaging in a variety of other exclusionary conduct.

108. As the natural and intended consequences of their anticompetitive conduct, Defendants were able to set both General Purpose Credit Card and Debit Card Interchange Fees at

supracompetitive levels. Defendants' anticompetitive conduct generated more than $450 billion in Interchange Fees for the colluding Issuers during the Damages Period—fees paid by merchants and their customers. Merchants and their customers paid these anticompetitive fees throughout the Damages Period and they continue to pay them to this day.

109. Defendants' anticompetitive conduct during the Damages Period was not reasonably necessary to operate their General Purpose Payment Card Networks. In numerous instances, banks examined ways to differentiate their own cards from their competitors' at the point of sale through arrangements with merchants that would have benefitted their cardholders. Even though such differentiation, *i.e.*, competition, was in the banks' individual interests, they did not engage in such competition because it was prohibited by Visa's and MasterCard's rules including, most notably, the Honor All Issuers rules. That shows that the Honor All Issuers rules and the supporting rules that barred any differentiation at the point of sale were not necessary for banks to issue payment cards. Domestic and international examples have also demonstrated that Interchange Fees are economically unnecessary to encourage Issuers to issue General Purpose Payment Cards or for these payment systems to function. *A fortiori*, Issuers' collusively-fixed, supracompetitive Interchange Fees are unjustifiable.

1. During the Damages Period, Visa and MasterCard facilitated horizontal conspiracies of their owner/member banks

110. As owners of Visa and MasterCard, and as board members and participants in key operating committees of pre-IPO Visa and MasterCard, the Bank Defendants, together with other co-conspiring Visa and MasterCard owner/member banks, conspired to control every aspect of Visa's and MasterCard's business. Such collective control was used to implement the owner/member banks' agreements not to compete for merchant acceptance of General Purpose

Payment Cards—which foreclosed the banks from entering into direct agreements with merchants to differentiate their products—and the associated agreements to fix the prices of Interchange Fees for Visa and MasterCard General Purpose Payment Card transactions. At the beginning of the Damages Period, the Bank Defendants, together with other co-conspiring Visa and MasterCard owner/member banks, ratified the default Interchange Fee schedules that were recommended by staff and consultants of Visa and MasterCard. Throughout the Damages Period, the conspiracies broadened as more banks joined Visa and MasterCard and agreed to abide by the agreements not to compete and to fix prices. The conspiracies also broadened during that time period when the banks added new high-Interchange-Fee products—such as the Visa Signature and Signature Preferred Cards and the World and World Elite MasterCard Cards—to the universe of Visa and MasterCard products that were subject to the conspiracies.

111. In a decision affirming the condemnation of other exclusionary rules of Visa and MasterCard, the Second Circuit held in 2003 that Visa and MasterCard:

> are not single entities; they are consortiums of competitors. They are owned and effectively operated by some 20,000 banks, which compete with one another in the issuance of payment cards and the acquiring of merchants' transactions. These 20,000 banks set the policies of Visa U.S.A. and MasterCard. These competitors have agreed to abide by a restrictive exclusivity provision. . . . The restrictive provision is a horizontal restraint adopted by 20,000 competitors.

United States v. Visa U.S.A. Inc., 344 F.3d at 242 (emphasis added). Like those restrictive provisions, to which the Bank Defendants agreed in their capacities, *inter alia*, as board members and/or owner/members of Visa and MasterCard, the anticompetitive conduct by Visa and MasterCard establishing the agreements not to compete and price-fixing schemes were the products of conspiracies among competing Issuers—conspiracies that continue to this day.

2. The Honor All Issuers rules constitute unjustifiable horizontal agreements not to compete on price

112. In order to eliminate any incentive for Issuers to compete for merchant acceptance based on price, as they would have done in a competitive market, the Bank Defendants on Visa's and MasterCard's governing boards of directors approved the Honor All Issuers rules.

113. The Honor All Issuers rules require a merchant to accept all of a network's Issuers' General Purpose Credit (or Debit) Cards bearing the network's brand if that merchant wants to accept any single Issuer's General Purpose Credit (or Debit) Cards bearing the network's brand, regardless of the Issuer.[3] Visa and MasterCard also maintain related rules that prohibit merchants from steering consumers from using one Issuer's Visa or MasterCard General Purpose Payment Cards to using General Purpose Payment Cards issued by other Issuers.

114. These "all or nothing" rules support Defendants' cartels in the following manner. By forcing a merchant to accept all General Purpose Credit (or Debit) Cards bearing the network's brand, while barring merchants from steering by Issuer, Issuers need not worry about losing business to a lower-cost competitor because all cards issued by every Issuer must be accepted at the default Interchange Fee rates. Thus, a merchant that must accept a Visa Signature Preferred Card transaction, which bears an Interchange Fee ranging from 2.10% to 2.95% (plus $0.10), cannot attempt to steer consumers to cheaper payment cards or even to cheaper Visa (or MasterCard) standard General Purpose Credit Cards, for which the merchant would pay

[3] *See, e.g.*, Visa Rule 5.2.B (Honoring Cards), *Visa U.S.A. Inc. Operating Regulations, Volume 1—General Rules* (Nov. 15, 2008); Visa Rule 1.5.4.5 (Honor All Cards – US Region), *Visa Core Rules and Visa Product and Service Rules* (Apr. 16, 2016); MasterCard Rules 5.6.1 (Honor All Cards) and 11.5C.2 (U.S. Region Variances to Global Rules) (including 11.5C.2.2 (Honor All Debit MasterCard Cards) and 11.5C.2.3 (Honor All Other MasterCard Cards)), *MasterCard Rules* (Oct. 2008); MasterCard Rule 5.10.1 (Honor All Cards), Ch. 15—United States Region, *MasterCard Rules* (July 7, 2016).

substantially lower, but still supracompetitive, Interchange Fees. Because of the Honor All Issuers rules, Issuers have no incentive to enter into bilateral agreements outside the conspiracy; *i.e.*, Issuers are incentivized not to "cheat" on the price-fixing scheme. Thus, the default Interchange Fees have become a price floor.

115. If there had been no Honor All Issuers rules, it would have been in the economic interest of an individual, profit-maximizing Issuer to lower the price it charged in order to compete for merchants' business against other banks issuing competing General Purpose Payment Cards. Competition also would have enabled Issuers to differentiate their products from competing Issuers' products by providing cardholders, [redacted] Visa's and MasterCard's "all or nothing" rules, however, eliminated the incentives to engage in such competition and to lower prices below the anticompetitive, cartel-determined levels set forth in the default Interchange Fee schedules. With the Honor All Issuers rules in place, it does not make economic sense for any Issuer to compete on price or quality because merchants are forced to accept that Issuer's cards even though they are being charged inflated prices fixed by the cartels. Because of these rules, Issuers have rebuffed overtures from merchants to enter into direct arrangements that would have benefitted the Issuers and their cardholders.

116. Documents produced in this litigation show how these rules restrained Issuers from competing for cardholders by offering benefits at the point of sale. In 2004, at the start of the Damages Period, Issuers were questioning [redacted] because it limited their ability to compete. [redacted]

[redacted]

117. In 2010, after both MasterCard (in 2006) and Visa (in 2008) reorganized their corporate forms, [redacted] Chase continued to adhere to the conspiracy to earn supracompetitive Interchange Fees and, even after its agreement with Visa (which is discussed below), continues to do so to this day.

118. Visa and MasterCard have argued that the Honor All Issuers rules are necessary for their networks to function because, without them, universal acceptance of their General Purpose Payment Cards cannot be assured. Visa's and MasterCard's conduct throughout the Damages Period reveals the pretextual nature of that justification. Visa and MasterCard have permitted numerous products that function at only a subset of the locations that accept Visa and MasterCard General Purpose Credit (or Debit) Cards, and the introduction and proliferation of those products have not harmed the operation of their networks. These include selective-acceptance (or selective-authorization) cards, which can be used only at certain merchant locations, even though they bear the Visa or MasterCard logos that supposedly connote universal acceptance

of all the Visa or MasterCard brand's cards. Examples include the increasingly-prominent flexible-spending-account cards and health-reimbursement-account cards, among others.

119. More importantly, shortly after the preliminary approval of the now-defunct settlement in MDL 1720, Visa and Chase entered into an arrangement that gave Chase the ability to differentiate Chase-branded Visa General Purpose Payment Cards from other Visa General Purpose Payment Cards via bilateral agreements with certain merchants ("ChaseNet"). ChaseNet was designed to preserve the conspiracy while accommodating, to a limited degree, Chase's desire to compete for cardholders by differentiating its products from other Visa (and MasterCard) Issuers. The agreement preserved the two linchpins of the horizontal conspiracy— the Honor All Issuers and default Interchange Fee rules—while also preserving the prohibition against surcharging by Issuer. With the conspiracy preserved, [redacted] This material (albeit highly limited) deviation from the Honor All Issuers rules reinforces the conclusion that such rules are not necessary for a General Purpose Payment Card Network to function. Moreover, even if the Honor All Issuers rules have some legitimate rationale, those objectives could be realized through less restrictive means.

120. In addition, in early 2013, during the time frame Visa was negotiating ChaseNet, Visa began allowing discounting by Issuer at the point of sale.[4] This represented a material departure from Visa's previous rules, which permitted no effective differentiation by Issuer at the point of sale or point of interaction, by discounting or otherwise. MasterCard continues to prohibit discounting by Issuer at the point of sale.[5] Visa's rule change further shows that the various rules, including the Honor All Issuers rules, barring differentiation at the point of sale by Issuer cannot be justified. Those rules include the prohibition against surcharging by Issuer, which both Visa and MasterCard maintain to this day. Until Visa and MasterCard repeal all the rules that bar Issuers from competing for cardholders through direct agreements with merchants—including the Honor All Issuers rules and all rules that bar Issuer differentiation at the point of sale—and repeal the default Interchange Fee rules, merchants will continue to pay supracompetitive Interchange Fees, including for Chase transactions.

121. On an investor call in May 2013, during which ChaseNet was discussed, Visa CEO Charles Scharf admitted that Visa's rules had barred Issuers from competing for merchant acceptance. When asked about Visa's arrangement with Chase, Mr. Scharf stated: **"The reality is I think if you go around and talk to most issuers, they would probably say that there**

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[4] *See, e.g.*, Visa Rule ID#: 150413-010213-0027555 (Discounts, Offers, or In-Kind Incentives (New)), *Visa International Operating Regulations* (Apr. 15, 2013), *Ch. 6—Payment Acceptance—Honoring Cards—Discount at the Point of Sale* ("Effective 1 February 2013, except where prohibited by applicable laws or regulations, a Merchant may provide Cardholders with a discount, promotional offer, or in-kind incentive at the point-of-sale that is not available for other Visa Cards."); *see also* Visa Rules 1.5.4.11 (Uniform Services – Acquirer Requirements (Updated)), 1.5.4.12 (Uniform Services – Merchant Requirement), 1.5.4.13 (Discount Offer – US Region and US Territories), 3.1.1.2 (Affinity/Co-Brand Program Positioning and Advertising), 4.1.1.1 (Visa Card Product and Token Positioning (Updated)), 4.1.1.3 (Non-Standard Card Prohibitions), 4.1.1.4 (Positioning, Acceptance, and Accounts – US Region), 5.4.1.2 (Uniform Services Merchant Requirement – US Region), *Visa Core Rules and Visa Product and Service Rules* (Apr. 16, 2016).

[5] *See, e.g.*, MasterCard Rule 5.11.1 (Discrimination), Ch. 16—Additional U.S. Region and U.S. Territory Rules, *MasterCard Rules* (July 7, 2016).

wasn't a lot of conversation that went on between the issuing and acquiring [*i.e.*, merchant] side, partially because of our rules that stood in the way of them working together to do something positive for the merchant." Visa Inc. Q2 2013 Earnings Call Transcript, *FactSet CallStreet* (May 1, 2013), at 16 (emphasis added). Those rules (with the exception of the rules now allowing discounting by Issuer at the point of sale, in the case of Visa) continue to stand in the way of banks **"working together to do something positive"** for merchants.

122. Those rules have also stood in the way of Issuers doing "something positive" for cardholders. Even though Chase continues to participate in the conspiracy, its internal documents highlight the many ways cardholders would have benefitted throughout the Damages Period if Issuers had been permitted to truly compete for merchants and cardholders through agreements that permitted differentiation at the point of sale. [redacted] While numerous Chase documents reflect these objectives, Chase's proposals to merchants reflect its continued adherence to the conspiracy, and, thus, these objectives have not been realized to date. Cardholders will not realize those benefits until both horizontal cartels are finally eliminated. Until then, cardholders will continue to get less choice, less quality, and pay higher prices.

3. The default Interchange Fee rules are unlawful horizontal agreements on price

123. The default Interchange Fee rules are the mechanisms that Defendants use to fix the prices of Interchange Fees. Throughout the Damages Period, both Visa and MasterCard required that a default Interchange Fee apply to every transaction for which the Issuer and Acquirer has not entered into a separate, individually-negotiated agreement regarding fees (*i.e.*, bilateral agreement).[6] These rules underpinned the Interchange Fee schedules, which applied to Visa and MasterCard transactions throughout the Damages Period.

124. While competition would have motivated rival Issuers to charge lower fees than the default Interchange Fees in order to differentiate themselves for cardholders through bilateral arrangements with merchants, they have never done so because the Honor All Issuers rules, working in tandem with the default Interchange Fee rules, eliminated any incentive for Issuers to charge fees below the anticompetitively high levels being fixed by the conspiracies. [redacted] As a result, there have been no bilateral agreements entered into by owner/member banks of Visa or MasterCard outside the conspiracy.

[6] *See, e.g.*, Visa Rule 9.5 (Interchange Reimbursement Fees), *Visa U.S.A. Inc. Operating Regulations, Volume 1—General Rules* (Nov. 15, 2008); Visa Rule 9.1.1.3 (Visa Determines and Publishes IRF), *Visa Core Rules and Visa Product and Service Rules* (Apr. 16, 2016); MasterCard Rule 9.4 (Interchange and Service Fees), *MasterCard Rules* (Oct. 2008); MasterCard Rule 8.3 (Interchange and Service Fees), Ch. 8—Settlement and Related Obligations, *MasterCard Rules* (July 7, 2016).

125. In order to identify any cartel members "cheating" by secretly offering lower Interchange Fees, Visa and MasterCard monitored each transaction to ensure application of the appropriate Interchange Fee. At the same time, throughout the Damages Period, Visa's and MasterCard's rules required all Issuers and Acquirers to adhere to all network rules.[7] Owner/member banks that violated any of these network rules were subject to fines and even expulsion from Visa and MasterCard, and, by rule, the networks could not be held liable by these banks.[8] This enabled Visa and MasterCard to monitor compliance with, and enforce, the rules of their respective cartels. These rules remain in place to this day.[9]

126. All Issuers used the same default Interchange Fee schedules for any given Visa and MasterCard payment transaction but, within each of those schedules, there was wide variability in the fees charged for various transactions. For example, a schedule of default Interchange Fees set different fee levels for different card types (*e.g.*, standard General Purpose Credit Cards versus Premium Payment Cards). This schedule of default Interchange Fees also imposed different fee levels by merchant category, with "card-not-present" merchants (merchants that sell goods and services to consumers without face-to-face interaction, *i.e.*, typically over the

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[7] *See, e.g.*, Visa Rule 1.2.A (Member Responsibilities), *Visa U.S.A. Inc. Operating Regulations, Volume 1—General Rules* (Nov. 15, 2008); MasterCard Rule 1.5.5 (Member Responsibilities), *MasterCard Rules* (Oct. 2008).

[8] *See, e.g.*, Visa Rule 1.7 (Regulation Enforcement), *Visa U.S.A. Inc. Operating Regulations, Volume 1—General Rules* (Nov. 15, 2008); Visa Core Principles Ch. 1 (Visa Operating Regulations Governance) and 2.3 (General Liabilities and Indemnifications), *Visa International Operating Regulations* (Oct. 15, 2010); MasterCard Rules 3.1 (Standards), 3.1.2 (Failure to Comply with a Standard), and 3.3 (Indemnity and Limitation of Liability), *MasterCard Rules* (Oct. 2008).

[9] *See, e.g.*, Visa Rules 1.1.1.1 (Applicability of Rules), 1.1.1.10 (Visa U.S.A., Inc. Member Responsibilities – U.S. Region), 1.1.9 (Liabilities and Indemnifications) and 1.12.3 (Non-Compliance Assessments), *Visa Core Rules and Visa Product and Service Rules* (Apr. 16, 2016); MasterCard Rules 2.1 (Standards), 2.1.2 (Failure to Comply with a Standard), 2.2 (Conduct of Activity and Digital Activity), 2.2.1 (Customer Responsibilities), and 2.3 (Indemnity and Limitation of Liability), Ch. 2—Standards and Conduct of Activity and Digital Activity, *MasterCard Rules* (July 7, 2016).

Internet or by telephone or mail-order) paying substantially higher rates and with supermarkets and warehouse clubs paying comparatively lower rates. This price discrimination evidenced Visa's and MasterCard's substantial market power. While there were different fees within a given default Interchange Fee schedule, every Issuer applied the same fee schedule to a given transaction. It is this collusion by every Issuer to set identical default Interchange Fee schedules that constitutes price fixing.

4. Merchants pay Interchange Fees directly

127. When a merchant accepts a Visa or MasterCard General Purpose Payment Card as payment for a transaction, that merchant is the direct purchaser of General Purpose Payment Card Network Services and directly pays the Interchange Fees associated with that transaction to the Issuer. The Issuer deducts the Interchange Fee from the sale price due to the merchant. Accordingly, Issuers account for Interchange Fees as revenue, and merchants account for Interchange Fees as an expense. In contrast, Acquirers do not account for Interchange Fees as an expense. MasterCard admits that [redacted] and has reported to the Securities and Exchange Commission that **"[i]nterchange fees . . . are generally the largest component of the costs that merchants pay to accept payment cards."** [redacted]

128. Issuers' prior deduction of Interchange Fees from the sale price stands in contrast to the payment of several network assessments imposed on Acquirers. Acquirers pay these

network assessments directly. The network assessments are charged to the Acquirer, typically as part of a monthly invoice, and must be paid directly by them like any other cost of doing business (*e.g.*, electricity bills). Acquirers treat these network assessments as expenses, unlike their treatment of Interchange Fees.

5. Defendants have used their price-fixing schemes to establish, maintain, and enhance their long-held market power

129. Using price fixing to induce Issuers to join their price-fixing cartels, Visa and MasterCard acquired substantial market power in the General Purpose Payment Card markets, as courts have repeatedly determined. For example, in *United States v. Visa U.S.A. Inc.*, 163 F. Supp. 2d 322, 340, 342 (S.D.N.Y. 2001), the court determined that "[b]ecause Visa and MasterCard have large shares in a *highly* concentrated market with significant barriers to entry, both defendants have market power in the general purpose card network services market, whether measured jointly or separately; furthermore plaintiff has demonstrated that both Visa and MasterCard have raised prices and restricted output without losing merchant customers." There, the United States "prove[d] through the testimony of merchants that they cannot refuse to accept Visa and MasterCard even in the face of significant price increases because the cards are such preferred payment methods that customers would choose not to shop at merchants who do not accept them." *Id.* at 340. The Second Circuit affirmed this determination of market power, holding that "Visa U.S.A. and MasterCard, jointly and separately, have power within the market for network services." *United States v. Visa U.S.A. Inc.*, 344 F.3d at 239.

130. Visa's and MasterCard's substantial market power has persisted throughout the Damages Period and remains intact today. In its Competitive Impact Statement relating to the Proposed Final Judgment as to Visa and MasterCard in *United States v. American Express*

Company, No. 10-cv-4496-NGG-RER, (E.D.N.Y. Oct. 4, 2010), ECF No. 5, at 6, the United States Department of Justice Antitrust Division ("Antitrust Division") alleged that Visa and MasterCard possessed market power in the "network services market" for General Purpose Cards (*i.e.*, General Purpose Credit Cards and Charge Cards). The non-discrimination restraints at issue in that case prevented merchants from "reduc[ing their] purchases of one network's services by encouraging [their] customers to choose a competing network's General Purpose Card." *Id.* at 7. Although a merchant could theoretically resist high acceptance fees by no longer accepting Visa's or MasterCard's General Purpose Cards, the Antitrust Division recognized that the "all-or-nothing choice d[id] not effectively constrain Defendants' market power because merchants cannot refuse to accept these General Purpose Cards without alienating customers and losing significant sales." *Id*.

131. Visa's and MasterCard's ability to profitably impose supracompetitive Interchange Fees in the General Purpose Payment Card markets has also enabled them to exercise substantial market power on the cardholder side of the market. Throughout the Damages Period, those supracompetitive fees have maintained the cohesion of the conspiracies and lured additional banks to join the horizontal conspiracies not to compete and to fix prices. These conspiracies have ensured that banks have not competed on the basis of differentiating their offerings to cardholders through direct agreements with merchants that would have enabled such differentiation at the point of sale—differentiation that would have provided value to cardholders beyond what Issuers' rewards programs provide today. Cardholders have paid higher prices and received less choice and innovation as a result.

132. Visa's and MasterCard's substantial market power is also supported by direct evidence of that power. That evidence includes: (1) Visa's and MasterCard's ability to raise

Interchange Fees and network fees without the loss of merchant acceptance or transaction volume; (2) Visa's and MasterCard's ability to limit competition among Issuers that would have benefitted cardholders; (3) successful price discrimination, as described above; (4) setting Interchange Fees unrelated to costs; (5) the ability to enforce anticompetitive policies; and (6) forcing merchants and consumers to accept inferior products—including products that are susceptible to fraud.

a. Ability to raise Interchange Fees with impunity

i. Visa

133. Starting in the 1970s, Visa has possessed and exercised substantial market power in the General Purpose Credit Card Network Services market, and that market power has increased significantly since then. By the 1990s, Visa General Purpose Credit Cards became the primary or only such cards for tens of millions of consumers in the United States. Accepting Visa General Purpose Credit Cards became a competitive necessity for the vast majority of merchants, especially for card-not-present merchants that were heavily reliant on accepting such cards remotely.

