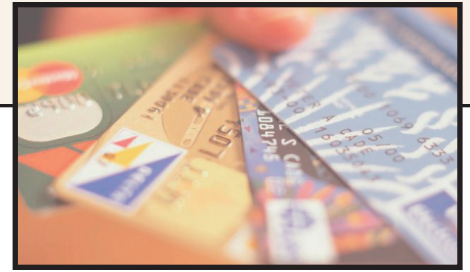




PAYER AUTHENTICATION FACT SHEET



What is Payer Authentication?

Payer authentication, also known as Verified by Visa (VbV) and MasterCard® SecureCode™, are security protocols developed by Visa and MasterCard that allow consumers to shop online more securely. Visa and MasterCard also give back to e-commerce businesses that enable these programs by providing chargeback protection and lower interchange rates. You may also hear the programs referred to as 3-D Secure.

Simply put, payer authentication is validation that the online shopper is the cardholder. Merchants participating in the programs are helping to fight identity theft and consumers are thanking them by repeat shopping at these secure websites. Verified by Visa and MasterCard SecureCode are the #1 sought after fraud tool for the second year in a row¹, let CardinalCommerce show you why.

How do Verified by Visa and MasterCard SecureCode work?

VbV and SecureCode enable cardholders to create a PIN (or "secure code") and assign it to their credit card. During checkout, the Customer is prompted to enter their PIN and the cardholder's identity can then be confirmed by their Card Issuing bank. The Card Issuer provides additional data elements to confirm the cardholder's identity. The data elements are amended to the authorization and settlement messages, thus providing the proper benefits of VbV/MCSC. To learn about the entire transaction flow, contact us, we'll gladly walk you through it.

How do I get VbV and SecureCode?

Through one fast, easy and simple integration of Cardinal Centinel, the Universal Merchant Platform, you can enable payer authentication programs, as well as connect with the most popular payment brands, such as Google™ Checkout, Bill Me Later® and PayPal™. It's easy to get started. Simply contact CardinalCommerce and talk with one of our payment brand experts. Ask any questions about Payer Authentication and receive a free evaluation of what other payment brands are best suited for your business. We'll take care of the rest!

What are the benefits of Verified by Visa and MasterCard SecureCode?

With the programs, Visa and MasterCard aim to increase consumer confidence in online shopping and reduce fraud. To encourage 3-D Secure adoption, Visa and MasterCard offer significant merchant benefits including:

- **Fraudulent chargeback protection (per the rules of Visa and MasterCard)**
- **Interchange discounts averaging 20 basis points**
- **Dramatic reduction in the fraud screening costs and manual review**
- **Higher AOV (Average Order Value); secure, confident Customers spend more**
- **Free and automatic platform upgrades**
- **Expand internationally, risk-free**
- **Consumer brand loyalty and security**

What is the path of a Payer Authentication transaction?

Transactions from your system are routed to both the card associations, as well as the banking authentication networks via an Internet connection through Cardinal Centinel. This authentication information can be accessed in real-time through Cardinal's comprehensive reporting system, allowing you to easily identify authenticated transactions and recognize fraudulent ones. Enabling authentication does not interrupt the current authorization process.

1. During checkout, information about the cardholder is directed to the appropriate card association to check their program enrollment status.
2. If the cardholder is enrolled, an authentication form will be displayed by the cardholder's bank. This form will collect the password and the bank will validate it is correct.
3. Results of authentication are returned in less than one second. The results, new data elements, are proof that the merchant authenticated or attempted to authenticate the cardholder.
4. The transaction is then sent for authorization through typical processes and channels. The new data elements (ECI and CAVV) are also submitted during the authorization request, thus providing the appropriate benefits associated with VbV and MCSC.

Quick and Easy Implementation

The Centinel Thin Client is available in Java, ASP, .net, Perl, PHP, Cold Fusion, and XML. Cardinal also has many pre-built shopping cart cartridges available. Implementation includes a dedicated project manager, 24/7 technical support at no cost, real-time reporting and enhanced personalized performance analyses daily. Each integration receives a dedicated testing platform and environment for Visa and MasterCard test cases. Professional services are available.



CARDINAL
CENTINEL

**MasterCard. Verified by
SecureCode. VISA**

**Why enable Verified by Visa and
MasterCard SecureCode through
Cardinal Centinel®*?**

CardinalCommerce is the worldwide leading provider of VbV and SecureCode.

Over 33,000 merchants including Continental, Travelocity, SkyMall, and Tiger Direct have chosen the unique patented Cardinal Centinel platform to deploy 3-D Secure, as well as the other popular payment brands we offer through one fast, simple and easy installation.

Centinel software installs quickly and easily, needing only to communicate with Cardinal's servers. Cardinal then facilitates secure communication with the Visa and MasterCard Issuing banks to allow authentication to occur.

CardinalCommerce provides exceptional customer service with free technical support throughout integration and program participation. Cardinal offers detailed reporting, including chargeback re-resentation guides, all with flexible pricing and no need for contracts.

*Patent No. US 7,051,002 B2



CARDINAL
COMMERCE

**For More Information:
Call 1-877-352-8444**

**or
www.cardinalcommerce.com**

"We now have the ability to reduce processing rates, make fraud significantly easier to identify and ultimately reduce fraud by utilizing Verified by Visa and MasterCard SecureCode. On top of it all, we were able to re-deploy staff and turn eCommerce order reviewers into eCommerce order takers, how much better can it get?"

