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PCI: 2009 Data Breaches

During the first 4 months of 2009, there have been 114 Data Security Breaches in the United States. Of these breaches, 21% have included the theft of credit card information resulting in over 250,000 credit card numbers being stolen. Cases range from small businesses to large scale organizations. Listed below are a sampling of the cases that have been reported so far.

1/7/09-Geeks.com: recently discovered that customer information, including Visa credit card information, may have been compromised. In particular, it is possible that an unauthorized person may be in possession of names, addresses, telephone numbers, email addresses, credit card numbers, expiration dates, and card verification numbers. They are still investigating the details of this incident, but it appears that an unauthorized individual may have accessed this information by hacking their eCommerce website.

1/20/09-Heartland Payment Systems: after being alerted by Visa and Mastercard of suspicious activity surrounding processed card transactions, the company last week found evidence of malicious software that compromised card data that crossed Heartland's network. This incident may be the result of a global cyberfraud operation. Heartland Payment Systems has been sued. The lawsuit seeks damages and relief for the "inexplicable delay, questionable timing, and inaccuracies concerning the disclosures" with regard to the data breach, which is believed to be the largest in US history.

1/28/09-CityStage: a computer system might have exposed credit card information of customers on the internet. This probably occurred in December while the theater's Web contractor was changing servers. Credit card numbers might have been compromised.

1/31/09-HoneyBaked Ham: a computer server stocked with credit card information was stolen from a store.

2/2/09-Southern Satellite: hundreds of folders containing names, addresses, social security numbers, and credit card information were found in a dumpster.

2/16/09-Wyndham Hotels & Resorts: the company discovered that a sophisticated hacker penetrated the computer systems of one of the hotels. By going through the centralized network connection, the hacker was then able to access and download information from several, but not all, of the other WHR properties and create a unique file containing payment card information of a small percentage of customers. Potentially exposed through this breach are guest and/or cardholder names and card numbers, expiration dates and other data from the card's magnetic stripe.

3/11/09-Binghamton University: kept payment information for every student in a storage area next to one of the most trafficked lecture halls on campus, behind a door that was not only unlocked but taped open. The information contained Social Security numbers, credit card numbers, scans of tax forms, business information, asylum records and more, all kept in a haphazard and disorganized fashion, sprawled out in boxes, in unlocked (yet lockable) filing cabinets and shelving units. The information goes back 10 years and the potential number of people effected lies well in the hundred thousands.

4/30/09-Chateau Office Building: Thieves broke into 60-80 businesses in the building. One business owner indicated that credit card numbers of 7,000 clients were stolen. Another said that a stolen computer held the tax documents of 800 clients. An attorney said only 3 computers were taken from his office, but "they had all kinds of stuff. Everything: people's names, credit cards, clients, e-mails — who knows what."

This is just a small sampling of what is occurring in the industry. No one is safe and it is extremely important that you abide by the security practices set forth by the PCI Council. If you would like Meridian to review your policy, please contact us.



Save a tree: sign up now to receive your quarterly newsletter via email. Simply send an email to service@meridianmerchant.com with newsletter in the subject line or call 77.794.5729.



Quarterly Update

Insider Tips: Too Good To Be True



If it's too good to be true, it probably is. This old adage still holds true today.

Many of you are being approached with competitive offers promising huge savings. They are showing you an enticing rate so that they can get their foot in the door. What they aren't telling you, is that enticing rate is just the base price for qualified transactions only. That piece of information they are leaving in fine print and in some cases aren't disclosing at all unless you take it upon yourself to

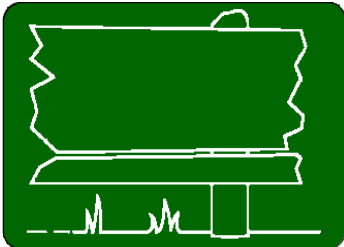
ask for the contract and look for it in the fine print.

Promises of free equipment are often another favorite ploy. What they fail to mention is that the cost of the equipment is factored into a monthly service fee along with a higher annual fee. In some cases, the equipment being offered is refurbished or equipment that is being end of life'd.

At Meridian we have heard it all and we want you to know how much we value your relationship and trust. If you are approached

with an offer, we would appreciate the opportunity to review it and help you make an informed decision. We can not always match or beat the competition's rate, but we strive to provide the highest level of personalized customer service. We pride ourselves on honesty and integrity and we will provide you with a side by side comparison. Don't be misled—get the facts first before making your decision!

Improve Customer Loyalty

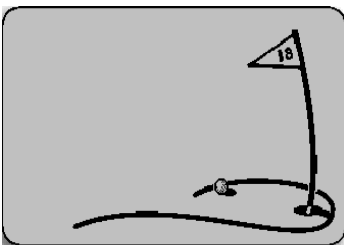


Gift and Loyalty Card programs are a great way to promote patronage. Gift Cards are a proven strategy to draw in new customers. Sending out a \$5 or \$10 gift card to local customers can greatly increase the traffic to your business. Plus, it is statistically proven that most consumers spend at least 35% more than what their gift card is for. Also, if a customer makes a return, put the amount on the gift card rather than giving them cash or issuing a refund on their credit card. There are several ways you can promote your business through gift cards—it's up to you to be creative.

Loyalty Cards are another great way to reward your best customers. Creating a points or rewards system provides an incentive to your customers to come back to your store to make additional purchases. Offering a free bottle of wine after they purchase 10 bottles or a free bucket of balls at the driving range after they purchase 5 rounds of golf are just the tip of the iceberg in how you can reward your customers. You can customize the program however you want.

The tracking for both the Gift Card and Loyalty Card program is easy. There is an online system that you can log into at anytime to see how many gift cards are outstanding and what the unused balances are. The same is true for Loyalty Cards.

The process is simple and there are a variety of designs to choose from. Contact your relationship manager for more information.



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Need Supplies?

Meridian is pleased to announce that we have negotiated special pricing for our merchants. We have partnered with a company located in Pennsylvania to get the best price and that savings is passed directly on to you. If you are running low on paper or ink ribbons, now is the time to stock up. Simply call our office directly or Financial Systems at (800) 781-7801 to order your supplies. Be sure to use the special discount code of MMS1 to receive your Meridian Discount. As an additional incentive to introduce you to Financial Systems, call our office and you will receive an additional 10% off of your first order.

Referral Rewards

Don't forget to tell your business associates about the exceptional service you receive from Meridian. If you refer someone to Meridian and they sign a 3 year agreement, you will receive \$50.00 upon activation. Simply email service@meridianmerchant.com with Referral in the subject line. Provide us with the business name, contact person and phone number and we will take care of the rest. There is no limit as to how many referral rewards you can earn.



Save a tree: sign up now to receive your quarterly newsletter via email. Simply send an email to service@meridianmerchant.com with newsletter in the subject line or call 877.794.5729.

Sudoku Challenge

Each Sudoku has a unique solution that can be reached logically without guessing. Enter digits from 1 to 9 into the blank spaces. Every row must contain one of each digit. So must every column, as must every 3x3 square.

Look in next quarter's newsletter for the solution.

	7		2	8	5		1	
		8	9		3	5		
5				1				8
	1						9	
9				4				3
		2	4		8	6		
	9		6	3	2		8	