134. In the General Purpose Credit Card Network Services market, Visa raised General Purpose Credit Card Interchange Fees without merchants ceasing to accept Visa's General Purpose Credit Cards. In fact, Visa typically gained volume after these increases. For example, during the Damages Period, Visa permitted Issuers to reclassify standard Visa General Purpose Credit Cards as Premium Payment Cards and, at the flip of a switch, the Interchange Fees that merchants paid for transactions made with such cards increased dramatically. Notwithstanding the vigorous merchant opposition to these punitive price increases, no merchant dropped Visa as a result.

135. Visa's Interchange Fee increases outweighed any benefit that Visa claims those increases provided cardholders. Although Visa historically has claimed that Interchange Fees are simply passed through to cardholders as rewards, the banks keep at least half the Interchange Fees they receive as supracompetitive profits.

136. Visa continued to possess by far the highest market shares and the highest number of General Purpose Credit Cards in circulation throughout the Damages Period. Accordingly, most merchants must accept Visa General Purpose Credit Cards to remain viable.

137. At the beginning of the Damages Period, Visa raised its Signature Debit Card Interchange Fees, and, then throughout the Damages Period, Visa exercised its monopoly power to increase PIN Debit Card Interchange Fees as well. Notwithstanding these price increases, Visa's General Purpose Debit Card volumes have increased during the Damages Period. As with Visa's General Purpose Credit Cards, merchants could not drop Visa's Signature Debit or PIN Debit Card products despite these significant price increases. Visa's ability to increase Interchange Fees without losing merchant acceptance or transaction volume directly evidences its monopoly power in the General Purpose Debit Card market.

138. Visa's monopoly power in the General Purpose Debit Card market and the supracompetitive nature of General Purpose Debit Card Interchange Fees were confirmed by the passage by Congress of Section 1075 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, Pub. L. No. 111-203, 124 Stat. 1376, 2068-74 (July 21, 2010) (the "Durbin Amendment"),[10] which required the Board of Governors of the Federal Reserve System (the "Federal Reserve") to enact regulations to ensure that General Purpose Debit Card Interchange

[10] Section 1075 amended the Electronic Fund Transfer Act (15 U.S.C. § 1693 et seq.) ("EFTA") with a new Section 920, codified at 15 U.S.C. § 1693o-2.

Fees for covered Issuers (*i.e.*, banks with $10 billion or more in assets) are "reasonable and proportional" to Issuer costs. Section 920(a)(2) of the EFTA, 15 U.S.C. § 1693o-2(a)(2). In passing the Durbin Amendment, Congress made clear that the statute was designed to address Visa's and MasterCard's ability to exercise substantial market power by raising Interchange Fees well above cost. Its principal author, Senator Richard J. Durbin, made numerous statements to that effect on the floor of the Senate, including the following:

> For years, Visa and MasterCard, and their big bank backers, have unilaterally fixed prices on the fees small businesses pay every time they accept a debit card from a customer. The two giant card networks control 80 percent of the debit card market—that is Visa and MasterCard. And it is no surprise that debit interchange fees have risen, even as the price of processing the transaction has fallen. . . . Finally, Visa, MasterCard, and the Wall Street banks will face some check against their unbridled market power in the credit and debit industries.

156 Cong. Rec. S5,802–03 (daily ed. July 14, 2010). Even though the Federal Reserve found that most Issuers' costs were slightly above "par" (*i.e.*, zero), to implement the Durbin Amendment it capped both Signature Debit Card and PIN Debit Card Interchange Fees at $0.21 plus .05% plus an additional $0.01 fraud-prevention adjustment. *See Regulation II, Debit Card Interchange Fees and Routing*, *Final Rule*, 76 Fed. Reg. 43,394 (July 20, 2011) (setting the cap); *Regulation II, Debit Card Interchange Fees and Routing*, *Final Rule*, 77 Fed. Reg. 46,258 (Aug. 3, 2012) (adding the fraud-prevention adjustment). This cap, while significantly above cost for most Issuers, substantially reduced the General Purpose Debit Card Interchange Fees that prevailed for years due to Visa's dominance of this market.

ii. MasterCard

139. MasterCard also has possessed and exercised substantial market power in the General Purpose Credit Card Network Services market since the 1970s, and MasterCard's market power also has increased significantly over the years. By the 1990s, MasterCard General Purpose

Credit Cards became the primary or only such cards for tens of millions of consumers in the United States. Accepting MasterCard General Purpose Credit Cards became a competitive necessity for the vast majority of merchants, especially for card-not-present merchants that were heavily reliant on accepting such cards remotely.

140. Like Visa, MasterCard has continually raised the Interchange Fees that merchants pay for accepting MasterCard General Purpose Credit Cards without losing merchant acceptance. Like Visa, MasterCard permitted Issuers to reclassify standard MasterCard General Purpose Credit Cards as Premium Payment Cards and, at the flip of a switch, the Interchange Fees that merchants paid for transactions made with such cards increased dramatically. Notwithstanding the vigorous merchant opposition to these punitive price increases, no merchant dropped MasterCard as a result. Once a merchant begins to accept MasterCard (and Visa) General Purpose Credit Cards, it is virtually impossible for it to stop, and no merchants have.

141. MasterCard's Interchange Fee increases outweighed any benefit that MasterCard claims those increases provided cardholders. Although MasterCard historically has claimed that Interchange Fees are simply passed through to cardholders as rewards, the banks keep at least half the Interchange Fees they receive as supracompetitive profits.

142. MasterCard's substantial market power was further evidenced by its ability to successfully charge merchants higher Interchange Fees than Visa charged, even though MasterCard had lower market shares. Throughout the Damages Period, MasterCard fixed Interchange Fees that were higher than Visa's. MasterCard designed this strategy to compensate for its self-perceived inferiority to Visa in other dimensions that could make MasterCard less attractive to Issuers absent the higher Interchange Fees. If it did not have substantial individual

market power over merchants, MasterCard could not have consistently and profitably maintained higher Interchange Fees than Visa, a competing network.

143. Visa's and MasterCard's rules have prohibited Issuers from competing for cardholders by doing direct agreements with merchants that would have provided cardholders benefits, including lower prices, at the point of sale—benefits that would have gone beyond the rewards that Issuers offer cardholders today. Documents produced in this litigation show that individual Issuers wanted the ability to differentiate their products by entering into such agreements, and that because of Visa's and MasterCard's substantial market power in the General Purpose Payment Card markets, Issuers instead agreed to continue to abide by the conspiracies not to compete and to fix prices. They have done so because they continue to make more profits from supracompetitive, collusively-fixed Interchange Fees than they would from competing for cardholders through direct agreements with merchants. Visa's and MasterCard's ability to limit competition for cardholders—which has raised prices and limited the choices available to them—provides further evidence of their substantial market power.

b. Price discrimination

144. As one court has held, Visa's and MasterCard's "ability to price discriminate also illustrates their market power. Both Visa and MasterCard charge differing interchange fees based, in part, on the degree to which a given merchant category needs to accept general purpose cards. . . . Transactions with catalog and Internet merchants, for example, which rely almost completely on general purpose cards, have higher interchange fees than 'brick-and-mortar' merchants. [Visa and MasterCard] rationalize this difference by pointing to increased fraud in these merchant categories, but this explanation is belied by the fact that the Internet merchant, not Visa/MasterCard or their member banks, bears virtually all the risk of loss from fraudulent

transactions." *United States v. Visa U.S.A. Inc.*, 163 F. Supp. 2d at 340-41. This price discrimination persisted throughout the Damages Period and continues to this day.

c. Setting supracompetitive prices unrelated to cost

145. Visa and MasterCard do not set Interchange Fees based upon cost. For example, with respect to the General Purpose Debit Card market, as noted above, the Federal Reserve found in 2011 that Visa's and MasterCard's Signature Debit Card and PIN Debit Card rates were substantially above cost. With respect to the General Purpose Credit Card Market, Issuers' costs of issuing credit cards are much lower than the very high Interchange Fees that prevail in the United States (even including Issuers' costs of providing cardholder rewards). Visa's and MasterCard's ability to succeed in this conduct and profit from it, including by limiting Issuer competition for cardholders, is additional direct evidence of their substantial market power.

d. Enforcement of anticompetitive rules and policies

146. Visa's and MasterCard's successful enforcement of anticompetitive rules and policies that harmed merchants and consumers without losing merchant acceptance or transaction volume, or incurring any bank defection from the cartels, further demonstrates the substantial market power that Visa and MasterCard had, and still have, in the General Purpose Payment Card markets. Despite the adverse economic impact of these rules and policies on merchants, their customers and cardholders, merchants could not afford to stop accepting Visa or MasterCard transactions, and no Issuer defected from the cartels, because of Visa's and MasterCard's substantial market power.

e. Forcing merchants and consumers to accept inferior products

147. Visa's and MasterCard's success in forcing merchants and consumers to accept and use technologically-inferior products—including products that Visa and MasterCard knew

would increase fraud—is further evidence of their substantial market power. Visa and MasterCard could have dramatically reduced General Purpose Payment Card fraud in the United States during the Damages Period simply by adopting new card technology to replace the decades-old, fraud-prone technology they forced merchants and consumers to use: a magnetic- stripe card verified by cardholder signature, which is tantamount to no verification at all. In fact, for years Visa examined various ways to secure the payment system in the United States, but delayed in implementing more secure payment technology. And when Visa finally decided to update its decades-old, fraud-prone technology to chip-card ("EMV") technology, as discussed more fully below, Visa chose to do so without a PIN, notwithstanding the clear security risks of that approach, because doing so supported Visa's plan to maintain its monopoly in the General Purpose Debit Card Market.

148. In the interim, Visa and MasterCard were able, because of their substantial market power, to shift most of the cost of fraud losses to merchants in this country through the imposition of various compliance programs and liability rules. Visa and MasterCard did so because they and their owner/member banks profit from fraud which creates a pretextual justification for high Interchange Fees. Visa and MasterCard also profited from fraud through punitive fines and fees for data breaches, another manifestation of their substantial market power.

149. Visa and MasterCard have long recognized that the magnetic-stripe technology that their General Purpose Credit Card and Signature Debit Card networks utilize is inherently insecure and fraud-prone. Yet Visa and MasterCard have perpetuated the use of magnetic-stripe technology by, among other things, delaying to take steps to implement more secure technologies. As a result, the United States has experienced the highest fraud rates, with the gap growing. For example, the United States was not among the top 10 countries with the most counterfeit fraud in 2004 but, by early 2010, it accounted for 85% of total counterfeit fraud among all top 10 countries

combined. *See* Counterfeit Fraud Migration, European Payments Council (June 29-30, 2010) at 5-7.

150. This is a direct result of the conspiracies detailed in this Complaint. Despite the availability of technology to reduce fraud, Visa, MasterCard, and their owner/member banks had no incentive to adopt it in the United States or compete using better technology, because they could, and did, shift fraud-related costs to merchants and further profit from fraud while insulating the banks from its costs. Visa's and MasterCard's ability to impose inferior-quality card products and to permit preventable fraud during the Damages Period is further direct evidence of their substantial market power. To the extent that Plaintiffs and their customers were forced to absorb the costs of such fraud through chargebacks or fees or fines, such costs are damages that flow from the conspiracies.

151. Visa's and MasterCard's substantial market power continued, and even increased, during the Damages Period. In fact, even though Plaintiffs include some of the largest merchants in the country, none of the Plaintiffs can drop Visa or MasterCard General Purpose Credit or Debit Cards without losing an unacceptable number of sales.

6. The MasterCard and Visa IPOs were changes in corporate form that maintained and enhanced the cartels

152. During the Damages Period, the Bank Defendants that sat on the Visa and MasterCard boards, and controlled them, approved MasterCard's and Visa's reorganizations into corporate entities that offered a portion of their shares to members of the public through IPOs. The Bank Defendants took advantage of their direct control over pre-IPO Visa and MasterCard to agree to post-IPO structures for Visa and MasterCard that were designed to perpetuate, and not to disturb, the anticompetitive conduct detailed in this Complaint.

153. Visa and MasterCard repeatedly reassured investors, employees and members that the IPOs would not cause any significant change, other than with respect to antitrust liability, stating variously that the restructurings were being done in a way that would **"ensure continuity of the core business operations,"** that existing contracts and rules would continue to govern their commercial relationships, that company operations would be **"business as usual,"** and that the new governance structure would not change the way Interchange Fees are set. Indeed, MasterCard made it clear to its Issuers that it knew that **"any new MasterCard needed to protect and even increase interchange to keep and attract Banks."**

154. These IPOs were a response to the growing antitrust challenges and adverse legal rulings regarding Visa's and MasterCard's organizational structures as associations of competing owner/member banks. *See, e.g.*, MasterCard Incorporated Amendment No. 8 to Form S-1 Registration Statement (May 23, 2006) at 72-73 (noting that MasterCard had **"faced heightened regulatory scrutiny and legal challenges in recent years"**).

155. In response to these legal defeats and a host of additional antitrust challenges, Defendants decided to change the organizational structures of Visa and MasterCard in order to attempt to evade antitrust liability through superficial changes in corporate form. But in doing so, the Bank Defendants and the other members of Visa and MasterCard agreed prior to the IPOs that post-IPO Visa and MasterCard would continue to support the agreements not to compete and to fix prices.

156. They implemented this agreement by structuring the IPOs so that they cosmetically changed the corporate forms, while leaving the anticompetitive conduct intact. Pre-IPO, the Bank Defendants (and other Visa and MasterCard owner/member banks) conspired through Visa's and MasterCard's governing boards and/or their ownership of Visa and MasterCard

to control every aspect of Visa's and MasterCard's businesses, including agreeing to fix the prices of Interchange Fees through ratification of the default Interchange Fee schedules and agreeing to set Visa's and MasterCard's rules, including maintaining the Honor All Issuers rules.

157. Post-IPO, Visa and MasterCard act as the pricing and rules enforcement agents for their member banks. Through the corporate reorganizations and subsequent IPOs, each Bank Defendant and all Visa and MasterCard owner/member banks effectively delegated to Visa and MasterCard, in perpetuity, the ability to fix the banks' pricing for their Visa or MasterCard General Purpose Payment Cards to merchants. Each Bank Defendant (and all Visa and MasterCard owner/member banks) knew that all other Visa and MasterCard banks were also delegating their pricing decisions to Visa and MasterCard, which arrangement was ratified by a horizontal agreement of Visa's and MasterCard's owner/member banks when they voted to approve Visa's and MasterCard's restructurings on these bases on the express condition that the rules that form the core of the conspiracy remain in effect for all Issuers and Acquirers in the Visa and MasterCard systems.

158. Moreover, as part of the corporate reorganizations leading to their respective IPOs, the Bank Defendants and the other members of Visa and MasterCard reaffirmed and effectively readopted each network's rules, including the default Interchange Fee and Honor All Issuer rules. Thus, the Bank Defendants' (and all Visa and MasterCard owner/member banks') approval of this scheme was done knowing that all Visa and MasterCard owner/member banks continued to abide by the Honor All Issuer rules and all owner/member banks' Interchange Fees would be set by Visa and MasterCard. This was a conscious commitment to an ongoing common scheme by horizontal competitors and, as such, is a continuing violation of Section 1 of the Sherman Act. It maintains the pre-IPO status quo: Visa and MasterCard continue to set

Interchange Fees for thousands of competing banks that, but for these conspiracies, would have independently competed for merchant acceptance. Bank documents produced in this case show that the IPOs perpetuated the conspiracies—which continue uninterrupted to this day. Visa CEO Charles Scharf conceded as much when, five years after Visa's IPO, he characterized Visa's rules as having **"stood in the way of [Issuers and Acquirers] working together to do something positive for the merchant."** Documents produced in this case show that MasterCard's rules also barred such competition.

159. The IPOs increased the effectiveness of Defendants' price-fixing conspiracies as well as Visa's and MasterCard's substantial market power by consolidating decision-making and coordinating communications among the conspirators. Visa's and MasterCard's economists opined in 1993—well before these IPOs were being considered—that "[t]here would be far less competition in this industry if Visa and MasterCard had chosen to operate as single companies." David S. Evans and Richard L. Schmalensee, *The Economics of the Payment Card Industry*, at 103 (1993).

160. The anticompetitive effects of these ongoing conspiracies continue to harm merchants and consumers. The banks continue to adhere to the rules at issue, to the detriment of merchants, their customers and cardholders, without exception. And, as a result, Visa and MasterCard continue to wield substantial market power over the market as a whole. In this regard, Visa and MasterCard and the Bank Defendants understood before the IPOs were consummated that, if Visa and MasterCard maintained the cartels' basic rules and structures, no bank would break rank and compete for merchant acceptance outside the conspiracy. That is precisely what happened.

161. The Defendants' post-IPO conduct confirms that the IPOs did not terminate their price-fixing cartels or reduce Visa's and MasterCard's substantial market power. Visa's and MasterCard's anticompetitive rules, including the restraints at issue in this Complaint, have remained the same. Neither Visa nor MasterCard, nor any bank, has taken steps to withdraw from the conspiracy. In fact, they have done the opposite to ensure its continuation to this day. Visa and MasterCard have exercised their substantial market power by imposing new network fees that merchants must pay. Visa has engaged in a campaign to maintain its monopoly power in the General Purpose Debit Card market. Perhaps most significantly, Visa's and MasterCard's Interchange Fees have remained at supracompetitive levels since the IPOs, and those fees have ensured that no bank has departed from the conspiracy. This continuity demonstrates that the IPOs perpetuated Defendants' anticompetitive schemes and their substantial market power.

162. Government antitrust enforcers agree that these IPOs reflected changes merely in corporate form, not substantive conduct. In 2007, the European Commission's Competition Directorate issued a written determination that MasterCard's members had simply agreed to appoint MasterCard as their cartel manager to act in their collective best interest in setting the level of Interchange Fees. In particular, the Competition Directorate's comprehensive decision found as follows:

> MasterCard's viewpoint that the IPO . . . had changed the organisation's governance so fundamentally that any decision of MasterCard Incorporated's Global Board no longer qualifies as [a] decision of an association [of its member banks] but rather as [a] "unilateral" act which each member bank bilaterally agrees to abide by, cannot be accepted. . . . MasterCard's member banks shaped and eventually approved the IPO in order to perpetuate the MIF [Multilateral Interchange Fee] as part of the business model in a form that they perceived to be less exposed to antitrust scrutiny. Contrary to MasterCard's argument, the aim of avoiding exposure to antitrust risks due to the MasterCard MIF was a clear driving force behind the IPO. Rather than modifying the business model to bring it in line with EU competition law, the banks chose to change the governance of

> their co-ordination specifically for antitrust sensitive decision making. The member banks effectively "*outsourced*" this decision making to a new management body and made sure that their direct influence . . . would be limited to minority rights. However, the banks also agreed to the IPO . . . after MasterCard's management assured them that the banks' interests will continue to be preserved under a new "enhanced customer approach" and via the local input of the banks in the decision making. <u>It cannot be doubted that in approving the IPO and thereby delegating the decision making powers for the MIF to the new independent Global Board, the member banks legitimately expected and therefore agreed that this Board would henceforth set the MIF in a manner that is in their common interest</u>.

European Commission Decision, COMP/34.579, at ¶¶ 357, 378-379 (Dec. 19, 2007) (footnotes omitted, emphasis added).

163. The fact that a majority of MasterCard's post-IPO directors were "independent" did not change the role of MasterCard as the "outsourced" pricing agent and manager of the members' Interchange Fee cartel:

> The circumstances that members of the Global Board are "independent" within the meaning of the NYSE criteria . . . is not a decisive question for there to be an association of undertakings. As an organisation's members entrust decision making powers to a common body with the expectation that the body's subsequent coordination of their competitive behaviour will occur in the common interest of the members, the independence of such body is no obstacle to qualifying its decisions as decision[s] of an association of undertakings.

Id. at ¶ 381. Moreover, "[d]evelopments after the IPO also indicate that MasterCard's management takes into account concrete banks['] interests in setting the level of fallback interchange fees." *Id.* at ¶ 389.

164. In May 2012, the European General Court affirmed the Commission's conclusions:

> [T]he Commission was legitimately entitled to take the view, in essence, that despite the changes brought about by MasterCard's IPO, the MasterCard payment organisation had continued to be an institutionalised form of coordination of the conduct of the banks. Consequently, the Commission was fully entitled to characterize as decisions by an association of undertakings the decisions taken by

the bodies of the MasterCard payment organisation in determining the MIF.

MasterCard, Inc. and Others v. European Commission, Case T-111/08, at ¶ 259 (May 24, 2012). "[W]ith regard to merchants, what [MasterCard and its member banks] sought [post-IPO wa]s essentially the maximum threshold of their tolerance to the price of card transactions." *Id.* at ¶ 257.

7. Alternatively, Defendants' price-fixing schemes are unlawful vertical price restraints

165. Alternatively, the Interchange Fee price-fixing schemes adopted by Defendants constituted anticompetitive and unreasonable vertical price restraints. Visa and MasterCard entered into express vertical agreements with each of their owner/member banks, binding all of their owner/member banks to comply with the rules and regulations of their networks, including the rules at issue in this Complaint. In turn, Visa and MasterCard each acts as the enforcement agent and holds issuing and acquiring members responsible for compliance with the rules. These two sets of vertical price restraints—one for Visa Defendants and the other for MasterCard Defendants—continued in full effect during the Damages Period, including after Visa's and MasterCard's IPOs.