- Joe Dunne, EVP, Tiger Direct

1 - Cybersource's 9th Annual Online Fraud Report



PAYER AUTHENTICATION MERCHANT BENEFITS

INTERCHANGE SAVINGS AND REASON CODES COVERAGE

Verified by Visa and MasterCard SecureCode were named the most sought-after fraud tools for both small and large merchants again in 2008.¹

Who Is Using 3-D Secure?

- **Issuing Banks -**
48 of the top 50
Mandated for Maestro cards
- **Cardholders -**
Over 400 M enrolled
Over 16 M active
- **Merchant Adoption -**
Over 100,000 worldwide*
*Cardinal works with 33,000+ including Continental, Rent Payment, Skinstore, Summit Racing, Tiger Direct, & Western Union

Program Highlights

- Reduce chargebacks by 70%
- Receive lower processing rates*
- Raise Customer confidence
- Confidently expand internationally
- Help fight identity theft

Benefits are for eCommerce transactions only, excluding transactions using pre-paid gift cards or corporate cards.

MOTO or POS transactions do not qualify at this time.

How to get Payer Authentication

1. Register with CardinalCommerce Account Representative.
2. Receive a **Cardinal Centinel® Welcome Pack**.
3. Access password-protected site for documentation & Cardinal Thin Client technology.
4. Receive a dedicated Cardinal Integration Manager.
5. Best Practices, test environment and 24/7 support available.

	MasterCard	Visa																										
Chargeback Protection	<p>Intraregional</p> <ul style="list-style-type: none"> • Enrolled Cardholder - Protection* • Non-enrolled Cardholder - Protection** • Recurring Transaction - Protection* (1st transaction only) <p>Interregional</p> <ul style="list-style-type: none"> • Enrolled Cardholder - Protection* • Non-enrolled Cardholder - Protection* 	<p>Domestic and International</p> <ul style="list-style-type: none"> • Enrolled Cardholder - Protection* • Non-enrolled Cardholder - Protection* • Recurring Transaction - Protection* (1st transaction only) 																										
Chargeback Reason Codes covered by programs and cards covered	<p>U.S. MasterCard & Maestro Cards: Full Authentication and International Card Attempted Authentications</p> <ul style="list-style-type: none"> • 4837: No Cardholder Authorization • 4863: Cardholder Does Not Recognize- Potential fraud™ • 49: Questionable Merchant Activity 	<p>U.S. Visa Credit & Debit Cards: Full & Attempted Authentication</p> <ul style="list-style-type: none"> • 23: Invalid Travel and Entertainment • 83: Fraudulent Mail Order/Telephone Order/eCommerce • 75: Cardholder does not recognize transaction (Domestic Only) <p>Visa International Credit & Debit Cards:</p> <ul style="list-style-type: none"> • 23: Invalid Travel and Entertainment • 83: Fraudulent Mail Order/Telephone Order/eCommerce 																										
<p>Interchange Savings -</p> <p>Basis Point Reduction on Processing Costs</p> <p>1 basis point = 1 cent per \$100</p>	<table border="0"> <thead> <tr> <th><i>Credit</i></th> <th><i>Basis Points Savings</i></th> </tr> </thead> <tbody> <tr> <td>US Enrolled</td> <td>21 pts</td> </tr> <tr> <td>US Not-Enrolled</td> <td>31 pts</td> </tr> <tr> <td>US World Card - Enrolled</td> <td>21 pts</td> </tr> <tr> <td>US World Card - Not Enrolled</td> <td>31 pts</td> </tr> <tr> <td>Global Txns - Enrolled</td> <td>9 pts</td> </tr> <tr> <td>Global Txns - Not Enrolled</td> <td>19 pts</td> </tr> <tr> <td colspan="2">Debit</td> </tr> <tr> <td>US Enrolled</td> <td>49 pts</td> </tr> <tr> <td>US Not-Enrolled</td> <td>59 pts</td> </tr> </tbody> </table>	<i>Credit</i>	<i>Basis Points Savings</i>	US Enrolled	21 pts	US Not-Enrolled	31 pts	US World Card - Enrolled	21 pts	US World Card - Not Enrolled	31 pts	Global Txns - Enrolled	9 pts	Global Txns - Not Enrolled	19 pts	Debit		US Enrolled	49 pts	US Not-Enrolled	59 pts	<table border="0"> <thead> <tr> <th><i>Card Type</i></th> <th><i>Basis Points Savings</i></th> </tr> </thead> <tbody> <tr> <td>Regular</td> <td>5 pts</td> </tr> <tr> <td>Rewards</td> <td>10 pts</td> </tr> </tbody> </table> <div style="border: 1px solid black; padding: 10px; text-align: center; margin-top: 10px;"> <p>AVERAGE SAVINGS VISA & MASTERCARD COMBINED = 21 basis points</p> </div>	<i>Card Type</i>	<i>Basis Points Savings</i>	Regular	5 pts	Rewards	10 pts
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* - per the rules of Visa and MasterCard
** - except for US-to-US transactions