166. For example, Rule 1.3 of the July 15, 2011 *MasterCard Rules* states: "An applicant to be a Member must agree, and by execution and submission of an application to be a Member agrees, that it will comply with all applicable provisions of the Certificate of Incorporation and the Standards of this Corporation." In turn, "Standards" is defined as: "The Amended and Restated Certificate of Incorporation, Bylaws, Rules, and policies, and the operating regulations and procedures of the Corporation, including but not limited to any manuals, guides or bulletins, as may be amended from time to time." *See* Definitions, *MasterCard Rules* (July 15,

2011). MasterCard's current rules are largely the same.[11] Similarly, the "General Overview" of the April 10, 2011 *Visa International Operating Regulations* states: "The *Visa International Operating Regulations* are set and modified by Visa to support the use and innovation of Visa products and services, and represent a binding contract between Visa and all Members." Visa's current rules contain virtually identical "binding contract" language.[12]

B. Defendants' Interchange Fee Cartels Are Naked Restraints of Trade Without Justification

167. Defendants have argued over the years that Interchange Fees are cost-based and necessary mechanisms to reimburse Issuers to motivate them to issue General Purpose Payment Cards. The facts show otherwise.

168. General Purpose Payment Card systems have functioned successfully without Interchange Fees in the United States and internationally. Payment card networks can thrive without Interchange Fees. Moreover, the Interchange Fees set by Defendants are not based on cost. Interchange Fees offer no procompetitive justification to offset the anticompetitive harm caused by the conduct detailed in this Complaint.

[11] *See, e.g.*, MasterCard Rule 1.6 (The License), Ch. 1—The License and Participation ("Each Customer agrees, and by use of any one or more of the Marks agrees, to comply with all provisions of the License pertaining to use of the Marks and with the Standards of this Corporation …."); Appendix C (Definitions) (defining "Customer" as "[a] financial institution or other entity that has been approved for Participation;" "License" as "[t]he contract between the Corporation and a Customer granting the Customer the right to use one or more of the Marks in accordance with the Standards;" and "Standards" as "[t]he organizational documents, operating rules, regulations, policies, and procedures of the Corporation, including but not limited to any manuals, guides or bulletins . . ."), *MasterCard Rules* (July 7, 2016).

[12] *See* Introduction, *Visa Core Rules and Visa Product and Service Rules* (Apr. 16, 2016).

1. Banks would profit from issuing General Purpose Debit Cards even without collectively-set Interchange Fees

169. General Purpose Debit Cards have long been positioned by Visa and MasterCard and the banks as a replacement for cash and checks, both of which have cleared "at par" (*i.e.*, zero interchange) for decades. As such, Issuers have strong economic incentives to issue General Purpose Debit Cards even without income from Interchange Fees. General Purpose Debit Cards provide numerous economic benefits to Issuers that justify their issuance even without Interchange Fees. These benefits include: (1) savings relative to the costs of processing checks and cash; (2) motivating cardholders to maintain larger bank deposits, which Issuers can then lend; and (3) helping the Issuer to cross-sell other lucrative services, such as mortgages, home equity lines, and credit cards. Moreover, issuance of General Purpose Debit Cards enhances the "stickiness" of the Issuer's valuable relationship with its customers.

170. When networks and banks first began to offer PIN Debit Cards in the United States, they did not charge Interchange Fees. To the contrary, they paid merchants to provide PIN Debit Card services, a practice known as "reverse," "negative," or "Issuer-paid" interchange. Other banks provided PIN Debit Card services at par. The market for General Purpose Debit Card Network Services expanded substantially during the time of Issuer-paid, at-par Interchange Fees. This model prevailed until the early 1990s, when it changed only because Visa and MasterCard extended their cartels into debit.

171. Beginning in the early 1990s, Visa and MasterCard aggressively began to implement and enforce a strategy to leverage their substantial market power in the General Purpose Credit Card market and force merchants to pay supracompetitive General Purpose Debit Card Interchange Fees. The linchpin of this strategy was the enforcement of "credit/debit tying

rules" which, until January 1, 2004, forced merchants that accepted Visa's and MasterCard's dominant General Purpose Credit Cards to also accept the networks' Signature Debit Card transactions. Visa and MasterCard set the same or similar Interchange Fees for General Purpose Credit Card and Debit Card transactions notwithstanding the different costs and demand characteristics of such transactions. Merchants had no choice but to accept Visa's and MasterCard's dominant, supracompetitively-priced General Purpose Credit Card products and were, therefore, forced to accept supracompetitive Signature Debit Card Interchange Fees.

172. Visa (and to a lesser degree MasterCard) then used the lucrative Interchange Fee stream created by this practice to induce additional Issuers to participate in the conspiracy, and, in the case of Visa, thereby entrench its dominance in the General Purpose Debit Card market. This strategy successfully destroyed the at-par Interchange Fee model that had prevailed for PIN Debit Cards prior to the 1990s, as Visa had intended. Moreover, it distorted banks' incentives in debit, causing them to push the less secure, less efficient Signature Debit Card products of Visa and MasterCard and to suppress the safer, cheaper, and faster PIN Debit Card products that were being promoted by the competing PIN Debit Card networks, such as NYCE and STAR.

173. The substantial non-interchange economic benefits of issuing General Purpose Debit Cards explain why Issuers did not anticipate any significant adverse impact as a result of the regulatory cap that the Federal Reserve placed on General Purpose Debit Card Interchange Fees in the United States pursuant to the Durbin Amendment, discussed above. Addressing that impending regulatory cap, the CEO of Citigroup said: "We don't have much of an impact on debit card interchange or overdraft fees. Those are really small impacts on us." Citigroup Inc. Q4 2010 Earnings Call Transcript (Jan. 18, 2011). The Chairman and CEO of City National Corporation predicted: "The Durbin amendment on debit card interchange fees . . . its economic impact on City

National is not going to be material." City National Corporation Q4 2010 Earnings Call Transcript (Jan. 20, 2011). TCF Financial Corp.'s Chairman and CEO added that "[w]e'll obviously still be profitable" even if there is a cap imposed on debit Interchange Fees. Transcript to TCF Financial Corp.'s Conference Call, *TCF Discusses Lawsuit Challenging Durbin Amendment* (Oct. 12, 2010).

174. The facts that General Purpose Debit Card issuance continues to be profitable and that debit volumes have increased since General Purpose Debit Card Interchange Fees for regulated banks declined significantly beginning in late 2011 reinforce the conclusion that General Purpose Debit Card Interchange Fees had been fixed at supracompetitive levels throughout the Damages Period.

175. The experience in other industrialized countries also highlights that the development of debit in the United States, with cartel-determined supracompetitive Interchange Fees, was a function of anticompetitive conduct in the General Purpose Debit Card market in this country. Virtually all the countries with the highest debit usage—including Canada, Denmark, Finland, Iceland, the Netherlands, New Zealand, and Norway—utilize an at-par (*i.e.*, zero) interchange pricing model. For example, the Canadian debit system has always been based on at-par pricing, and Canada has traditionally had higher per-capita debit usage than the United States, as well as higher debit penetration in merchant categories that do not accept PIN Debit Cards in the United States.

176. The vast and successful U.S. checking system also demonstrates that Interchange Fees are not necessary for a General Purpose Debit Card Network to function. Since 1916, by rule of the Federal Reserve, trillions of dollars of checks drawn on the U.S. national banking system have cleared at par. Despite this prohibition on Interchange Fees, banks have continued to offer checks to their customers and have continued to accept and cash checks issued by other banks.

2. Banks would profit from issuing General Purpose Credit Cards even without collectively-set Interchange Fees

177. In the 1980s, the default Interchange Fee rules were rationalized as being necessary to give General Purpose Credit Card Issuers incentives to issue such cards. By 1990, it was apparent that General Purpose Credit Card Issuers were earning substantial profits from interest rates on revolving balances and annual fees, and therefore Interchange Fees were unnecessary to encourage General Purpose Credit Card issuance. Since then, the evidence—including bank documents produced in this litigation—has further shown that General Purpose Credit Card Issuers could profitably maintain their current rewards programs without collectively-set Interchange Fees, because Issuers earn substantial revenues from revolving balances and cardholder fees and because they keep at least half the Interchange Fees they receive from merchants without passing them through to cardholders as rewards.

178. International experience regarding Interchange Fees on General Purpose Credit Card transactions also indicates that Interchange Fees in the United States have been fixed at supracompetitive levels. In Australia, the Reserve Bank of Australia regulated Visa's and MasterCard's General Purpose Credit Card Interchange Fees during the past decade. Those regulations mandated a nearly 50% reduction (to an average of 50 basis points) of those Interchange Fees, rates that are much lower than those that prevailed in the United States during the Damages Period. Prior to enactment of these regulations, Visa and MasterCard argued that such a reduction in Interchange Fees would cause a "death spiral" that would lead to a collapse of their networks and upheaval in the industry. In reality, no such "death spiral" or collapse occurred. Visa's and MasterCard's General Purpose Credit Card volumes have increased in Australia since the regulations went into effect. Indeed, the European General Court reviewed the evidence from Australia and, in 2012, concluded: "It is clear . . . that a substantial reduction in the MasterCard

system's interchange fees that was imposed by the Reserve Bank of Australia had no notable impact on the system's viability . . . ." *MasterCard, Inc. and Others v. European Commission*, Case T-111/08, at ¶ 111 (May 24, 2012).

179. Similarly, the European Commission undertook a comprehensive study of General Purpose Credit Card Interchange Fees in Europe, and its Competition Directorate undertook antitrust investigations into Interchange Fees charged by MasterCard's and Visa's European affiliates. In 2002, the Commission and Visa reached a settlement that lowered Visa's Interchange Fees first to 0.7%, and then to a cost-based standard if lower. That commitment expired in 2007 and Visa announced in May 2013 that it would limit Interchange Fees for credit card transactions to 0.3%. In 2007, the Commission found MasterCard's setting of Interchange Fees to be unlawful, and MasterCard agreed to cap its Interchange Fees for transactions crossing national borders at 0.3% during the pendency of its appeal of that decision. The European Court of Justice has since upheld the Commission's finding that MasterCard's setting of Interchange Fees was unlawful. Following this decision, the European Commission announced regulations for all domestic and cross-border credit card transactions that capped credit card Interchange Fees for both Visa and MasterCard transactions at 0.3%. The resulting European Interchange Fees have been substantially below those that prevail in the United States that often exceed 2.00% due to the proliferation of Premium Payment Cards. Again, there have been no adverse effects—Visa's and MasterCard's General Purpose Credit Card volumes in Europe have increased during this period. Indeed, MasterCard CEO Ajay Banga told investors in September 2016 that **"reducing [interchange] in Europe is actually leading to greater acceptance of merchants . . . ."** MasterCard's (MA) CEO Ajay Banga Hosts 2016 Investment Community Meeting – Transcript, *SeekingAlpha* (Sept. 8, 2016).

180. In neither Australia nor the European Union do Visa and MasterCard enjoy the economies of scale and scope associated with the much larger General Purpose Payment Card markets in the United States. Visa's and MasterCard's General Purpose Credit Card Interchange Fees in the United States are <u>higher</u> than those of nearly every other General Purpose Credit Card Network outside the United States, including Visa's and MasterCard's own networks in other countries.

181. The costs associated with issuing Visa and MasterCard General Purpose Credit Cards have declined dramatically since 1990. Issuer costs of funding a cardholder's grace period—known as float costs—have fallen significantly. Visa and MasterCard General Purpose Credit Card Issuers have enjoyed additional savings from substantial decreases in hardware, processing and telecommunications costs, as well as through economies of scale that have resulted from vastly-increased transaction volumes and concentration of card issuance through bank mergers and card portfolio acquisitions.

182. Notwithstanding those declines in Issuer costs, however, Visa and MasterCard have substantially raised their Interchange Fees. For example, Visa has raised the Interchange Fees and/or costs of acceptance that apply to Visa General Purpose Credit Card transactions throughout the Damages Period. MasterCard has done the same. Neither Visa's nor MasterCard's price increases are based on costs, but rather are a cartel's anticompetitive exercise of market power. That those fees have cemented banks' adherence to their agreement not to compete for cardholders via merchant differentiation reinforces this conclusion.

183. Visa and MasterCard have argued that default Interchange Fees are justified because, as a result of their Honor All Issuers rules, an individual Issuer could otherwise potentially "hold up" merchants that accept Visa's and MasterCard's General Purpose Payment

Cards by charging as high an Interchange Fee as that Issuer wishes. This "hold-up" problem is the result of the banks' anticompetitive agreements not to compete for merchant acceptance, *i.e.*, the Honor All Issuers rules. Attempting to justify Interchange Fee price fixing on the grounds that it addresses the problems of an agreement not to compete, as Defendants have sought to do, is perverse. Price fixing in tandem with an agreement not to compete is not a justification for anticompetitive conduct. It is anticompetitive conduct.

184. Moreover, these schemes create a staggering amount of anticompetitive harm. Even if the elimination of this additional anticompetitive "hold-up" problem (an anticompetitive problem created by the schemes themselves) was credited as a procompetitive benefit—which it should not be—any such "benefit" would be far exceeded by the remaining anticompetitive harm resulting from those schemes that is detailed throughout this Complaint. Such harm includes higher fees to merchants and consumers, and higher prices and a loss of choice and innovation that has harmed cardholders.

3. Anti-steering rules hid the costs of Visa and MasterCard transactions from consumers, thereby inhibiting competition from other networks and reinforcing the Visa and MasterCard cartels

185. In a competitive world, some merchants could have used financial incentives and marketing to steer customers to other networks or to lower-cost Issuers or forms of payment, and, by increasing customers' price sensitivity to Interchange Fees, steering could have led to network or Issuer competition. Visa and MasterCard have prevented this from happening by enforcing anti-steering rules that have prohibited merchants from making the cost of Visa and MasterCard transactions transparent to consumers and from making the consumers who use the cards bear the associated costs.

186. During the Damages Period, the anti-steering rules included Visa's and MasterCard's rules that prohibited merchants from offering discounts to consumers that used General Purpose Payment Cards that were less expensive than Visa or MasterCard General Purpose Payment Cards. These rules remained in effect until Visa and MasterCard revised them to permit such discounting pursuant to a July 20, 2011 consent decree they entered into with the Antitrust Division.[13]

187. The anti-steering restraints also include rules that prevented (and still prevent) banks from linking to multiple networks on General Purpose Credit Cards, such as no-bypass and no-competing-marks rules.[14] Because of the way the General Purpose Debit Card industry developed, with most cards originating as ATM/PIN Debit Cards, General Purpose Debit Cards have long had multiple network linkages (or "bugs") on them, and that has facilitated the most effective form of steering for merchants—routing transactions to cheaper General Purpose Payment Card Networks. There is no technical reason why multiple network functionality could not co-reside on General Purpose Credit Cards. Visa and MasterCard rules, however, blocked that from happening throughout the Damages Period.

[13] See, e.g., Visa Rule ID#: 111011-010410-0008590 (Discount Offer – U.S. Region 5.2.D.2 (Updated)), Ch. 6— Payment Acceptance—Honoring Cards—Discount at the Point of Sale, Visa International Operating Regulations (Oct. 15, 2011) (reflecting rule effective through July 19, 2011 and revision effective July 20, 2011); see also MasterCard Rule 5.11.1 (Discrimination), Ch. 5—Prohibited Practices, MasterCard Rules (July 15, 2011) compared to MasterCard Rule 5.11.1 (Discrimination), Chs. 5—Prohibited Practices and 15—United States Region Rules, MasterCard Rules (Dec. 7, 2011).

[14] *See, e.g.*, Visa Rule 7.1.1.4 (Required Use of VisaNet for Processing – US Region), *Visa Core Rules and Visa Product and Service Rules* (Apr. 16, 2016); Visa Rules 1.3.4.4 (Use of Competitive Marks with the Visa-Owned Marks), 1.3.4.7 (Prohibited Use of Competitive Trade Name or Mark), 4.1.1.1 (Visa Card Product and Token Positioning (Updated)), and 4.1.1.4 (Positioning, Acceptance, and Accounts – US Region), *Visa Core Rules and Visa Product and Service Rules* (Apr. 16, 2016); MasterCard Rule 4.9 (Use of Marks on MasterCard Cards), Ch. 4—Use of the Marks, *MasterCard Rules* (July 7, 2016).

188. The anti-steering restraints also include the rules that prevent merchants that accept Visa and MasterCard from testing differential acceptance or new ways to steer transactions to cheaper General Purpose Payment Card Networks at certain locations that operate under a single banner. That is the way most merchants pilot new products, and such testing would have enabled merchants to introduce new ways to force the banks to compete for merchant acceptance.

189. The anti-steering rules also included Visa's and MasterCard's prohibitions against surcharging their transactions. Visa's previous no-surcharge rule (*see, e.g.*, Visa Rule 5.2.F (Prohibitions), *Visa U.S.A. Inc. Operating Regulations, Volume 1—General Rules* (Nov. 15, 2008)) provided that "[a] Merchant must not . . . [a]dd any surcharge to [t]ransactions." MasterCard's previous no-surcharge rule (*see, e.g.*, MasterCard Rule 5.9.2 (Charges to Cardholders), *MasterCard Rules* (Oct. 2008)) similarly provided that "[a] Merchant must not directly or indirectly require any [MasterCard] Cardholder to pay a surcharge or any part of any Merchant discount . . . ." The no-surcharging rules remain in place for Visa and MasterCard General Purpose Debit Card transactions.[15]

190. For General Purpose Credit Card transactions, in 2013, Visa and MasterCard agreed with one another to implement the same revised anti-surcharging rules during their negotiations of the class settlement in MDL 1720. Although the class settlement has been vacated, Visa and MasterCard have maintained their collusively determined, anticompetitive anti-surcharging rules.[16]

[15] *See, e.g.*, Visa Rule 1.5.5.2 (Surcharges), *Visa Core Rules and Visa Product and Service Rules* (Apr. 16, 2016); MasterCard Rule 5.11.2 (Charges to Cardholders), Chs. 5—Acquiring and 16—Additional U.S. Region and U.S. Territory Rules, *MasterCard Rules* (July 7, 2016).

[16] *See, e.g.*, Visa Rule 5.6.1 (Surcharges – Allowances, Requirements, Restrictions, Amounts, and Disclosures) (including Visa Rules 5.6.1.1–5.6.1.5), *Visa Core Rules and Visa Product and Service Rules*

191. Under Visa's and MasterCard's now-current anti-surcharging rules, merchants accepting American Express credit cards must limit their surcharging of Visa/MasterCard General Purpose Credit Cards to the same terms that American Express limits surcharging of American Express credit cards.[17] American Express prohibits surcharging its credit cards unless all payment cards, including debit cards, are also equally surcharged, but Visa and MasterCard do not permit debit card surcharges. To avoid this effective bar against surcharging, a merchant must stop accepting American Express credit cards, an outcome that would only reinforce Visa's and MasterCard's substantial market power. This Catch-22 effectively prohibits credit card surcharging by merchants that accept American Express: 90% of merchants by U.S. credit card volume. Moreover, the remaining 10% of merchants that theoretically could surcharge are unlikely to do so, because they will risk losing sales to competing merchants that accept American Express and therefore cannot surcharge.

192. When Visa and MasterCard agreed among themselves to these revised anti-surcharging rules, each knew and intended that their effect would be to prohibit surcharging. And each knew and intended that prohibiting surcharging would restrain price competition among them, *i.e.*, such as granting merchants reduced Interchange Fees or network fees so that merchants would not surcharge one network in favor of the other. Such a horizontal agreement to restrain price competition is *per se* unlawful.

(Apr. 16, 2016); MasterCard Rule 5.11.2 (Charges to Cardholders), Ch. 16—Additional U.S. Region and U.S. Territory Rules, *MasterCard Rules* (July 7, 2016).

[17] *See, e.g.*, Visa Rule 5.6.1.2 (Similar Treatment of Visa Transactions – US Region and US Territories), *Visa Core Rules and Visa Product and Service Rules* (Apr. 16, 2016); MasterCard Rule 5.11.2.1 (Brand-level Surcharging), Ch. 16—Additional U.S. Region and U.S. Territory Rules, *MasterCard Rules* (July 7, 2016).

193. There are no procompetitive justifications for these anti-steering rules. If merchants had not been restrained by these rules, some of them could have played Visa and MasterCard or the banks against one another by steering or threatening to steer customers away from using more expensive Visa and MasterCard General Purpose Payment Cards. Were it not for the restraints, merchants could have used such tactics to try to negotiate more favorable terms from Visa or MasterCard or from individual Issuers. As a result, the anti-steering rules, individually and collectively, exacerbated the anticompetitive effects of the conspiracies.

C. The Visa Defendants Engaged in Additional Anticompetitive Conduct That Monopolized, or Attempted to Monopolize, the General Purpose Debit Card Services Market

194. The Visa Defendants' anticompetitive conduct has not been limited to the Interchange Fee price-fixing cartels detailed above. The Visa Defendants engaged in additional conduct with the purpose and effect of excluding competition and giving Visa a monopoly in the market for General Purpose Debit Card Network Services.

195. Visa's exclusionary acts have continued to suppress competition in the market for General Purpose Debit Card Network Services, and thereby have enabled Issuers to charge higher Interchange Fees and Visa to charge higher network fees than they otherwise would have been able to charge merchants. Also, as a direct consequence of Visa's exclusionary conduct, Plaintiffs have been forced to incur substantial expenses in migrating their payment systems to the EMV technology which Visa forced upon them on pain of increased fraud liability. Visa's anticompetitive conduct has still further damaged Plaintiffs by resulting in payment-fraud liability that those merchants should not have incurred.

196. Visa's exclusionary acts have also harmed consumers through higher prices and forcing on the marketplace technology (magnetic-stripe technology and signature authentication of

transactions) that is significantly less secure and more prone to fraudulent transactions than alternatives (PIN authentication).

1. Visa's strategy to maintain its monopoly power in the General Purpose Debit Card market

197. When the Damages Period began, Visa possessed monopoly power in the General Purpose Debit Card market, with its Signature Debit product as the linchpin of its strategy. Its share of that market was approximately 60%, as it comprised 80% of the Signature Debit Card segment and was increasing its Interlink network's PIN Debit Card share through agreements with the largest Issuers of Visa General Purpose Debit Cards. By early 2004, Visa had entered into long-term agreements with most of its large Issuers that "prevent[ed] Visa banks from switching to MasterCard" which, at the time, was the only other Signature Debit Card network. *United States v. Visa U.S.A. Inc.*, No. 98-cv-7076(BSJ), 2007 WL 1741885, at *2 (S.D.N.Y. July 15, 2007). Accordingly, Visa "essentially lock[ed] up 89% of the volume of its top 100 debit Issuers." *Id.* at *1. Those agreements and the installed base of Visa- and Interlink-branded General Purpose Debit Cards enabled Visa to maintain its monopoly power even after it was forced in 2004 to relinquish the tying rule by the antitrust settlements in the *In re Visa Check/MasterMoney Antitrust Litigation*, No. 96-cv-5238(JG) (E.D.N.Y.) ("*Visa Check*").

198. By 2005, Visa's Interlink network had become the leading PIN Debit Card network, with 36% of that segment of the General Purpose Debit Card market. Visa maintained that position in PIN Debit, along with its dominant position in Signature Debit, throughout the Damages Period. It did so through numerous exclusive or near-exclusive agreements with debit Issuers which made Visa's Interlink acceptance mark the exclusive or primary PIN Debit Card acceptance mark on well over 100 million General Purpose Debit Cards. Visa was able to do this

because of its high share of high-interchange Signature Debit Card transactions, the prospect of which Visa could use to incent the banks to exclude competing PIN Debit Card networks from the banks' General Purpose Debit Cards. These agreements gave Visa the power to raise Interlink's Interchange Fees during the Damages Period because, even if a merchant tried to drop Interlink and its high rates, the merchant would pay more as transactions defaulted to the still- pricier Visa Signature Debit Card rates. There were no other routing options on many Visa General Purpose Debit Cards.

199. Even where competing PIN Debit Card networks were able to get on the banks' cards, Visa used its monopoly power to suppress PIN Debit competition during the Damages Period. As Visa continued to drive up Interlink Interchange Fees, the competing PIN Debit Card networks were forced to raise their rates to maintain volume or gain any volume with Issuers in a market that had long been dominated by Visa. Visa was aware that its rate increases would compel the PIN Debit Card networks to follow suit. The result was the convergence of PIN Debit Card and Signature Debit Card rates at high *ad valorem* prices, a trend that contributed significantly to the suppression of PIN Debit Card acceptance in the United States, a longstanding Visa objective. With Signature Debit Card and PIN Debit Card Interchange Fees coming into alignment, merchants' ability to install PIN pads to accept PIN Debit Cards was materially reduced, satisfying another Visa objective to protect its dominance in Signature Debit. In PIN Debit alone, because of Visa's conduct, merchants faced market-wide effective Interchange Fee increases of an estimated 234% between 1998 and 2006. The suppression of PIN Debit also harmed consumers by limiting the acceptance of the safer PIN Debit product and by raising the prices that all consumers, including cash customers, pay for goods and services.

2. Visa's strategy to maintain its monopoly power in the General Purpose Debit Card market after the Durbin Amendment

200. By 2010, when Congress passed the Durbin Amendment, Visa's monopoly power in the General Purpose Debit Card market had been resting on Signature Debit's higher Interchange Fees which Visa was using to incent Issuers not to use cheaper PIN Debit Card networks and to otherwise undermine PIN Debit competition. The Durbin Amendment, the purpose of which was to stimulate competition in the General Purpose Debit Card market, threatened the foundation of Visa's monopoly power in two major ways. First, the regulations that the Federal Reserve promulgated capped General Purpose Debit Card Interchange Fees, eliminating the advantage Signature Debit had for the large regulated Issuers by reducing the Signature Debit Card Interchange Fees that those regulated Issuers could receive.

201. Second, the Durbin Amendment repealed Visa's exclusive or near-exclusive agreements with Issuers by requiring that all General Purpose Debit Cards bear an unaffiliated network on each card, and codified merchants' rights to control the routing of General Purpose Debit Card transactions. Once debit cards were linked to two competing networks, merchants could use their routing rights to ensure that the networks had to compete for merchant volume. That requirement subjected Visa to potential competition to reduce Interchange Fees and network fees even further in order to win merchant routing decisions. Many commentators observed that Visa could lose significant portions of its volume, and at least one concluded that up to 80 percent of Visa's PIN Debit Card volume was at risk.

202. Faced with these material threats to its monopoly power, Visa embarked on its latest anticompetitive campaign to block the competition that the Durbin Amendment was designed to open. The first prong of that campaign was Visa's imposition of the Fixed Acquirer Network Fee ("the FANF"), which has forced merchants to route General Purpose Debit Card

transactions to Visa, and away from PIN Debit Card networks, if the merchants accept Visa General Purpose Credit Cards (as merchants must because of Visa's market power). The FANF has re-effectuated the anticompetitive tie-in of Visa General Purpose Debit Cards to Visa General Purpose Credit Cards. The second prong of Visa's post-Durbin anticompetitive campaign was its implementation and exploitation of EMV technology to subvert competition from PIN Debit Card networks.

a. The FANF

203. In response to the Durbin Amendment, Visa implemented a fixed fee known as the FANF, effective April 2012. The FANF is nothing more than a substantial price increase on merchants that Visa is using strategically as a lever to gain General Purpose Debit Card routing agreements with merchants. If the merchant accepts any Visa General Purpose Payment Card transactions, credit or debit, the merchant must pay a fixed fee to "access" Visa's networks, and, perversely, the more locations the merchant operates the greater the fee it has to pay. This construct restores the tie between General Purpose Debit Card acceptance and General Purpose Credit Card acceptance that Visa previously utilized as the linchpin of its strategy to dominate the General Purpose Debit Card market. It does so because the only way merchants can avoid the fee is to drop all Visa products (which they cannot do because of Visa's substantial market power in the General Purpose Credit Card market), and the only way merchants can mitigate the fee is to route General Purpose Debit Card volume to Visa under routing agreements. The FANF further penalizes a merchant for routing a transaction over a competing PIN Debit Card network because, if the merchant did that, then it would not be able to reduce the fees it must pay for Visa transactions by shifting volume to Visa. In fact, because the merchant must pay Visa's fixed fee

whether it routes the transaction to Visa or not, the merchant will, in effect, pay twice for the transaction if it routes the transaction to a competing PIN Debit Card network.

204. The FANF maintained Visa's monopoly power by compromising the competing PIN Debit Card networks' ability to compete and by neutralizing the competitive dynamic that should have been introduced by the Durbin Amendment. While Visa leveraged its power in the General Purpose Credit Card market to distort competition in the General Purpose Debit Card market with the FANF, the competing PIN Debit Card networks could not (and cannot) do that. They could not tie General Purpose Debit Card network acceptance to a dominant General Purpose Credit Card network, and, if they tried to implement such an onerous fee, merchants would have stopped accepting their General Purpose Debit Cards. As a result, Visa gained a war chest that empowered it to gain debit routing agreements with merchants that could not (and cannot) be matched by the competition. Simultaneously, Visa entered into routing agreements with large Acquirers under which the Acquirers routed transactions nearly exclusively through Visa for transactions originating at merchants not already covered by Visa's individual merchant routing agreements. By doing so, Visa achieved volumes, which maintained its monopoly power, not because it had (or has) better General Purpose Debit Card Networks but because it had (and still has) the power to use a tying arrangement and an anticompetitive fixed fee to foreclose competition.

205. At least one industry analyst recognized that Visa's conduct was likely to severely foreclose competition from PIN Debit Card networks and cement Visa's market power:

- "Tapping the entire Visa customer base to subsidize aggressive PIN-debit pricing should significantly boost Interlink's market share, possibly above today's exclusivity-driven levels. This aggressive approach is clearly bad news for competing PIN-debit networks as they simply won't be able to match price with post-Durbin Visa." *See* Chris Brendler *et al.*, "New Fee Structure; Near-Term Pain, Long-Run Gain," *Stifel*

Nicolaus (Aug. 1, 2011).

- "In our view, the [FANF], once established, should actually increase Visa's long-run pricing power since merchants will have little ability to deter future price increases . . . [W]e think this fee gives Visa enormous long-run pricing power as there are few governors on future price increases . . . Over time, we think Visa near-term margin sacrifice will be easily offset by market share gains and additional pricing power." *Id*.

b. The U.S. migration to EMV technology

206. For years, Visa abetted the fraud-prone payment system in the United States to the detriment of consumers. In a recent public filing, Visa has admitted that the magnetic-stripe system it (and MasterCard) had maintained in the United States exposed the U.S. payment system to counterfeit fraud. *See* Answer & Counterclaims of Visa U.S.A. Inc., Doc. No. 28 at 24, ¶ 35, *Wal-Mart Stores, Inc. v. Visa U.S.A. Inc.,* Index No. 652530/2016 (Sup. Ct. N.Y. County, June 29, 2016).

207. Outside the United States, beginning as early as 1994, Visa and MasterCard adopted "chip-and-PIN" cards which utilize both data encryption on a microchip embedded on the card (to inhibit counterfeiting which plagues magnetic-stripe cards), and cardholder entry of a PIN (to inhibit use of counterfeit, lost, or stolen cards). For years, Visa and MasterCard delayed bringing that technology to the United States.

208. By 2010, Visa began to urge the adoption of alternative technologies to secure the U.S. payment system and was aware that it could increase the security of the U.S. payment system without imposing what it previously characterized as the [redacted] Such technologies would have addressed e-commerce or card-not-present fraud, unlike EMV, which does nothing to stop that type of fraud. Visa understood that EMV technology does nothing to secure the e-commerce channel, and admitted in September 2009 that EMV [redacted]

[redacted] Visa also acknowledged that in the United States, as of 2010, the [redacted] costs of EMV, costs that largely would be borne by merchants and their customers, could not be justified.

209. When the Durbin Amendment passed in 2010, Visa changed course and decided to push EMV, despite its recognition that better solutions existed in the marketplace. Spurred by the Durbin Amendment's threat to Visa's monopoly in the market for General Purpose Debit Card Network Services, Visa devised a plan to force merchants to incur what Visa previously characterized as the [redacted] to implement EMV technology, which Visa could do because of its substantial market power. Visa did so to, among other things, implement and exploit EMV technology in order to control transaction routing and subvert the competition among General Purpose Debit Card networks that the Durbin Amendment was designed to foster.

210. The Durbin Amendment capped General Purpose Debit Card Interchange Fees for large banks, and the cap did not distinguish between Signature Debit Card Interchange Fees and PIN Debit Card Interchange Fees. Faced with projections of large declines in Interchange Fee income, Visa's large General Purpose Debit Card Issuers demanded that Visa shift General Purpose Debit Card fraud liability to merchants but—critically—*only* for Signature Debit Card transactions, given that Signature Debit fraud was 10 times that of PIN Debit fraud. Visa knew that imposing liability for Signature Debit fraud on merchants, as Visa's banks demanded, would drive increased PIN Debit adoption and steering by merchants. While such steering would have been beneficial to consumers as it would have promoted the much safer PIN Debit, it was problematic for Visa because it could have undermined Visa's debit monopoly and cost Visa billions in revenue.

211. The threat to Visa's monopoly was exacerbated by competing PIN Debit Card networks' development of "PINless" Debit, which does not require entry of a PIN for transactions under a certain amount (today, typically $50). PINless Debit has the potential to expand significantly the number of transactions routed to Visa's PIN Debit Card network competitors, transactions for which PIN Debit has traditionally been unavailable. Visa's competitors also were developing Signature Debit capability, and the combination of PINless Debit and Signature Debit would have enabled them, for the first time, to compete for merchant routing on all General Purpose Debit Card transactions. But to support its post-Durbin monopolization strategy, Visa entered into agreements with Issuers to incent or require them not to implement PINless Debit from PIN Debit Card networks, such as STAR and PULSE.

212. Against this backdrop, Visa devised a plan to force U.S. migration to EMV technology in order to blunt these emerging threats to its monopoly power. In August 2011, shortly after the Durbin Amendment regulations were finalized, Visa announced that, effective October 2015, liability for counterfeit fraud transactions—both credit and debit— would shift from Visa's banks to non-EMV-capable merchants for counterfeit fraudulent transactions on EMV-issued cards. This liability shift applied to all Visa transactions except for those completed at gas station pumps, for which the liability shift is set to go into effect in October 2017. Visa's market power in both the General Purpose Credit Card and Debit Card markets forced other networks, including MasterCard, to follow Visa's lead. MasterCard subsequently announced a substantially similar liability shift, also taking effect in October 2015.

213. Visa's plan for migration to EMV forced merchants to undertake the massive, and otherwise unnecessary, expenditure of replacing their current point-of-sale hardware and software with new EMV terminals—despite the existence of better technologies to secure the U.S. payment

system. Visa forced EMV technology on the industry knowing that it would cost merchants (and their customers) billions to implement EMV and that the Acquirers and processors that support merchant acceptance of Visa transactions could not enable compliance by the vast majority of merchants before the October 2015 deadline. Visa would then exploit the time crunch it had created to ensure that its proprietary EMV technology would become the industry standard, instead of competing open technologies that would have been configured to stimulate meaningful across-the-board competition in debit.

214. Visa, tellingly, implemented EMV technology without requiring the entry of a PIN for all EMV transactions. According to data from the Federal Reserve, lost-and-stolen card fraud, which authentication of the transaction through a PIN prevents, accounts for a substantial portion of the fraud losses that consumers pay, and Visa recently admitted that lost-and-stolen fraud constitutes approximately 10% of overall payment fraud. *See* Answer & Counterclaims of Visa U.S.A. Inc., Doc. No. 28 at 15, ¶ 4, *Wal-Mart Stores, Inc. v. Visa U.S.A. Inc.,* Index No. 652530/2016 (Sup. Ct. N.Y. County, June 29, 2016).

215. Visa knew that EMV technology without a PIN would not be as effective in combating fraud, because signature verification is tantamount to no verification at all. As EMVCo's Acquirer and Terminal Security Guidelines state: "All of the PIN methods [of cardholder verification] involve a precise interaction with the cardholder, the result of which is either right or wrong, whereas signature requires a human comparison that is subjective."[18] That is why chip-and-PIN, and not chip-and-signature, is the better and standard practice around the world for reducing payment fraud. In Europe, Canada, and Australia, Visa itself has extolled the

[18] EMVCo, LLC, *EMV Acquirer and Terminal Security Guidelines*, Section 5.4.4, p. 10 (Ver. 1.2) (Apr. 2014).

benefits of chip-and-PIN in combating fraud. For example: "The decline in Lost/Stolen and NRI [Not Received as Issued] fraud in the United Kingdom . . . is considered by Visa to be substantially, if not entirely, attributable to mandatory PIN@POS."[19] Yet, Visa has done the opposite in the United States, exposing cardholders to burdensome fraud, because it wants to protect the linchpin of its monopoly power in the market for General Purpose Debit Card Network Services: its Signature Debit product.

216. Visa's (and MasterCard's) announcement touched off a scramble by the industry to develop the software that would enable Visa's (and MasterCard's) proprietary EMV technology to work throughout the payment system, including by the Acquirers and processors that support merchant acceptance of Visa General Purpose Payment Cards. Most importantly, the liability shift touched off a scramble to develop a technological solution to enable merchant control over General Purpose Debit Card routing for EMV transactions. During this time, alternative solutions emerged that would have facilitated merchants' ability, for the first time, to have competitive routing options on all General Purpose Debit Card transactions—including Signature, PIN, PINless, or no-cardholder-verification-method ("no CVM") transactions. On March 21, 2013, the Secure Remote Payments Council ("SRPc"), a cross-industry trade association with members including a consortium of ten PIN Debit Card networks[20] which later organized the Debit Network Alliance ("DNA"), announced that it intended to select Discover Financial Services ("Discover") "D-PAS" EMV technology to route domestic U.S. General Purpose Debit Card transactions

[19] Form A, Exclusionary Provisions and Associated Cartel Provisions: Application for Authorisation, Public Version, Submission to the Australian Competition and Consumer Commission in support of the Application for Authorisation, Visa Worldwide Pte Limited and Visa AP (Australia) Pty Ltd (collectively, Visa) and MasterCard Asia/Pacific Pte Ltd (MasterCard), at 6 (July 4, 2013).

[20] Debit Network Alliance members include AFFN, ATH, CO-OP Financial Services, Jeanie, NETS, NYCE, Presto!, PULSE, SHAZAM, and STAR.

(Signature, PIN, PINless, or no CVM). This solution used a single common "application identifier" ("AID"), which is software on the chip that identifies available networks over which to route transactions, to facilitate merchant routing. The proposed single, common AID would have given merchants the ability to route to all payment networks, including Visa and MasterCard, or to competing, cheaper networks. Discover would license the technology royalty-free, and the DNA intended to create an open architecture, not owned or controlled by any network, to enable compliance with the Durbin Amendment requirements. This approach and other contemplated single-AID solutions—including an open-source common payment application or opening Visa's and MasterCard's Global AIDs for use by all debit networks—would have ensured that no single network would exercise control over how EMV technology is implemented to allow merchant control of routing to comply with the Durbin Amendment. That outcome would have protected merchant control over routing, stimulating, for the first time, competition among General Purpose Debit Card networks for all General Purpose Debit Card transactions—Signature, PIN, PINless, and no CVM.

217. Visa set out to block this initiative because of the clear threat it posed to Visa's monopoly power in the market for General Purpose Debit Card Network Services. Visa initially tried to persuade the DNA's members to use Visa's proprietary technology instead of D-PAS, overtures the members rejected. After that, Visa embarked on a strategy to block the DNA's plan for an open architecture, make Visa's proprietary EMV technology the market standard, and then exploit that technology to undermine routing to Visa's General Purpose Debit Card Network competitors.

218. Visa was aware that MasterCard had also tried to persuade the DNA's members to implement MasterCard's technology during this time frame. Had MasterCard succeeded in

doing that, the threat the DNA posed to Visa would have been magnified considerably because a MasterCard/DNA agreement could have aligned all of the General Purpose Debit Card networks, except Visa, under a common, single-AID strategy. So Visa set out to persuade MasterCard to align with Visa's strategy.

219. Visa's effort culminated in the two networks agreeing to a common strategy to neutralize the DNA and its efforts to create an open architecture. MasterCard agreed to this strategy because, given its weaker position in the market, it thought it was better off as the second, unaffiliated network on Visa General Purpose Debit Cards, which would enable MasterCard to gain most (if not all) of the General Purpose Debit Card transactions that were not routed to Visa on those cards—the vast majority of General Purpose Debit Cards in the marketplace. In exchange, MasterCard agreed to refrain from competing with Visa for Signature Debit routing, and Visa agreed to do the same with respect to Signature Debit transactions on MasterCard General Purpose Debit Cards.

220. This anticompetitive agreement was formalized in July 2013, when Visa and MasterCard entered into a reciprocal cross-licensing agreement to propagate one another's proprietary EMV technology. This agreement accomplished two anticompetitive objectives for Visa (and MasterCard).

221. First, it enshrined their agreement to support a dual-AID strategy where all Visa- and MasterCard-branded General Purpose Debit Cards—in combination, the vast majority of the market—would have two AIDs for domestic General Purpose Debit Card transactions instead of just one. Under this [redacted] strategy, all Visa (and MasterCard) General Purpose Debit Cards would have a Global AID (a Visa or MasterCard AID), through which the only routing option available would be Visa (or MasterCard), and which, in the case of Visa, would

have presumptive priority under Visa's rules. Visa (and MasterCard) General Purpose Debit Cards also would have a second "Common AID" which, unlike the Global AID, would give merchants competitive routing options through other networks.

222. Second, [redacted] Visa and MasterCard had, in effect, agreed not to compete for Signature Debit routing on EMV debit cards issued over the other's network. Through this agreement, Visa had persuaded MasterCard to join its strategy to protect the linchpin of its monopoly power, Signature Debit. Both Visa and MasterCard now endorsed a dual-AID strategy that included one option, the Global AID, which could only be routed to Visa (or MasterCard). And both now endorsed limiting verification methods for debit transactions on the Common AID, the only option that enabled competition for merchant routing.

223. Following this agreement, Visa (and MasterCard) could present Issuers, who were increasingly concerned about the impending (and artificial) October 2015 liability-shift deadline, with a complete "solution" for enabling compliance with the Durbin Amendment's routing requirements. Moreover, Visa used the impending deadline to persuade Issuers to force the competing PIN Debit Card networks to drop their open-architecture initiative and accede to Visa's strategy instead. Specifically, Visa encouraged Issuers (including the Bank Defendants) to tell Visa's competitors that if those networks did not accede to Visa's strategy, then the Issuers would drop them from their General Purpose Debit Cards. [redacted] By mid-2014, this [redacted]

[redacted] succeeded completely when all of the competing networks were forced, under pressure from Issuers, to accede to Visa's strategy by licensing Visa's (and MasterCard's) proprietary dual-AID technology.

224. With the dual-AID strategy in place, the competing DNA open architecture suppressed, and the artificial October 2015 liability-shift deadline looming, Visa was able to exploit the dual-AID construct to maintain its monopoly power in two ways. First, because the Global AID would be exclusive to Visa, Visa could use its rules to require the prioritization of that AID to protect its monopoly. While that priority could be overridden by merchants, the process of doing so is cumbersome and costly, guaranteeing that only a handful of the largest merchants would undertake the requisite expenditures. Second, with two AIDs, Visa could exploit its rules and market dominance to ensure that merchants and consumers who would otherwise prefer safer PIN Debit Card transactions would instead make Visa's Global AID available (merchants) and select it (consumers). None of this would have been possible without the implementation of Visa's proprietary technology to propel a dual-AID mechanism for merchant routing.

225. With its technology in place as the industry standard, Visa employed its Honor All Cards and "cardholder selection" rules[21] to force merchants to give cardholders the ability to select the Global AID, which enables the fraud-prone Visa Signature Debit product, thereby exposing consumers to fraud. Visa is doing this in defiance of federal law, which gives merchants the right to require the Common AID, the only AID that gives merchants the ability to route to competing networks. Visa justified (and continues to justify) this by asserting that it protects "consumer

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[21] *See, e.g.*, Visa Rules 1.5.4.1 (Accepting Visa Products for Payment), 1.5.4.2 (Honoring All Visa Cards), 1.5.4.3 (Honor All Cards (Updated)), 1.5.4.5 (Honor All Cards – US Region), 1.5.4.6 (Selection of Payment System – US Region), 1.5.4.7 (Limited Acceptance Merchant Requirements – US Region), *Visa Core Rules and Visa Product and Service Rules* (Apr. 16, 2016).

choice." But consumers are indifferent to the network over which a General Purpose Debit Card transaction is routed and gain no value from choosing one AID (or one General Purpose Debit Card network) over another. Yet, Visa has unlawfully used monopoly power to force merchants—including Walmart and Kroger, the two largest merchants in the country— to offer such a "choice" in order to protect that monopoly power.

226. Moreover, Visa compelled terminal manufacturers to provide off-the-shelf point-of-sale terminals that display "VISA DEBIT" and "US DEBIT" screen prompts when a Visa debit card is inserted. The screens prompt cardholders to select either "VISA DEBIT" (which represents the Visa Global AID, guaranteeing the transaction will be routed to Visa) or the generic "US DEBIT" (the Common AID that enables routing options to the competing PIN Debit Card networks). Virtually all cardholders have no idea what "US DEBIT" is (there is no network of that name), and, thus, they invariably select "VISA DEBIT," which routes the transaction to Visa. Only if the cardholder selects the unknown and deceptively labeled "US DEBIT" does Visa allow the merchant the opportunity to route the transaction to another General Purpose Debit Card network. Numerous merchants, in the haste forced upon them by Visa (and MasterCard) to implement EMV technology in order to avoid chargeback liability, unwittingly implemented these screens, and more merchants do so to this day. When these screens are implemented, the vast majority of consumers are tricked into selecting "VISA DEBIT" when they otherwise would have entered their PIN to make a PIN Debit transaction that could have been routed to Visa's competitors. While merchants can remove these screens, that process is intentionally cumbersome and costly to make it hard for merchants to do so, once again guaranteeing that only the largest merchants will undertake the requisite investments to do so. For most merchants, the routing will default to Visa. And even if merchants unwind the screens, Visa contends that its rules require the

implementation of an alternative prompt that gives the consumer the ability to select between the Global AID, where Visa is the sole routing choice, and the Common AID, where the merchant can enjoy the benefits of competition.

227. The Federal Reserve recently reaffirmed that Visa's exploitation of EMV to subvert debit transaction routing violates federal law. In response to the proliferation of Visa's strategy, on November 2, 2016, the Federal Reserve announced that "[a] payment card network inhibits a merchant's ability to route electronic debit card transactions if it, by network rules, standards, specifications, contractual agreements, or otherwise, requires the merchant to allow the cardholder to make the choice of EMV chip application on a debit card, where one application routes only to a single network." The Federal Reserve made clear that such "inhibition" of a merchants ability to route violates federal law. Yet, as discussed above, Visa is engaging in such "inhibition" through its network rules and its control over EMV standards and specifications.[22]

228. Visa also is extending this strategy to mobile payments. Visa has taken the position that it will not allow merchants to route to competing debit networks for "in-app"

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[22] The text of the Federal Reserve's guidance is as follows: "Q4. After a debit card with an EMV chip is inserted into a point-of-sale terminal, some terminals prompt the cardholder to choose between applications, one that routes to at least two unaffiliated networks and another that routes to a single network. Does a payment card network comply with section 235.7 of Regulation II if it requires the merchant to allow the cardholder to make the choice of EMV chip application, one of which routes only to a single network? A4. No. Section 235.7(b) of Regulation II implements the requirement in section 920(b)(1)(B) of the Electronic Fund Transfer Act that a "payment card network shall not, directly or through any agent, processor, or licensed member of the network, by contract, requirement, condition, penalty, or otherwise, inhibit the ability of any person that accepts or honors debit cards for payments to direct the routing of electronic debit transactions for processing over any payment card network that may process such transactions." A payment card network inhibits a merchant's ability to route electronic debit card transactions if it, by network rules, standards, specifications, contractual agreements, or otherwise, requires the merchant to allow the cardholder to make the choice of EMV chip application on a debit card, where one application routes only to a single network. Such a requirement is not compliant with section 235.7 of Regulation II because it prevents the merchant from directing the routing of electronic debit transactions. (Added November 2, 2016)" Frequently Asked Questions About Regulation II (Debit Card Interchange Fees and Routing), *available at* http://www.federalreserve.gov/paymentsystems/regii-faqs.htm.

purchases, which represent the vast majority of mobile payments transactions. Visa also is refusing to permit routing competition for transactions authenticated via biometrics, which includes Apple Pay, Apple's digital wallet platform. Visa has been plotting to block competition on mobile transactions since at least August 2012 when it stated, [redacted] Even MasterCard conceded internally that Visa's conduct cannot be justified, concluding that [redacted]

229. Visa's monopolization of mobile transactions represents a dire threat to the viability of competition in the relevant market. Visa (and MasterCard) pushed EMV technology because, among other things, it also enables them to dominate mobile payments. Virtually all EMV readers also contain the NFC or "Near Field Communication" technology that Visa and MasterCard have preferred as the solution to facilitating contactless mobile payments. As a result, many observers believe that Visa's strategy is to move quickly past EMV—which slows down the point of sale to the annoyance of both merchants and their customers—to contactless payments via mobile devices utilizing NFC terminals that merchants were forced to implement as a result of the EMV liability shift. As NFC deployment increases, the universe of mobile transactions will increase dramatically as will the foreclosure effects of Visa's blatantly anticompetitive conduct, including in new and emerging areas of potential competition.

230. At the same time, Visa has also acted to protect its dominance from potential new competitors that were contemplating using their digital wallet platforms to compete with Visa or its Issuers. Visa's actions were designed to prevent the technology firms that offer digital wallets

from configuring their wallets as so-called staged wallets or to leverage the ACH network—the electronic network that directly links to all bank accounts that could readily substitute for Visa's General Purpose Debit Card Networks. For example, [redacted]

231. The end results of Visa's post-Durbin strategy have been: (1) massive foreclosure of competing PIN Debit Card networks, which threatens those networks' viability as EMV continues its U.S. roll-out, and threatens the availability of lower-cost routing options for merchants and safer transactions for consumers; and (2) the continued frustration of the Durbin Amendment's intended objective: the stimulation of real competition to Visa's monopoly in this market. Now more than four years after the implementation of the Durbin Amendment's routing rules, Visa still maintains a dominant 55% share of the General Purpose Debit Card market, and close to 75% of the Signature Debit segment. That it has managed to do so, through the industry migration to EMV and with mobile payments taking shape as a potential alternative, is a remarkable testament to Visa's enduring monopoly power and the relentless strategy it has employed to unlawfully maintain that power.

3. Visa has maintained its monopoly power in the General Purpose Debit Card market

232. As a result of its conduct, Visa has maintained its monopoly power throughout the Damages Period. Its share of the General Purpose Debit Card market remains at monopolistic levels and is poised to increase as EMV is rolled out by merchants and mobile payments start to increase, and the Interchange Fees paid to Issuers remain at supracompetitive levels

notwithstanding the Durbin Amendment. Visa's ability to impose supracompetitive and economically unjustified fixed network access fees further reflects its continuing monopoly power. Visa's ability to dominate the market with the inferior fraud-prone Signature Debit product, which exposes consumers to unnecessary fraud, and to maintain the dominance of that product through the industry migration to EMV, also reflects its continuing monopoly power.

233. Visa's monopoly power in the General Purpose Debit Card market is protected by high barriers to entry. To be a viable payment network competitor, a potential entrant would need both (1) widespread, if not ubiquitous, merchant acceptance and (2) large-scale distribution to consumers through Issuers. While each poses a formidable barrier in its own right, the economic reality is that a new entrant must clear both barriers simultaneously. Merchants are generally unwilling to accept a payment card brand that is carried by few cardholders, and cardholders are generally unwilling to carry a payment card brand that is not widely accepted by merchants. Therefore, starting a new network, whether debit or credit, with sufficient scale to challenge Visa or MasterCard is extremely difficult. These high barriers to entry, coupled with the entrenched dominance of Visa and MasterCard, explain in large part why no meaningful entry has occurred in the General Purpose Credit Card and Debit Card markets since Discover entered three decades ago in 1985.

234. The Antitrust Division highlighted this structural barrier to entry in the context of the General Purpose Credit Card market in its Competitive Impact Statement relating to the Proposed Final Judgment as to Visa and MasterCard in *United States v. American Express Company*, No. 10-cv-4496-NGG-RER (E.D.N.Y. Oct. 4, 2010), ECF No. 5, at 7:

> Significant barriers to entry and expansion protect Defendants' market power, and have contributed to Defendants' ability to maintain high prices for years without threat of price competition by new entry or expansion in the market. Barriers to

entry and expansion include the prohibitive cost of establishing a physical network over which General Purpose Card transactions can run, developing a widely recognized brand, and establishing a base of merchants and a base of cardholders. Defendants, which achieved these necessities early in the history of the industry, hold substantial early-mover advantages over prospective subsequent entrants. Successful entry today would be difficult, time consuming, and expensive.

235. As direct consequences of Visa's anticompetitive conduct which has maintained its debit monopoly, merchants, including Plaintiffs, have incurred damages throughout the Damages Period in the form of: (1) supracompetitive Interchange Fees on both PIN Debit Card and Signature Debit Card transactions; (2) supracompetitive network fees, including but not limited to the FANF; (3) substantial and unnecessary expenses in migrating their payment systems to EMV technology; and (4) chargebacks imposed for payment fraud, which would not have been imposed but for Visa's anticompetitive conduct. Consumers have also been harmed because they have been forced to absorb the costs of supracompetitive Interchange Fees and network fees in the form of higher retail prices, and they have suffered increased fraud due to Visa's monopolization of the market with the fraud-prone Signature Debit product as the cornerstone of its strategy.

ANTITRUST INJURY

236. Defendants' price-fixing cartels and Visa's monopolistic conduct have caused substantial and ongoing anticompetitive harm to merchants as direct purchasers of General Purpose Payment Card Network Services, in the form of inflated Interchange Fees paid directly by those merchants, foreclosure of network competitors, and reduced output. Nor have Defendants' inflated Interchange Fees for rewards cards resulted in incremental sales at merchants, as Defendants have claimed. To the contrary, rewards cards have harmed merchants because they incent consumers to use higher-priced rewards cards when consumers would otherwise have spent

the same amount using lower-cost credit cards. Merchants and their customers have borne—and continue to bear—the brunt of hundreds of billions of dollars of supracompetitive fees and severely decreased consumer welfare.

237. Defendants' price-fixing cartels have also caused substantial and ongoing anticompetitive harm to cardholders in the form of reduced choices and innovation, higher prices, reduced output, and increased payment fraud. Visa's monopolistic conduct has exacerbated that consumer injury through increased fraud and higher costs that are borne by consumers. Contrary to Defendants' claims that supracompetitive Interchange Fees are justified by cardholder rewards programs, those programs would continue to exist in the absence of Defendants' unlawful price fixing and agreement not to compete for merchant acceptance. Moreover, Issuers' competition for merchant agreements would create cardholder rewards and discounts beyond those offered by Issuers today. Defendants' foreclosure of that competition has therefore harmed cardholders.

238. Each Plaintiff has suffered direct antitrust injury from Defendants' conduct in violation of the antitrust laws set out above. Throughout the Damages Period, each Plaintiff directly paid the applicable Interchange Fees to the relevant Issuer with respect to transactions in which a Plaintiff accepted a Visa or MasterCard General Purpose Payment Card as a method of payment. As a result, each Plaintiff paid (and continues to pay) substantial, unlawful overcharges as a direct result of the agreement not to compete, price fixing and monopolization set out in this Complaint. Each Plaintiff also was (and continues to be) deprived of the benefits of competition limited by this conduct in the relevant markets.

239. Because the supracompetitive Interchange Fees that Plaintiffs had to pay were a substantial cost of doing business, Plaintiffs were forced to raise retail prices paid by their customers or to reduce retail services provided to their customers as a means of offsetting these

Interchange Fees. As a result, retail sales were below what they would have been, which reduced output and thereby harmed the economy. Moreover, as evidenced by the impact on merchant acceptance of the mandated Interchange Fee reductions in Australia and Europe, inflated Interchange Fees also artificially reduce merchant acceptance of General Purpose Payment Cards. These reductions in retail sales and merchant acceptance, coupled with the limitations on competition from other networks resulting from Defendants' anticompetitive conduct, significantly reduced output below what it would have been. By imposing a massive and hidden tax on both merchants and consumers, Defendants' conduct decreased consumer welfare and imposed substantial anticompetitive harm.

240. Moreover, because of the conduct detailed in this Complaint, Plaintiffs could not limit these higher retail prices to customers using the General Purpose Payment Cards that generated the underlying Interchange Fees. All customers, including less affluent ones who are more likely to pay with cash, had to bear the cost of these inflated Interchange Fees in the form of higher retail prices or reduced retail services.

241. Further, the imposition of supracompetitive Interchange Fees distorted Issuer incentives in both markets, resulting in decreased choices for cardholders and the perpetuation of the fraud-prone magnetic-stripe system in the United States. This diminution of quality and innovation for cardholders is a further harm to competition.

RELEVANT MARKETS

242. Merchants' demand for General Purpose Payment Card Network Services (authorization, clearance, and settlement of transactions for which a merchant accepts a General Purpose Payment Card) derives from consumer demand for using General Purpose Payment Cards to pay for goods and services. Accordingly, because consumer demand establishes both a distinct

General Purpose Credit Card market as well as a General Purpose Debit Card market, there are corresponding markets, based upon derived merchant demand, for General Purpose Credit Card Network Services and General Purpose Debit Card Network Services to merchants.

243. The distinct General Purpose Credit Card and General Purpose Debit Card markets encompass products and services provided by Issuers in both markets to cardholders. In the General Purpose Credit Card market, Issuers compete for cardholders by offering them various services, including rewards, and through fees and charges such as annual fees and interest rates. In the General Purpose Debit Card market, Issuers compete for cardholders by offering them a bundle of services, which includes but is not limited to the General Purpose Debit Card, connected to the underlying asset account. Consumers' demand for General Purpose Credit Cards and General Purpose Debit Cards also depends, in part, on merchant demand for accepting such cards. As a result, competition by Issuers for merchant acceptance and point-of- sale differentiation would have been a material feature of these markets in the absence of the conspiracies set forth in this Complaint.

244. In the alternative, the relevant General Purpose Payment Card Network Services market encompasses the provision of network services to merchants, whose demand is derived from consumer demand, and the provision of network services to Issuers that compete for cardholders based on, among other things, merchant acceptance. The interrelationship between merchant and cardholder demand for General Purpose Credit Cards and General Purpose Debit Cards, respectively, creates distinct network services markets encompassing both merchant and Issuer/cardholder demand for those products. All references to relevant markets in the claims for relief set forth below are based on network services markets encompassing both merchant and

Issuer/cardholder demand for General Purpose Credit Cards and General Purpose Debit Cards, respectively.

A. There Are Distinct Markets for General Purpose Credit Card Network Services and General Purpose Debit Card Network Services

1. General Purpose Credit Card Network Services

245. There were relevant product markets for General Purpose Credit Cards and General Purpose Credit Card Network Services throughout the Damages Period. The existence of these markets has been confirmed by economic analysis of cross-elasticity of demand, by industry and public recognition, and by recent judicial decisions in cases related to the claims asserted in this Complaint. These markets continue to be relevant product markets to this day.

246. General Purpose Credit Cards allow a consumer to purchase goods and services by accessing a line of credit extended to the cardholder by the Issuer that issued the card. These cards provided (and still provide) consumers deferred payment and, typically, the opportunity to revolve balances over time. Charge Cards are a subset of General Purpose Credit Cards that require the consumer to pay off the balance owed upon receipt of their statement, usually monthly.

247. From the consumer perspective, there are no close substitutes for General Purpose Credit Cards because other forms of payment do not offer comparable credit facilities. Therefore, General Purpose Credit Cards are better suited for large purchases that a consumer needs to finance over time than are payment methods such as cash, checks, and General Purpose Debit Cards that do not allow deferred payment. This feature is reflected in studies of consumer payment patterns, which show that the average transaction size for General Purpose Credit Card transactions consistently has significantly exceeded the average ticket for General Purpose Debit Card transactions since the mid-1990s.

248. In *United States v. Visa U.S.A. Inc.*, 163 F. Supp. 2d at 336, the court held that "consumers . . . do not consider debit cards to be substitutes for general purpose [credit] cards." The court also found that Issuers "do not view cash or checks as 'competitive' with general purpose [credit] cards." *Id.* Most consumers do not want to carry large sums of cash to make large purchases, and checks do not match the acceptance of General Purpose Credit Cards.

249. Thus, General Purpose Credit Cards have a unique bundle of characteristics that consumers find useful for certain types of transactions, and for which other payment methods are not close substitutes. A market-wide increase in cardholder fees would not cause sufficient decline in usage for the price increase to be unprofitable to Issuers; demand is sufficiently inelastic to establish a market for General Purpose Credit Cards. This was the case throughout the Damages Period.

250. As the court held in *United States v. Visa U.S.A. Inc.*, 163 F. Supp. 2d at 336, "it is highly unlikely that there would be enough cardholder switching away from credit and charge cards to make any such [hypothetical] price increase unprofitable for a hypothetical monopolist of general purpose [credit] card products."

251. Limited purpose proprietary credit cards, such as the Sears' card, generally were (and are) accepted only by a single merchant. Consumers, as a result, did not (and do not) consider proprietary credit cards to be reasonably interchangeable with General Purpose Credit Cards that can be used at numerous merchant locations, as recognized by the court in *United States v. Visa U.S.A. Inc.* That court held that "[b]ecause proprietary cards, such as a Sear[s'] or Macy's card, are accepted only at a single merchant[,] consumers do not believe that proprietary cards are substitutes for general purpose [credit and T&E] cards and therefore they should not be included in the relevant market." 163 F. Supp. 2d. at 336. Because of their limited utility,

proprietary cards did not (and do not) constrain the prices to merchants for accepting General Purpose Credit Cards.

252. The events in 2003 following the settlement of the *Visa Check* class action challenging the credit/debit tying rules also support the conclusion that General Purpose Credit Cards and Debit Cards are in separate markets for merchants and cardholders. The settlements required Visa and MasterCard to untie General Purpose Credit Card and Debit Card acceptance and give merchants the right to choose to accept one product without the other. Once the settlements went into effect and the tie between General Purpose Credit Card and Debit Card acceptance was broken, Visa and MasterCard increased General Purpose Credit Card Interchange Fees and reduced Signature Debit Card Interchange Fees. This outcome demonstrates that General Purpose Credit Cards and Debit Cards are in separate markets for merchants and cardholders.

253. Interchange Fees for both PIN Debit Cards and Signature Debit Cards have decreased since the Federal Reserve promulgated regulations pursuant to the Durbin Amendment, but General Purpose Credit Card Interchange Fees have not decreased in response to reduced General Purpose Debit Card Interchange Fees to merchants. The absence of sensitivity of General Purpose Credit Card Interchange Fees to Interchange Fees for General Purpose Debit Cards is strong economic evidence that General Purpose Credit Cards and Debit Cards are not in the same relevant market for merchants and cardholders.

254. During the Damages Period, Visa and MasterCard have continued to raise General Purpose Credit Card Interchange Fees, including significant rate increases for Premium Payment Card transactions, and no merchants have stopped accepting Visa and MasterCard General Purpose Credit Card transactions. This shows that merchants continue to believe that a sufficient number of consumers view General Purpose Credit Cards as unique and that merchants must accept them.

General Purpose Credit Card Network Services is a well-defined market characterized by an inelasticity of demand and universal recognition by the public, the parties, and the industry as a whole.

2. General Purpose Debit Card Network Services

255. There were relevant product markets for General Purpose Debit Cards and General Purpose Debit Card Network Services throughout the Damages Period. These markets consisted of both Signature Debit Cards and PIN Debit Cards. The existence of these markets has been confirmed by economic analysis of cross-elasticity of demand, by industry and public recognition, and by recent judicial decisions in cases related to the claims asserted in this Complaint. These markets continue to be relevant product markets to this day. General Purpose Debit Cards permit consumers to purchase goods and services by directly accessing the consumer's asset account, usually a DDA or checking account.

256. General Purpose Debit Cards include stored-value cards, such as payroll cards and flexible-spending- account cards, where funds are pre-loaded into an account associated with the card and the cardholder can only spend up to the amount pre-loaded on the card. Depending on the type of debit card transaction, payment is withdrawn from the cardholder's account and transferred to the merchant within one to several days later.

257. Both PIN Debit Cards and Signature Debit Cards offer basically the same functionality (albeit with vastly different levels of security) to consumers—a means of payment that is widely accepted and provides for a quick and automatic transfer of funds from the cardholder's asset account (usually a checking account) to the merchant's account. While the signature and PIN methods of authentication differentiate the products, consumers tend to view

them as close substitutes. Merchants' ability to steer cardholders from Signature Debit Cards to PIN Debit Cards confirms this.

258. General Purpose Debit Cards possess a combination of characteristics that make them particularly well-suited for certain types of transactions. Because payments are deducted in a matter of hours (or a few days at most) from a consumer's DDA, General Purpose Debit Cards are strongly differentiated from General Purpose Credit Cards. Consumers do not consider General Purpose Credit Cards to be an adequate substitute for General Purpose Debit Cards. Consumers tend to use General Purpose Debit Cards for everyday purchases, such as groceries, small household items, and other small-value purchases, especially of non-durable goods. Many consumers segment their purchases and prefer to put these everyday purchases on their General Purpose Debit Cards and use their General Purpose Credit Cards for larger-ticket items that are not consumed on a monthly basis.

259. In *United States v. Visa U.S.A. Inc.*, 163 F. Supp. 2d at 336-37, the court held that:

> Consumers . . . do not consider debit cards to be substitutes for general purpose [credit] cards. Due to their relative lack of merchant acceptance, their largely regional scope, and their lack of a credit function, on-line debit cards, which require a [PIN] number, are not adequate substitute[s] for general purpose [credit] cards. Similarly Visa and MasterCard research demonstrates that consumers do not consider off-line debit cards to be an adequate substitute for general purpose [credit] cards. . . . Knowledgeable industry executives agree with these conclusions.

260. General Purpose Debit Cards are safer than carrying cash and do not require that a consumer plan ahead (*e.g.*, by withdrawing cash from a bank account in order to make purchases). As Visa and MasterCard have acknowledged, General Purpose Debit Cards also are more widely accepted than checks, making them suitable for transactions at many merchants where checks are not an option. Consumers view General Purpose Debit Cards as superior to cash and checks and,

thus, they likely would not switch to cash and checks in response to a small but significant, non-transitory price increase. Cash and checks also are not reasonably interchangeable with General Purpose Debit Card Network Services for merchants. As the price of PIN Debit Card acceptance increased from a negative price (*i.e.*, merchants were paid to accept debit because it saved banks' check and cash processing costs) to zero (at-par) to the supracompetitive levels of today, merchants did not substitute away from debit.

261. Merchant demand exists separately for General Purpose Credit Card Network Services and General Purpose Debit Card Network Services. As noted by the court in the *In re Visa Check/MasterMoney Antitrust Litigation*, No. 96-cv-5238(JG), 2003 WL 1712568, at *2 (E.D.N.Y. Apr. 1, 2003), "[o]verwhelming evidence establishes that merchant demand for credit card [network] services is distinct from merchant demand for debit card network services." "[D]ebit card [network] services is a well-defined submarket characterized by an inelasticity of demand and universal recognition by the public, the parties, and the industry as a whole." *Visa Check*, 2003 WL 1712568, at *7.

B. The Geographic Market for All Relevant Product Markets Is the United States

262. The geographic market for all relevant product markets was the United States throughout the Damages Period, and that continues to be the case to this day. Many of Visa's and MasterCard's rules regarding General Purpose Credit Card and General Purpose Debit Card transactions applied only to the U.S. market. Visa and MasterCard also set policies and pricing—including Interchange Fees—separately for the United States from other regions. Additionally, U.S. consumers would not find General Purpose Credit Cards or General Purpose Debit Cards issued in other countries—and therefore other currencies—to be adequate substitutes for General

Purpose Credit Cards or General Purpose Debit Cards issued by U.S. banks. Defendants also have demonstrated that small but significant, non-transitory increases in prices limited to these product markets in the United States have been profitable and have not caused merchants or cardholders to turn to other services sufficiently to make these price increases unprofitable.

FIRST CLAIM FOR RELIEF

Against the Visa Defendants for Horizontal Price Fixing and Horizontal Agreements Not to Compete in the Market for General Purpose Credit Card Network Services

263. Plaintiffs repeat and reallege each and every allegation contained in the preceding paragraphs, with the same force and effect as if set forth here in full.

264. The Visa Defendants' agreement not to compete and price-fixing schemes constitute anticompetitive horizontal restraints on competition.

265. The Visa Defendants maintained the conspiracy for Visa General Purpose Credit Card transactions throughout the Damages Period.

266. This conspiracy anticompetitively increased, and maintained, the Interchange Fees that merchants paid to Issuers for Visa General Purpose Credit Card transactions, and it imposed additional damages in the form of network fees, fines, and fraud losses. These price increases were the products of the agreement among Visa and its owner/member banks that the banks will not compete for merchants' acceptance of Visa transactions.

267. This conspiracy harmed cardholders by reducing the choices available to them in the relevant market, by raising prices, and by increasing their exposure to fraud.

268. The price-fixing conspiracy and agreement not to compete were *per se* violations of Section 1 of the Sherman Act, as amended. Even if analyzed under a rule of reason, this conspiracy and agreement not to compete were unreasonable restraints of trade in violation of

Section 1. This scheme served no legitimate business purpose, and achieved no legitimate efficiency benefit to offset its substantial anticompetitive effects.

269. Plaintiffs suffered antitrust injury from these *per se* unlawful and/or unreasonable restraints of trade.

270. As a result of these violations of Section 1 of the Sherman Act throughout the Damages Period, Plaintiffs were, and continue to be, injured in their business and property in an amount not presently known with precision.

SECOND CLAIM FOR RELIEF

Against the Visa Defendants for Horizontal Price Fixing and Horizontal Agreements Not to Compete in the Market for General Purpose Debit Card Network Services

271. Plaintiffs repeat and reallege each and every allegation contained in the preceding paragraphs, with the same force and effect as if set forth here in full.

272. The Visa Defendants' agreement not to compete and price-fixing schemes constitute anticompetitive horizontal restraints on competition.

273. The Visa Defendants maintained the conspiracy for Visa General Purpose Debit Card transactions throughout the Damages Period.

274. This conspiracy anticompetitively increased, and maintained, the Interchange Fees that merchants paid to Issuers for Visa General Purpose Debit Card transactions, and it imposed additional damages in the form of network fees, fines, and fraud losses. These price increases were the products of the agreement among Visa and its owner/member banks that the banks will not compete for merchants' acceptance of Visa transactions.

275. This conspiracy harmed cardholders by reducing the choices available to them in the relevant market, by raising prices, and by increasing their exposure to fraud.

276. The price-fixing conspiracy and agreement not to compete were *per se* violations of Section 1 of the Sherman Act, as amended. Even if analyzed under a rule of reason, this conspiracy and agreement not to compete were unreasonable restraints of trade in violation of Section 1. This scheme served no legitimate business purpose, and achieved no legitimate efficiency benefit to offset its substantial anticompetitive effects.

277. Plaintiffs suffered antitrust injury from these *per se* unlawful and/or unreasonable restraints of trade.

278. As a result of these violations of Section 1 of the Sherman Act throughout the Damages Period, Plaintiffs were, and continue to be, injured in their business and property in an amount not presently known with precision.

THIRD CLAIM FOR RELIEF

Against the MasterCard Defendants for Horizontal Price Fixing and Horizontal Agreements Not to Compete in the Market for General Purpose Credit Card Network Services

279. Plaintiffs repeat and reallege each and every allegation contained in the preceding paragraphs, with the same force and effect as if set forth here in full.

280. The MasterCard Defendants' agreement not to compete and price-fixing schemes constitute anticompetitive horizontal restraints on competition.

281. The MasterCard Defendants maintained the conspiracy for MasterCard General Purpose Credit Card transactions throughout the Damages Period.

282. This conspiracy anticompetitively increased, and maintained, the Interchange Fees that merchants paid to Issuers for MasterCard General Purpose Credit Card transactions, and it imposed additional damages in the form of network fees, fines, and fraud losses. These price

increases were the products of the agreement among MasterCard and its owner/member banks that the banks will not compete for merchants' acceptance of MasterCard transactions.

283. This conspiracy harmed cardholders by reducing the choices available to them in the relevant market, by raising prices, and by increasing their exposure to fraud.

284. The price-fixing conspiracy and agreement not to compete were *per se* violations of Section 1 of the Sherman Act, as amended. Even if analyzed under a rule of reason, this conspiracy and agreement not to compete were unreasonable restraints of trade in violation of Section 1. This scheme served no legitimate business purpose, and achieved no legitimate efficiency benefit to offset its substantial anticompetitive effects.

285. Plaintiffs suffered antitrust injury from these *per se* unlawful and/or unreasonable restraints of trade.

286. As a result of these violations of Section 1 of the Sherman Act throughout the Damages Period, Plaintiffs were, and continue to be, injured in their business and property in an amount not presently known with precision.

FOURTH CLAIM FOR RELIEF

Against the MasterCard Defendants for Horizontal Price Fixing and Horizontal Agreements Not to Compete in the Market for General Purpose Debit Card Network Services

287. Plaintiffs repeat and reallege each and every allegation contained in the preceding paragraphs, with the same force and effect as if set forth here in full.

288. The MasterCard Defendants' agreement not to compete and price-fixing schemes constitute anticompetitive horizontal restraints on competition.

289. The MasterCard Defendants maintained the conspiracy for MasterCard General Purpose Debit Card transactions throughout the Damages Period.

290. This conspiracy anticompetitively increased, and maintained, the Interchange Fees that merchants paid to Issuers for MasterCard General Purpose Debit Card transactions, and it imposed additional damages in the form of network fees, fines, and fraud losses. These price increases were the products of the agreement among MasterCard and its owner/member banks that the banks will not compete for merchants' acceptance of MasterCard transactions.

291. This conspiracy harmed cardholders by reducing the choices available to them in the relevant market, by raising prices, and by increasing their exposure to fraud.

292. The price-fixing conspiracy and agreement not to compete were *per se* violations of Section 1 of the Sherman Act, as amended. Even if analyzed under a rule of reason, this conspiracy and agreement not to compete were unreasonable restraints of trade in violation of Section 1. This scheme served no legitimate business purpose, and achieved no legitimate efficiency benefit to offset its substantial anticompetitive effects.

293. Plaintiffs suffered antitrust injury from these *per se* unlawful and/or unreasonable restraints of trade.

294. As a result of these violations of Section 1 of the Sherman Act throughout the Damages Period, Plaintiffs were, and continue to be, injured in their business and property in an amount not presently known with precision.

FIFTH CLAIM FOR RELIEF

Against the Visa Defendants for Vertical Price Restraints in the Market for General Purpose Credit Card Network Services

295. Plaintiffs repeat and reallege each and every allegation contained in the preceding paragraphs, with the same force and effect as if set forth here in full.

296. The Visa Defendants' price-fixing schemes and anti-steering rules constitute unreasonable and anticompetitive vertical restraints.

297. Visa entered into an express vertical agreement with each of the Bank Defendants and with each of Visa's owner/member banks, binding all of them to comply with the rules and regulations adopted by Visa, including the default Interchange Fee, Honor All Issuers, and anti-steering rules. In turn, Visa acted as the enforcement agent for its rules and regulations and held issuing and acquiring members responsible for compliance with these rules and regulations. These agreements continued in full effect throughout the Damages Period.

298. These vertical price restraints imposed supracompetitive Interchange Fees on merchants for Visa General Purpose Credit Card transactions, and it imposed additional damages in the form of network fees, fines, and fraud losses. These restraints also harmed cardholders by reducing the choices available to them in the relevant market, by raising prices, and by increasing their exposure to fraud.

299. These restraints continued in full effect throughout the Damages Period and constituted unreasonable restraints of trade in violation of Section 1 of the Sherman Act. This scheme served no legitimate business purpose, and achieved no legitimate efficiency benefit to offset its substantial anticompetitive effects.

300. Plaintiffs suffered antitrust injury from these unreasonable restraints of trade.

301. As a result of this violation of Section 1 of the Sherman Act throughout the Damages Period, Plaintiffs were, and continue to be, injured in their business and property in an amount not presently known with precision.

SIXTH CLAIM FOR RELIEF

Against the Visa Defendants for Vertical Price Restraints in the Market for General Purpose Debit Card Network Services

302. Plaintiffs repeat and reallege each and every allegation contained in the preceding paragraphs, with the same force and effect as if set forth here in full.

303. The Visa Defendants' price-fixing schemes and anti-steering rules constitute unreasonable and anticompetitive vertical restraints.

304. Visa entered into an express vertical agreement with each of the Bank Defendants and with each of Visa's owner/member banks, binding all of them to comply with the rules and regulations adopted by Visa, including the default Interchange Fee, Honor All Issuers, and anti-steering rules. In turn, Visa acted as the enforcement agent for its rules and regulations and held issuing and acquiring members responsible for compliance with these rules and regulations. These agreements continued in full effect throughout the Damages Period.

305. These vertical price restraints imposed supracompetitive Interchange Fees on merchants for Visa General Purpose Debit Card transactions, and it imposed additional damages in the form of network fees, fines, and fraud losses. These restraints also harmed cardholders by reducing the choices available to them in the relevant market, by raising prices, and by increasing their exposure to fraud.

306. These restraints continued in full effect throughout the Damages Period and constituted unreasonable restraints of trade in violation of Section 1 of the Sherman Act. This scheme served no legitimate business purpose, and achieved no legitimate efficiency benefit to offset its substantial anticompetitive effects.

307. Plaintiffs suffered antitrust injury from these unreasonable restraints of trade.

308. As a result of this violation of Section 1 of the Sherman Act throughout the Damages Period, Plaintiffs were, and continue to be, injured in their business and property in an amount not presently known with precision.

SEVENTH CLAIM FOR RELIEF

Against the MasterCard Defendants for Vertical Price Restraints in the Market for General Purpose Credit Card Network Services

309. Plaintiffs repeat and reallege each and every allegation contained in the preceding paragraphs, with the same force and effect as if set forth here in full.

310. The MasterCard Defendants' price-fixing schemes and anti-steering rules constitute unreasonable and anticompetitive vertical restraints.

311. MasterCard entered into an express vertical agreement with each of the Bank Defendants and with each of MasterCard's owner/member banks, binding all of them to comply with the rules and regulations adopted by MasterCard, including the default Interchange Fee, Honor All Issuers, and anti-steering rules. In turn, MasterCard acted as the enforcement agent for its rules and regulations and held issuing and acquiring members responsible for compliance with these rules and regulations. These agreements continued in full effect throughout the Damages Period.

312. These vertical price restraints imposed supracompetitive Interchange Fees on merchants for MasterCard General Purpose Credit Card transactions, and it imposed additional damages in the form of network fees, fines, and fraud losses. These restraints also harmed cardholders by reducing the choices available to them in the relevant market, by raising prices, and by increasing their exposure to fraud.

313. These restraints continued in full effect throughout the Damages Period and constituted unreasonable restraints of trade in violation of Section 1 of the Sherman Act. This scheme served no legitimate business purpose, and achieved no legitimate efficiency benefit to offset its substantial anticompetitive effects.

314. Plaintiffs suffered antitrust injury from these unreasonable restraints of trade.

315. As a result of this violation of Section 1 of the Sherman Act throughout the Damages Period, Plaintiffs were, and continue to be, injured in their business and property in an amount not presently known with precision.

EIGHTH CLAIM FOR RELIEF

Against the MasterCard Defendants for Vertical Price Restraints in the Market for General Purpose Debit Card Network Services

316. Plaintiffs repeat and reallege each and every allegation contained in the preceding paragraphs, with the same force and effect as if set forth here in full.

317. The MasterCard Defendants' price-fixing schemes and anti-steering rules constitute unreasonable and anticompetitive vertical restraints.

318. MasterCard entered into an express vertical agreement with each of the Bank Defendants and with each of MasterCard's owner/member banks, binding all of them to comply with the rules and regulations adopted by MasterCard, including the default Interchange Fee, Honor All Issuers, and anti-steering rules. In turn, MasterCard acted as the enforcement agent for its rules and regulations and held issuing and acquiring members responsible for compliance with these rules and regulations. These agreements continued in full effect throughout the Damages Period.

319. These vertical price restraints imposed supracompetitive Interchange Fees on merchants for MasterCard General Purpose Debit Card transactions, and it imposed additional damages in the form of network fees, fines, and fraud losses. These restraints also harmed cardholders by reducing the choices available to them in the relevant market, by raising prices, and by increasing their exposure to fraud.

320. These restraints continued in full effect throughout the Damages Period and constituted unreasonable restraints of trade in violation of Section 1 of the Sherman Act. This

scheme served no legitimate business purpose, and achieved no legitimate efficiency benefit to offset its substantial anticompetitive effects.

321. Plaintiffs suffered antitrust injury from these unreasonable restraints of trade.

322. As a result of this violation of Section 1 of the Sherman Act throughout the Damages Period, Plaintiffs were, and continue to be, injured in their business and property in an amount not presently known with precision.

NINTH CLAIM FOR RELIEF

Against Visa for Monopolization of the Market for General Purpose Debit Card Network Services

323. Plaintiffs repeat and reallege each and every allegation contained in the preceding paragraphs, with the same force and effect as if set forth here in full.

324. Through the anticompetitive acts set forth above, Visa has unlawfully acquired monopoly power in the market for General Purpose Debit Card Network Services. Visa has taken acts that have the effect of giving it power over price and the power to exclude competition in the market for General Purpose Debit Card Network Services.

325. Through the FANF and its exploitation of the industry migration to EMV technology, Visa has further unlawfully maintained its monopoly power through anticompetitive conduct that had the purpose and effect of excluding competition from, and raising the costs of, other providers of General Purpose Debit Card Network Services.

326. As a direct and proximate result of Visa's exclusionary conduct, Interchange Fees and network fees for General Purpose Debit Card and Credit Card Network Services were set at artificial, supracompetitive levels and Plaintiffs suffered injury to their business and property by paying such artificially-inflated, supracompetitive Interchange Fees and network fees, along with

incurring chargebacks and unnecessary hardware implementation costs. Plaintiffs suffered antitrust injury from these acts of monopolization.

327. Visa's conduct also has harmed consumers in the relevant market by perpetuating the dominance of the fraud-prone Signature Debit product and by imposing higher costs and prices that are borne by consumers.

328. Visa's unlawful acquisition of monopoly power constituted a violation of Section 2 of the Sherman Act. Visa's unlawful maintenance of monopoly constitutes a violation of Section 2 of the Sherman Act, which is ongoing.

TENTH CLAIM FOR RELIEF

Against Visa for Attempted Monopolization of the Market for General Purpose Debit Card Network Services

329. Plaintiffs repeat and reallege each and every allegation contained in the preceding paragraphs, with the same force and effect as if set forth here in full.

330. Visa has taken acts that have the effect of giving Visa power over price and the power to exclude competition in the market for General Purpose Debit Card Network Services.

331. Visa specifically intended to monopolize the market for General Purpose Debit Card Network Services, as evidenced by its specific intent to obtain power over Interchange Fee and network fee pricing for General Purpose Debit Card Network Services, by its specific intent to exclude competition in the market for General Purpose Debit Card Network Services, and by its specific intent to take acts with the effects of giving Visa power over price and excluding competition.

332. To the extent it does not already possess monopoly power, there is a dangerous probability that Visa will obtain monopoly power in the market for General Purpose Debit Card

Network Services through the FANF and through its exploitation of the industry migration to EMV technology to suppress competition in this market.

333. As a direct and proximate result of Visa's exclusionary conduct, Interchange Fees and network fees for General Purpose Debit Card Network Services were set at artificial, supracompetitive levels and Plaintiffs suffered injury to their business and property by paying such artificially-inflated, supracompetitive Interchange Fees, along with incurring chargebacks and unnecessary hardware implementation costs. Plaintiffs suffered antitrust injury from these attempted acts of monopolization.

334. Visa's conduct also has harmed consumers in the relevant market by perpetuating the dominance of the fraud-prone Signature Debit product and by imposing higher costs and prices that are borne by consumers.

335. Visa's attempted monopolization constituted and, through the FANF, continues to constitute a violation of Section 2 of the Sherman Act.

ELEVENTH CLAIM FOR RELIEF

Against Visa and the Bank Defendants for Conspiracy to Monopolize the Market for General Purpose Debit Card Network Services

336. Plaintiffs repeat and reallege each and every allegation contained in the preceding paragraphs, with the same force and effect as if set forth here in full.

337. Visa and the Bank Defendants combined and conspired among themselves with the specific intent to monopolize the market for General Purpose Debit Card Network Services. Such conspiracy included agreements between Visa and the Bank Defendants to restrict and foreclose competition from competing PIN debit networks, and the Bank Defendants' participation in Visa's strategy to exploit EMV to suppress competition in the General Purpose Debit Card Network Services market.

338. This conspiracy was successful, as Visa, through the overt acts described above, acquired, enhanced, and maintained monopoly power in the market for General Purpose Debit Card Network Services during the Damages Period.

339. As a direct and proximate result of Visa and the Bank Defendants' conspiracy to monopolize, Interchange Fees for General Purpose Debit Card Network Services and network fees were set at artificial, supracompetitive levels and Plaintiffs suffered antitrust injury to their business and property by paying such artificially-inflated, supracompetitive Interchange Fees and network fees, along with incurring chargebacks and unnecessary hardware implementation costs.

340. Visa's and the Bank Defendants' conduct also has harmed consumers in the relevant market by perpetuating the dominance of the fraud-prone Signature Debit product and by imposing higher costs and prices that are borne by consumers.

341. Visa and the Bank Defendants' conspiracy to monopolize constituted and, through the FANF, continues to constitute a violation of Section 2 of the Sherman Act.

TWELFTH CLAIM FOR RELIEF

Against All Defendants for Violation of State Antitrust and Unfair Competition Laws

342. Plaintiffs repeat and reallege each and every allegation contained in the preceding paragraphs, with the same force and effect as if set forth here in full.

343. By reason of the foregoing, Defendants entered into agreements in restraint of trade and/or engaged in anticompetitive practices in violation of Alabama Code § 8-10-1 et seq.

344. By reason of the foregoing, Defendants entered into agreements in restraint of trade and/or engaged in anticompetitive practices in violation of Arizona Revised Stat. § 44-1401 et seq.

345. By reason of the foregoing, Defendants entered into agreements in restraint of trade and/or engaged in anticompetitive practices in violation of California Bus. & Prof. Code § 16700 et seq. and Cal. Bus. & Prof. Code § 17200 et seq.

346. By reason of the foregoing, Defendants entered into agreements in restraint of trade and/or engaged in anticompetitive practices in violation of District of Columbia Code § 28-4501 et seq.

347. By reason of the foregoing, Defendants entered into agreements in restraint of trade and/or engaged in anticompetitive practices in violation of Florida Stat. Ann. § 501.201 et seq.

348. By reason of the foregoing, Defendants entered into agreements in restraint of trade and/or engaged in anticompetitive practices in violation of Hawaii Rev. Stat. § 480-1 et seq.

349. By reason of the foregoing, Defendants entered into agreements in restraint of trade and/or engaged in anticompetitive practices in violation of 740 Illinois Comp. Stat. Ann. § 10/1 et seq.

350. By reason of the foregoing, Defendants entered into agreements in restraint of trade and/or engaged in anticompetitive practices in violation of Iowa Code Ann. § 553.1 et seq.

351. By reason of the foregoing, Defendants entered into agreements in restraint of trade and/or engaged in anticompetitive practices in violation of Kansas Stat. Ann. § 50-101 et seq.

352. By reason of the foregoing, Defendants entered into agreements in restraint of trade and/or engaged in anticompetitive practices in violation of Maine Rev. Stat. Ann. 10, § 1101 et seq.

353. By reason of the foregoing, Defendants entered into agreements in restraint of trade and/or engaged in anticompetitive practices in violation of Michigan Comp. Laws Ann. § 445.771 et seq.

354. By reason of the foregoing, Defendants entered into agreements in restraint of trade and/or engaged in anticompetitive practices in violation of Minnesota Stat. Ann. § 325D.49 et seq.

355. By reason of the foregoing, Defendants entered into agreements in restraint of trade and/or engaged in anticompetitive practices in violation of Mississippi Code Ann. § 75-21- 1 et seq.

356. By reason of the foregoing, Defendants entered into agreements in restraint of trade and/or engaged in anticompetitive practices in violation of Nebraska Rev. Stat. § 59-801 et seq.

357. By reason of the foregoing, Defendants entered into agreements in restraint of trade and/or engaged in anticompetitive practices in violation of Nevada Rev. Stat. Ann. § 598A.010 et seq.

358. By reason of the foregoing, Defendants entered into agreements in restraint of trade and/or engaged in anticompetitive practices in violation of New Mexico Stat. Ann. § 57-1-1 et seq.

359. By reason of the foregoing, Defendants entered into agreements in restraint of trade and/or engaged in anticompetitive practices in violation of New York General Business Law § 340 et seq. and § 369-A.

360. By reason of the foregoing, Defendants entered into agreements in restraint of trade and/or engaged in anticompetitive practices in violation of North Carolina Gen. Stat. § 75-1 et seq.

361. By reason of the foregoing, Defendants entered into agreements in restraint of trade and/or engaged in anticompetitive practices in violation of North Dakota Cent. Code § 51-08.1-01 et seq.

362. By reason of the foregoing, Defendants entered into agreements in restraint of trade and/or engaged in anticompetitive practices in violation of Oregon Rev. Stat. Ann. § 646.705 et seq.

363. By reason of the foregoing, Defendants entered into agreements in restraint of trade and/or engaged in anticompetitive practices in violation of Rhode Island Gen. Laws Ann. § 6-36-1 et seq.

364. By reason of the foregoing, Defendants entered into agreements in restraint of trade and/or engaged in anticompetitive practices in violation of South Dakota Codified Laws Ann. § 37-1-3.1 et seq.

365. By reason of the foregoing, Defendants entered into agreements in restraint of trade and/or engaged in anticompetitive practices in violation of Tennessee Code Ann. § 47-25-101 et seq.

366. By reason of the foregoing, Defendants entered into agreements in restraint of trade and/or engaged in anticompetitive practices in violation of Vermont Stat. Ann. 9 § 2451 et seq.

367. By reason of the foregoing, Defendants entered into agreements in restraint of trade and/or engaged in anticompetitive practices in violation of Wisconsin Stat. Ann. § 133.01 et seq.

368. As a direct and proximate result of Defendants' unlawful conduct, Plaintiffs suffered, and continue to suffer, injury to their business and property in each of these states by paying such artificially-inflated, supracompetitive Interchange Fees for General Purpose Credit Card Network Services and General Purpose Debit Card Network Services.

PRAYER FOR RELIEF

Wherefore, Plaintiffs respectfully demand:

A. that the Court declare, adjudge, and decree that Defendants have committed the violations of law alleged herein;

B. that the Court award damages sustained by Plaintiffs because of Defendants' misconduct, in an amount to be proved at trial and to be trebled in accordance with antitrust law, plus interest (including prejudgment interest), attorneys' fees, and costs of suit;

C. that the Court enjoin Defendants' enforcement of Visa's and MasterCard's Honor All Issuers, Default Interchange, and anti-steering rules;

D. that the Court enjoin Visa's FANF;

E. that the Court enjoin Visa's exploitation of EMV to suppress competition from alternative debit networks, including by enjoining its enforcement of its cardholder selection rules, and by enjoining its strategy to force the industry to implement a dual-AID construct that enables Visa to limit competition from such networks;

F. that the Court order Visa to comply with federal law and provide merchants routing options on all debit transactions; and

G. that the Court grant such other and further relief as it may deem just and proper.

JURY DEMAND

Plaintiffs hereby demand trial by jury of all issues properly triable thereby.

DATED: New York, New York
April 29, 2020

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Counsel for Plaintiffs

EXHIBIT A

Exhibit A

ASHLEY FURNITURE INDUSTRIES, INC.

ASHCOMM, LLC
ASHLEY FURNITURE INDUSTRIES, INC.
ROCKLEDGE FURNITURE, LLC
KINGSWERE FURNITURE, LLC
SOUTHWESTERN FURNITURE OF WISCONSIN, LLC
STONELEDGE FURNITURE, LLC
ASHLEY HOMESTORES, LTD
DSG Distribution, LLC (“DSGD”)
DSG Illinois, LLC (“DSGIL”)
DSG Indiana, LLC (“DSGI”)
DSG Kentucky, LLC (“DSGK”)
DSG Louisiana, LLC (“DSGL”)
DSG Michigan, LLC (“DSGMi”)
DSG Missouri, LLC (“DSGM”)
DSG Nashville, LLC (“DSGN”)
DSG New Mexico, LLC (“DSGNM”)
DSG Springfield, LLC (“DSGS”)
DSG Texas, LLC (“DSGT”)
Dufresne Spencer Group Holdings, LLC (“DSGH”)
Hill Country Furniture Partners, LLC (TX)
Hill Country Holdings, LLC (TX)
Houston Furniture Partners, LLC (TX)
Idaho Furniture Partners, LLC (TX)
Twamji, LLC (Sams Furn and Appl Arlington and San Tran)
Seattle Furniture Partners, LLC (TX) (TIN: 26-1611706)
The Dufresne Spencer Group, LLC (“DSG”)
Furniture LTO LLC (Western Furn and Appl Avondale)
FURNITURE LTO CA LLC (Western Furniture and Appl)

REPUBLIC SERVICES, INC.

623 Landfill, Inc.
A D A J Corporation
AAWI, Inc.
A-Best Disposal, Inc.
Abilene Landfill TX, LP
Ace Disposal Services, Inc.
Action Disposal, Inc.
Ada County Development Company, Inc.
Adrian Landfill, Inc.
ADS of Illinois, Inc.
ADS, Inc.
Agricultural Acquisitions, LLC
Agri-Tech, Inc. of Oregon
Alabama Recycling Services, Inc.
Alaska Street Associates, Inc.
Albany-Lebanon Sanitation, Inc.
Allied Acquisition Pennsylvania, Inc.
Allied Acquisition Two, Inc.
Allied Enviro Engineering, Inc.
Allied Enviroengineering, Inc.
Allied Gas Recovery Systems, L.L.C.
Allied Green Power, Inc.
Allied Green Power, LLC
Allied Nova Scotia, Inc.
Allied Receivables Funding Incorporated
Allied Remediation Services, Inc.
Allied Research Affiliates, LLC
Allied Services, LLC
Allied Transfer Systems of New Jersey, LLC
Allied Waste Alabama, Inc.
Allied Waste Company, Inc.
Allied Waste Employee Relief Fund
Allied Waste Environmental
Allied Waste Environmental Management Group, LLC
Allied Waste Hauling of Georgia, Inc.
Allied Waste Holdings (Canada) Ltd.
Allied Waste Industries (Arizona), Inc.
Allied Waste Industries (New Mexico), Inc.
Allied Waste Industries (Southwest), Inc.
Allied Waste Industries of Georgia, Inc.
Allied Waste Industries of Illinois, Inc.
Allied Waste Industries of Northwest Indiana, Inc.

Allied Waste Industries of Tennessee, Inc.
Allied Waste Industries, Inc.
Allied Waste Industries, LLC
Allied Waste Landfill Holdings, Inc.
Allied Waste Niagara Falls Landfill, LLC
Allied Waste North America, Inc.
Allied Waste North America, LLC
Allied Waste of California, Inc.
Allied Waste of Long Island, Inc.
Allied Waste of New Jersey, Inc.
Allied Waste of New Jersey-New York, LLC
Allied Waste of Ponce, Inc.
Allied Waste of Puerto Rico, Inc.
Allied Waste Recycling Services of New Hampshire, LLC
Allied Waste Rural Sanitation, Inc.
Allied Waste Services of Bullhead City, Inc.
Allied Waste Services of Colorado, Inc.
Allied Waste Services of Fort Worth, LLC
Allied Waste Services of Lake Havasu City, Inc.
Allied Waste Services of Massachusetts, LLC
Allied Waste Services of Mesa, Inc.
Allied Waste Services of North America, LLC
Allied Waste Services of Page, Inc.
Allied Waste Services of Phoenix, Inc.
Allied Waste Services of Stillwater, Inc.
Allied Waste Services of Yuma, Inc.
Allied Waste Services, Inc.
Allied Waste Sycamore Landfill, LLC
Allied Waste Systems (Texas), Inc.
Allied Waste Systems Holdings, Inc.
Allied Waste Systems of Arizona, LLC
Allied Waste Systems of Colorado, LLC
Allied Waste Systems of Indiana, LLC
Allied Waste Systems of Michigan, LLC
Allied Waste Systems of Montana, LLC
Allied Waste Systems of New Jersey, LLC
Allied Waste Systems of North Carolina, LLC
Allied Waste Systems of Pennsylvania, LLC
Allied Waste Systems, Inc.
Allied Waste Transfer Services of Arizona, LLC
Allied Waste Transfer Services of California, LLC
Allied Waste Transfer Services of Florida, LLC
Allied Waste Transfer Services of Iowa, LLC
Allied Waste Transfer Services of Lima, LLC
Allied Waste Transfer Services of New York, LLC

Allied Waste Transfer Services of North Carolina, LLC
Allied Waste Transfer Services of Oregon, LLC
Allied Waste Transfer Services of Rhode Island, LLC
Allied Waste Transfer Services of Utah, Inc.
Allied Waste Transportation, Inc.
American Disposal Services of Illinois, Inc.
American Disposal Services of Kansas, Inc.
American Disposal Services of Missouri, Inc.
American Disposal Services of New Jersey, Inc.
American Disposal Services of West Virginia, Inc.
American Disposal Services, Inc.
American Disposal Transfer Services of Illinois, Inc.
American Materials Recycling Corp.
American Sanitation, Inc.
American Transfer Company, Inc.
Anderson Refuse Co., Inc.
Anderson Regional Landfill, LLC
Anderson Solid Waste, Inc.
Anson County Landfill NC, LLC
Apache Junction Landfill Corporation
Arbor Hills Holdings L.L.C.
Arc Disposal Company, Inc.
Area Disposal, Inc.
Ariana, LLC
Aries Venture Investments Company
Astro Waste Services, Inc.
Atlantic Waste Holding Company, Inc.
Atlas Transport, Inc.
Attwoods of North America, Inc.
Autauga County Landfill, LLC
Automated Modular Systems, Inc.
Autoshred, Inc.
AW Contracts I, LLC
AW Contracts II, LLC
AW Contracts III, LLC
AWIN Leasing Company, Inc.
AWIN Leasing II, LLC
AWIN Management, Inc.
Barker Brothers Waste, Incorporated
Barker Brothers, Inc.
Bay Collection Services, Inc.
Bay Environmental Management, Inc.
Bay Landfills, Inc.
Bay Leasing Company, Inc.
Bayside Disposal, Inc.

BBCO, Inc.
Bealine Service Company, Inc.
Belleville Landfill, Inc.
Benson Valley Landfill General Partnership
Benton County Development Company
Berkeley Sanitary Service, Inc.
Berrien County Landfill, Inc.
BFGSI Series 1997-A Trust
BFGSI, L.L.C.
BFI Acquisition, Inc.
BFI Argentina, S.A.
BFI Atlantic, Inc.
BFI Elliott Landfill TX, LP
BFI Energy Systems of Albany, Inc.
BFI Energy Systems of Boston, Inc.
BFI Energy Systems of Delaware County, Inc.
BFI Energy Systems of Essex County, Inc.
BFI Energy Systems of Hempstead, Inc.
BFI Energy Systems of Niagara II, Inc.
BFI Energy Systems of Niagara, Inc.
BFI Energy Systems of Plymouth, Inc.
BFI Energy Systems of SEMASS, Inc.
BFI Energy Systems of Southeastern Connecticut, Inc.
BFI Energy Systems of Southeastern Connecticut, Limited Partnership
BFI International, Inc.
BFI of Ponce, Inc.
BFI REF-FUEL, INC.
BFI Services Group, Inc.
BFI Trans River (GP), Inc.
BFI Trans River (LP), Inc.
BFI Transfer Systems of Alabama, LLC
BFI Transfer Systems of DC, LLC
BFI Transfer Systems of Georgia, LLC
BFI Transfer Systems of Maryland, LLC
BFI Transfer Systems of Massachusetts, LLC
BFI Transfer Systems of Mississippi, LLC
BFI Transfer Systems of New Jersey, Inc.
BFI Transfer Systems of Pennsylvania, LLC
BFI Transfer Systems of Texas, LP
BFI Transfer Systems of Virginia, LLC
BFI Waste Services of Indiana, LP
BFI Waste Services of Pennsylvania, LLC
BFI Waste Services of Tennessee, LLC
BFI Waste Services of Texas, LP
BFI Waste Services, LLC

BFI Waste Systems of Alabama, LLC
BFI Waste Systems of Arkansas, LLC
BFI Waste Systems of Georgia, LLC
BFI Waste Systems of Indiana, LP
BFI Waste Systems of Kentucky, LLC
BFI Waste Systems of Louisiana, LLC
BFI Waste Systems of Massachusetts, LLC
BFI Waste Systems of Mississippi, LLC
BFI Waste Systems of Missouri, LLC
BFI Waste Systems of New Jersey, Inc.
BFI Waste Systems of North America, Inc.
BFI Waste Systems of North America, LLC
BFI Waste Systems of North Carolina, LLC
BFI Waste Systems of Oklahoma, LLC
BFI Waste Systems of Pennsylvania, LLC
BFI Waste Systems of South Carolina, LLC
BFI Waste Systems of Tennessee, LLC
BFI Waste Systems of Virginia, LLC
Bio-Med of Oregon, Inc.
BLT Enterprises of Oxnard, Inc.
Blue Mountain Recycling, LLC
Blue Ridge Landfill General Partnership
Blue Ridge Landfill TX, LP
Bluegrass Recycling & Transfer Company
Bom Ambiente Insurance Company
Bond County Landfill, Inc.
Borrego Landfill, Inc.
Borrow Pit Corp.
Bosman Bros., Inc.
Brenham Total Roll-Offs, LP
Brickyard Disposal & Recycling, Inc.
Bridgeton Landfill, LLC
Bridgeton Transfer Station, LLC
Broadview Transfer Station, LLC
Browning-Ferris Financial Services, Inc.
Browning-Ferris Industries Asia Pacific, Inc.
Browning-Ferris Industries Chemical Services, Inc.
Browning-Ferris Industries Europe, Inc.
Browning-Ferris Industries of California, Inc.
Browning-Ferris Industries of Florida, Inc.
Browning-Ferris Industries of Illinois, Inc.
Browning-Ferris Industries of New Jersey, Inc.
Browning-Ferris Industries of New York, Inc.
Browning-Ferris Industries of Ohio, Inc.
Browning-Ferris Industries of Puerto Rico, Inc.

Browning-Ferris Industries of Tennessee, Inc.
Browning-Ferris Industries, Inc.
Browning-Ferris Industries, LLC
Browning-Ferris, Inc.
Brunswick Waste Management Facility, LLC
Bunting Trash Service, Inc.
Butler County Landfill, LLC
C & C Expanded Sanitary Landfill, LLC
C.C. Boyce & Sons, Inc.
Cactus Waste Systems, LLC
Calvert Trash Service, Incorporated
Calvert Trash Systems, Incorporated
Camelot Landfill TX, LP
Capital Waste & Recycling, Inc.
Capitol Recycling and Disposal, Inc.
Carbon Limestone Landfill, LLC
Cave Creek Transfer Station, Inc.
CC Landfill, Inc.
CCAI, Inc.
CCS/SDS Acquisition LLC
CDF Consolidated Corporation
CECOS International, Inc.
Cefe Landfill TX, LP
Celina Landfill, Inc.
Central Arizona Transfer, Inc.
Central Sanitary Landfill, Inc.
Central Virginia Properties, LLC
Chambers Development of North Carolina, Inc.
Champion Recycling, Inc.
Charter Evaporation Resource Recovery Systems
Cherokee Run Landfill, Inc.
Chestnut Equipment Leasing Corp.
Chilton Landfill, LLC
Citizens Disposal, Inc.
City Garbage, Inc.
City-Star Services, Inc.
Clarkston Disposal, Inc.
Clinton County Landfill Partnership
CO Holding Company, LLC
CO SPV Assets, LLC
Cocopah Landfill, Inc.
Coggins Waste Management, Inc.
Commercial Waste Disposal , Inc.
Compactor Rental Systems of Delaware, Inc.
Congress Development Co.

Consolidated Disposal Service, L.L.C.
Consolidated Processing, Inc.
Containerized, Inc. of Texas
Continental Waste Industries - Gary, Inc.
Continental Waste Industries, Inc.
Continental Waste Industries, L.L.C.
Copper Mountain Landfill, Inc.
Corvallis Disposal Co.
County Disposal (Ohio), Inc.
County Disposal, Inc.
County Environmental Landfill, LLC
County Land Development Landfill, LLC
County Landfill, Inc.
County Line Landfill Partnership
Courtney Ridge Landfill, LLC
Covington Waste, Inc.
Crescent Acres Landfill, LLC
Crockett Sanitary Service, Inc.
Crow Landfill TX, L.P.
Cumberland County Development Company, LLC
CWI of Florida, Inc.
CWI of Illinois, Inc.
CWI of Missouri, Inc.
CWI of Northwest Indiana, Inc.
D & D Garage Services, Inc.
D & L Disposal L.L.C.
Dallas Disposal Co.
Delta Container Corporation
Delta Dade Recycling Corp.
Delta Paper Stock, Co.
Delta Recycling Corp.
Delta Resources Corp.
Delta Site Development Corp.
Delta Tall Pines Corp.
Delta Transfer Corp.
Delta Waste Corp.
Dempsey Waste Systems II, Inc.
Denver RL North, Inc.
Desarrollo del Rancho La Gloria TX, LP
Devens Recycling Center, LLC
Dinverno, Inc.
Dowling Industries, Inc.
DTC Management, Inc.
E & P Investment Corporation
E Leasing Company, LLC

Eagle Industries Leasing, Inc.
East Chicago Compost Facility, Inc.
ECDC Environmental of Humboldt County, Inc.
ECDC Environmental, L.C.
ECDC Holdings, Inc.
ECDC Logistics, LLC
EcoSort, L.L.C.
El Centro Landfill, L.P.
Elder Creek Transfer & Recovery, Inc.
Ellis County Landfill TX, LP
Ellis Scott Landfill MO, LLC
Envirocycle, Inc.
Environmental Development Corp.
Environmental Reclamation Company
Environtech, Inc.
Envotech-Illinois L.L.C.
EOS Environmental, Inc.
Evergreen Scavenger Service, Inc.
Evergreen Scavenger Service, L.L.C.
F. P. McNamara Rubbish Removal, Inc.
FCR Camden, LLC
FCR Florida, LLC
FCR Greensboro, LLC
FCR Morris, LLC
FCR Tennessee, LLC
FCR, LLC
Flint Hill Road, LLC
FLL, Inc.
Forest View Landfill, LLC
Fort Worth Landfill TX, LP
Forward, Inc.
Frankfort Environmental Development Company, Inc.
Fred Barbara Trucking Co., Inc.
Frontier Waste Services (Colorado), LLC
Frontier Waste Services (Utah), LLC
Frontier Waste Services of Louisiana L.L.C.
Frontier Waste Services, L.P.
G. Van Dyken Disposal Inc.
G.E.M. Environmental Management, Inc.
GA Contracts Enterprises, LLC
Galveston County Landfill TX, LP
Garofalo Brothers, Inc.
Garofalo Recycling & Transfer Station Co., Inc.
Gateway Landfill, LLC
GEK, Inc.

General Refuse Rolloff Corp.
General Refuse Service of Ohio, L.L.C.
Georgia Recycling Services, Inc.
GGH North Dakota, LLC
Giles Road Landfill TX, LP
Giordano Recycling Corp.
Global Indemnity Assurance Company
Golden Bear Transfer Services, Inc.
Golden Triangle Landfill TX, LP
Golden Waste Disposal, Inc.
Grants Pass Sanitation, Inc.
Great Lakes Disposal Service, Inc.
Great Plains Landfill OK, LLC
Green Valley Landfill General Partnership
Greenfield Environmental Development Corp.
Greenridge Reclamation, LLC
Greenridge Waste Services, LLC
Greenwood Landfill TX, LP
Gulf West Landfill TX, LP
Gulfcoast Waste Service, Inc.
H B Data Security, LLC
H Leasing Company, LLC
Hancock County Development Company, LLC
Hanks Disposal, Inc. [shell]
Harland's Sanitary Landfill, Inc.
Harrison County Landfill, LLC
HMD Waste, L.L.C.
Hollister Landfill, Inc.
Honeygo Run Reclamation Center, Inc.
Houston Towers TX, LP
Hudson Baylor 27th Avenue LLC
Hudson Baylor Atlantic County LLC
Hudson Baylor Beacon LLC
Hudson Baylor Cape May LLC
Hudson Baylor North Gateway, LLC
Hudson Baylor Tucson LLC
Hyder Waste Container, Inc.
ID Holding Company, LLC
Illiana Disposal Partnership
Illinois Landfill, Inc.
Illinois Recycling Services, Inc.
Illinois Valley Recycling, Inc.
Imperial Landfill, Inc.
Independent Trucking Company
Indiana Recycling, LLC [shell]

Ingrum Waste Disposal, Inc.
International Disposal Corp. of California
Island Waste Services Ltd.
Itasca Landfill TX, LP
Jackson County Landfill, LLC
Jamax Corporation
Jasper County Development Company Partnership
Jefferson City Landfill, LLC
Jefferson Parish Development Company, LLC
Jetter Disposal, Inc.
Joe Di Rese & Sons, Inc.
Jones Road Landfill & Recycling Ltd.
K & K Trash Removal, Inc.
Kandel Enterprises, LLC
Kankakee Quarry, Inc.
Keller Canyon Landfill Company
Keller Drop Box, Inc.
Kent-Meridian Disposal Company
Kerrville Landfill TX, LP
Key Waste Indiana Partnership
La Cañada Disposal Company, Inc.
Lake County C & D Development Partnership
Lake Havasu LF Services, Inc.
Lake Norman Landfill, Inc.
LandComp Corporation
Lathrop Sunrise Sanitation Corporation
Lee County Landfill SC, LLC
Lee County Landfill, Inc.
Lemons Landfill, LLC
Lewistown Disposal, Inc.
Lewisville Landfill TX, LP
LGS Renewables I, L.C.
Liberty Waste Holdings, Inc.
Liberty Waste Services Limited, L.L.C.
Liberty Waste Services of Illinois, L.L.C.
Liberty Waste Services of McCook, L.L.C.
Little Creek Landing, LLC
Local Sanitation of Rowan County, L.L.C.
Loop Recycling, Inc.
Loop Transfer, Incorporated
Lorain County Landfill, LLC
Louis Pinto & Son, Inc., Sanitation Contractors
Lucas County Land Development, Inc.
Lucas County Landfill, LLC
Madison County Development, LLC

Magnolia Disposal Services, Inc.
Mamaroneck Truck Repair, Inc.
Manumit of Florida, Inc.
Mars Road TX, LP
McCarty Road Landfill TX, LP
McCusker Recycling, Inc.
McInnis Waste Systems, Inc.
Menands Environmental Solutions, LLC
Mesa Disposal, Inc.
Mesquite Landfill TX, LP
Metro Enviro Transfer, LLC
Mexia Landfill TX, LP
M-G Disposal Services, L.L.C.
Midway Development Company, Inc.
Midwest Material Management, Inc. [shell]
Minneapolis Refuse, Incorporated
Mirror Nova Scotia Limited
Mississippi Waste Paper Company
Missouri City Landfill, LLC
MJS Associates, Inc.
Modern Power, LLC
Modern-Mallard Energy, LLC
Montana Waste Systems, Inc.
Morehead Landfill General Partnership
Mountain Home Disposal, Inc.
N Leasing Company, LLC
NationsWaste Catawba Regional Landfill, Inc.
NationsWaste, Inc.
Ncorp, Inc.
New Mexico Disposal Co., LLC
New Morgan Landfill Company, Inc.
New York Waste Services, LLC
Newco Waste Systems of New Jersey, Inc.
Newton County Landfill Partnership
Nichols Street Properties LLC
NMRT, LLC
Noble Road Landfill, Inc.
Northeast Landfill, LLC
Northlake Transfer, Inc.
Northwest Tennessee Disposal Corporation
Northwest Waste Industries, Inc.
Oakland Heights Development, Inc.
Obscurity Land Development, LLC
Oceanside Waste & Recycling Services
Ohio Republic Contracts, II, Inc.

Ohio Republic Contracts, Inc.
Oklahoma City Landfill, L.L.C.
Omaha Hauling Company, Inc.
Organic Dynamics, LLC
Organized Sanitary Collectors and Recyclers, Inc.
Oscar's Collection System of Fremont, Inc.
Otay Landfill, Inc.
Ottawa County Landfill, Inc.
Packerton Land Company, L.L.C.
Palomar Transfer Station, Inc.
Panama Road Landfill, TX, L.P.
Paper Fibers, Inc.
Paper Fibres Company
Paper Recycling Systems, Inc.
Paradise Waste TS, Inc.
Peltier Real Estate Company
Peninsula Waste Systems, LLC
Perdomo & Sons, Inc.
Perdomo/BLT Enterprises, LLC
Pinal County Landfill Corp.
Pine Bend Holdings L.L.C.
Pine Hill Farms Landfill TX, LP
Pinecrest Landfill OK, LLC
Pittsburg County Landfill, Inc.
Pleasant Oaks Landfill TX, LP
Polk County Landfill, LLC
Port Clinton Landfill, Inc.
Portable Storage Co.
Potrero Hills Landfill, Inc.
Preble County Landfill, Inc.
Price & Sons Recycling Company
Prichard Landfill Corporation
Prime Carting, Inc.
Prince George's County Landfill, LLC
R&M Atlanta Disposal Services [joint venture]
R. 18, Inc.
R.C. Miller Enterprises, Inc.
R.C. Miller Refuse Service Inc.
Rabanco Companies
Rabanco Connections International, Inc.
Rabanco Intermodal/B.C., Inc.
Rabanco Recycling, Inc.
Rabanco Regional Landfill Company
Rabanco, Ltd.
Rainbow Conversion Technologies, LLC

Rainbow Disposal Co., Inc.
Rainbow Environmental Services, LLC
Rainbow Transfer/Recycling, Inc.
Rainbow West Florida LLC
Ramona Landfill, Inc.
RCS, Inc.
Re Community Delaware, LLC
Re Community Great Lakes, LLC
RE Community Holdings II, Inc.
Re Community Renew New York LLC
ReCommunity Corporation
ReCommunity Farmingdale, LLC
ReCommunity Kentucky, LLC
ReCommunity West Corporation
Recycle Seattle II
Recycling Associates, Inc.
Ref-Fuel Canada Ltd.
Regional Disposal Company
Reliable Disposal, Inc.
Republic Acquisition Company
Republic Dumpco, Inc.
Republic EES, LLC
Republic Enivronmental Technologies, Inc.
Republic Industrial and Energy Solutions, LLC
Republic Ohio Contracts, LLC
Republic Recycling Services of Nevada, Inc.
Republic Services Alliance Group II, Inc.
Republic Services Alliance Group III, Inc.
Republic Services Alliance Group IV, Inc.
Republic Services Alliance Group, Inc.
Republic Services Aviation, Inc.
Republic Services Blue Ridge Energy Development, LLC
Republic Services Charitable Foundation
Republic Services Customer Resource Center Central, LLC
Republic Services Customer Resource Center East, LLC
Republic Services Customer Resource Center West, LLC
Republic Services Digital Ventures I, LLC
Republic Services Employee Relief Fund
Republic Services Environmental Solutions II, LLC
Republic Services Environmental Solutions III, LLC
Republic Services Environmental, LLC
Republic Services Financial LP, Inc.
Republic Services Financial, Limited Partnership
Republic Services Group, LLC
Republic Services Holding Company, Inc.

Republic Services Industrial Solutions, LLC
Republic Services Leasing Company, LLC
Republic Services National Accounts, LLC
Republic Services of Arizona Hauling, LLC
Republic Services of Buffalo, LLC
Republic Services of California Holding Company, Inc.
Republic Services of California I, LLC
Republic Services of California II, LLC
Republic Services of Colorado Hauling, LLC
Republic Services of Colorado I, LLC
Republic Services of Florida GP, Inc.
Republic Services of Florida LP, Inc.
Republic Services of Florida, Limited Partnership
Republic Services of Georgia GP, LLC
Republic Services of Georgia LP, LLC
Republic Services of Georgia, Limited Partnership
Republic Services of Indiana LP, Inc.
Republic Services of Indiana Transportation, LLC
Republic Services of Indiana, Limited Partnership
Republic Services of Iowa, LLC
Republic Services of Kentucky, LLC
Republic Services of Maryland, LLC
Republic Services of Massachusetts, LLC
Republic Services of Michigan Hauling, LLC
Republic Services of Michigan Holding Company, Inc.
Republic Services of Michigan I, LLC
Republic Services of Michigan II, LLC
Republic Services of Michigan III, LLC
Republic Services of Michigan IV, LLC
Republic Services of Michigan V, LLC
Republic Services of New Jersey, LLC
Republic Services of North Carolina, LLC
Republic Services of Ohio Hauling, LLC
Republic Services of Ohio I, LLC
Republic Services of Ohio II, LLC
Republic Services of Ohio III, LLC
Republic Services of Ohio IV, LLC
Republic Services of Ohio Transportation, LLC
Republic Services of Oxnard, Inc.
Republic Services of PA - Environmental Solutions, LLC
Republic Services of Pennsylvania, LLC
Republic Services of Smith County, LLC
Republic Services of Sonoma County Energy Producers, Inc.
Republic Services of Sonoma County, Inc.
Republic Services of South Carolina, LLC

Republic Services of Southern California, LLC
Republic Services of Tennessee, LLC
Republic Services of Virginia, LLC
Republic Services of Wisconsin GP, LLC
Republic Services of Wisconsin LP, LLC
Republic Services of Wisconsin, Limited Partnership
Republic Services Organic Holding, Inc.
Republic Services Organic Solutions, LLC
Republic Services Procurement, Inc.
Republic Services Real Estate Holding, Inc.
Republic Services Recycling of Indiana, Inc.
Republic Services Recycling of the Twin Cities, LLC
Republic Services Renewable Energy II, LLC
Republic Services Renewable Energy, LLC
Republic Services Risk Management, Inc.
Republic Services Vasco Road, LLC
Republic Services, Inc.
Republic Silver State Disposal, Inc.
Republic Wabash Company
Republic Waste Services of Southern California, LLC
Republic Waste Services of Texas GP, Inc.
Republic Waste Services of Texas LP, Inc.
Republic Waste Services of Texas, Ltd.
Republic Waste, Limited Partnership
Resource Recovery Systems, LLC
Resource Recovery, Inc.
RI/Alameda Corp.
Richmond Sanitary Service, Inc.
Rio Grande Valley Landfill TX, LP
Risk Services, Inc.
RITM, LLC
River Recycling, LLC
Rock Road Industries, Inc.
Roosevelt Associates
Ross Bros. Waste & Recycling Co.
Rossman Sanitary Service, Inc.
Roxana Landfill, Inc.
Roxana Landfill, LLC
Royal Holdings, Inc.
Royal Oaks Landfill TX, LP
RSG Cayman Group, Inc.
Rubbish Control, L.L.C.
RWS Texas Leasing Company, LLC
RWS Transport, L.P.
S & L, Inc.

S & S Recycling, Inc.
S Leasing Company, LLC
Saguaro National Captive Insurance Company
Saline County Landfill, Inc.
San Diego Landfill Systems, LLC
San Francisco Bay Railway, LLC
San Marcos NCRRF, Inc.
Sand Valley Holdings, L.L.C.
Sandy Hollow Landfill Corp.
Sangamon Valley Landfill, Inc.
Sanifill, Inc.
Sanitary Disposal Service, Inc.
Sauk Trail Development, Inc.
Schofield Corporation of Orlando
Seattle Disposal Company, Inc.
Show-Me Landfill, LLC
Shred - All Recycling Systems Inc.
Solano Garbage Company
Source Recycling, Inc.
South Central Texas Land Co. TX, LP
South Trans, Inc.
Southeast Landfill, LLC
Southern Illinois Regional Landfill, Inc.
Southern Tank Leasing, Inc.
Southwest Disposal Service, Inc.
Southwest Landfill TX, LP
Southwest Regional Landfill, Inc.
Southwest Waste, Inc.
Springfield Environmental General Partnership
SSWI, Inc.
St. Bernard Parish Development Company, LLC
St. Joseph Landfill, LLC
Standard Disposal Services, Inc.
Standard Environmental Services, Inc.
Standard Waste, Inc.
Star Services Group, Inc.
Streator Area Landfill, Inc.
Suburban Carting Corp.
Suburban Transfer, Inc.
Suburban Warehouse, Inc.
Summit Waste Systems, Inc.
Sunrise Sanitation Service, Inc.
Sunset Disposal Service, Inc.
Sunset Disposal, Inc.
Super Services Waste Management, Inc.

Sycamore Landfill, Inc.
Taormina Industries, LLC
Tate's Transfer Systems, Inc.
Tay-Ban Corporation
Taylor Ridge Landfill, Inc.
Tayman Industries, Inc.
Tennessee Union County Landfill, Inc.
Terre Haute Recycling, Inc. [shell]
Tervita, LLC
Tessman Road Landfill TX, LP
The Ecology Group, Inc.
The LETCO Group, Limited Partnership
Thomas Disposal Service, Inc.
Tidal Tank, Inc.
Tippecanoe County Waste Services Partnership
Tom Luciano's Disposal Service, Inc.
Total Roll-Offs, L.L.C.
Total Solid Waste Recyclers, Inc.
Tricil (N.Y.), Inc.
Tri-County Refuse Service, Inc.
Tri-State Recycling Services, Inc.
Tri-State Refuse Corporation
Trottown Transfer, Inc.
Turkey Creek Landfill TX, LP
U.S. Disposal II
United Disposal Service, Inc.
United Refuse Co., Inc.
United Waste Control Corp.
Upper Rock Island County Landfill, Inc.
USA Waste of Illinois, Inc.
VA Contracts Enterprises, LLC
VA Holding Co, LLC
VA HSPV, LLC
VA NSPV, LLC
VA SSPV, LLC
Valley Landfills, Inc.
VHG, Inc.
Victoria Landfill TX, LP
Victory Environmental Services, Inc.
Victory Waste Incorporated
Vining Disposal Service, Inc.
Wabash Valley Development Corporation
Wabash Valley Landfill Company, Ltd.
Warner Hill Development Company
Warrick County Development Company

Wasatch Regional Landfill, Inc.
Waste Associates, Inc.
Waste Control Systems, Inc.
Waste Services Group, LLC
Waste Services of New York, Inc.
Wastehaul, Inc.
Water Recovery Systems, LLC
Wayne County Land Development, LLC
Wayne County Landfill IL, Inc.
Wayne Developers, LLC
WDTR, Inc.
Webster Parish Landfill, L.L.C.
Wellkept LLC
West Contra Costa Energy Recovery Company
West Contra Costa Sanitary Landfill, Inc.
West County Landfill, Inc.
West County Resource Recovery, Inc.
Whispering Pines Landfill TX, LP
Willamette Resources, Inc.
Williams County Landfill Inc.
Willow Ridge Landfill, LLC
Wilshire Disposal Service
WJR Environmental, Inc.
Woodlake Sanitary Service, Inc.
Zakaroff Services
623 Landfill, Inc.
A D A J Corporation
AAWI, Inc.
A-Best Disposal, Inc.
Abilene Landfill TX, LP
Ace Disposal Services, Inc.
Action Disposal, Inc.
Ada County Development Company, Inc.
Adrian Landfill, Inc.
ADS of Illinois, Inc.
ADS, Inc.
Agricultural Acquisitions, LLC
Agri-Tech, Inc. of Oregon
Alabama Recycling Services, Inc.
Alaska Street Associates, Inc.
Albany-Lebanon Sanitation, Inc.
Allied Acquisition Pennsylvania, Inc.

THERMO FISHER SCIENTIFIC INC.

Abgene
Advanced Lab Concepts, Inc. (until October 22, 2012)
Advanced Scientifics, Inc.
Affinity Bioreagants
Affymetrix, Inc. (since March 31, 2016), including sales completed through the following website: http://www.affymetrix.com/estore
Ahura Scientific (since February 26, 2010)
Thermo Fisher Scientific Chemicals (f/k/a Alfa Aesar) (since September 30, 2015), including sales through the following website: https://www.alfa.com/en/
Ambion
Applied Biosystems
Applied Biosystems LLC
Athena Diagnostics (until April 4, 2011), including sales completed through the following website: www.athenadiagnostics.com
Barnant Company (until August 15, 2014)
Barnstead Thermolyne LLC
Bioinnovations, Inc.
Capitol Vial, Inc.
Cellomics
Chase Scientific
Chase Scientific Glass, Inc./ SUN SRI
Chromacol
Cohesive Technologies Inc.
Cole-Parmer Instruments Company (until August 15, 2014), including sales completed through the following website: http://www.coleparmer.com
Core Informatics (since March 2, 2017)
Davis Instruments (until August 15, 2014), including sales completed through the following website: www.davis.com
Dharmacon, Inc. (until March 21, 2014)
Dionex Corporation, including sales completed through the following website: https://store.dionex.com
Distribution Solutions International, Inc.
Doe & Ingalls of CA, LLC
Doe & Ingalls of Florida Operating, LLC
Doe & Ingalls of Maryland Operating, LLC
Doe & Ingalls of Massachusetts Operating, LLC
Doe & Ingalls of MD
Doe & Ingalls of North Carolina Operating, LLC
eBioscience
EP Scientific Products LLC
Epoxyn Products L.L.C. (until October 22, 2012)
Epoxyn Products, Inc. (until October 22, 2012)
Erie Scientific LLC (until June 28, 2019)

FEI Company, including sales completed through the following website: www.fei.com
FEI Houston Inc.
Fermentas, Inc.
Fiberlite Centrifuge, LLC
Finesse Solutions Inc.
Finnzymes, Inc.
Fisher Bioservices Inc.
Fisher Clinical Services, Inc.
Fisher Diagnostics, including sales completed through the following website: www.fishersci.com
Fisher Hamilton L.L.C. (until October 22, 2012)
Fisher Healthcare, including sales completed through the following website: www.fishersci.com
Fisher Safety, including sales completed through the following website: www.fishersci.com
Forma
GeneChip
Gibco
Hyclone Laboratories, Inc. (until March 21, 2014)
I-Chem Brand Products
InnaPhase Corporation
Invitrogen
Ion Torrent
Jewett
Lab Vision
Lab Vision Corporation
La-Pha-Pak
Life Technologies (since February 3, 2014), including sales completed through the following website: www.lifetechnologies.com
Linkage Biosciences Inc (since July 10, 2017)
Matrix Technologies Corporation, including sales completed through the following website: www.matrixtechcorp.com
Matrix Technologies LLC, including sales completed through the following website: www.matrixtechcorp.com
Microgenics Corporation
Molecular Bioproducts, Inc., including sales completed through the following website: https://tfslhc.com
Molecular Probes
Molecular Transfer Inc.
MTI-Global Stem (since November 21, 2016), including sales completed through the following website: www.mti-globalstem.com
Nalge Nunc International Corporation, including sales completed through the following website: http://store.nalgene.com
Nanodrop Technologies LLC
National Scientific Company

Neomarkers, Inc.
NERL Diagnostics LLC
NovaWave Technologies, Inc.
Novex
One Lambda, Inc.
Open Biosystems Products (until March 21, 2014)
Open BioSystems, Inc. (until March 21, 2014)
Panomics
Phadia US Inc., including sales completed through the following website: https://www.uknowpeanut.com/Order.aspx
Pharmacia Diagnostics
Pierce Biotechnology, Inc., including sales completed through the following websites: http://www.pierce-antibodies.com/cart/checkout.cfm and https://www.piercenet.com/orders/Checkout.cfm
Pierce Chemical
Pierce Milwaukee, LLC
PiRL
Premion
Princeton Gamma-Tech Instruments, Inc.
Priority Air Express, LLC
Priority Solutions International
Puratronic
Reaction
Remel Inc.
Revco
Richard Allan Scientific Company (until June 28, 2019)
SEBA Diag
Separation Technology, Inc. (until March 11, 2014)
Snappies, including sales completed through the following website: http://snappiescontainers.com
Specpure
STI
SUN/SRI, including sales completed through the following website: http://sun-sri.com/
Sweden Diagnostics (US) Inc.
TC Tech
Thermo Asset Management Services Inc.
Thermo Cidtec Inc.
Thermo Eberline LLC
Thermo EGS Gauging, Inc.
Thermo Electron
Thermo Electron Corporation
Thermo Electron North America LLC, including sales completed through the following website: www.scientificinstrumentparts.com
Thermo Electron Scientific Instruments LLC
Thermo Environmental Instruments Inc

Thermo Finnigan LLC
Thermo Fisher Scientific (Asheville) LLC, including sales completed through the following website: www.labequipmentparts.com
Thermo Fisher Scientific (Milwaukee) LLC
Thermo Fisher Scientific (Mississauga) Inc.
Thermo Fisher Scientific Biosciences, Inc.
Thermo Fisher Scientific Ecommerce Solutions, LLC
Thermo Gamma-Metrics LLC
Thermo Hypersil-Keystone LLC
Thermo Informatics World
Thermo Keytek LLC
Thermo Labsystems, Inc.
Thermo MF Physics LLC
Thermo NESLAB Inc.
Thermo Niton Analyzers, LLC
Thermo Orion Inc.
Thermo Process Instruments, L.P.
Thermo Ramsey Inc.
Thermo Scientific
Thermo Scientific Pierce
Thermo Scientific Portable Analytical Instruments Inc.
Thermo Shandon
Trek Diagnostics Systems Inc.
Ultradry
USB