

"peggyoday" <peggyoday@mchsi.com> on 07/24/2008 12:55:01 PM

Subject: Regulation AA

Peggy O'Day
10368 Edgewater Drive
Kelseyville CA 95451
707-277-0772

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Unfair credit card practices

This letter is in regards to Credit Card Abuse by the major card companies to small businesses. You know all too well the cash back incentives offered, but did you know who pays for them? The small business owners do. Our normal charge is 1.57% unless a customer uses one of these cards then we are charged 3.57% almost triple. Bankcard USA our merchant service takes out their money before depositing ours. 1. We have no choice in whatever incentive they provide their customers at our expense.

Secondly, We shouldn't have to pay taxes on the amount they take off the top which averages around \$350.00 a month for a small mom & pop car rental company. We pay taxes on the full amount as a sale but never receive the money. Should I pay my quarterly taxes on what was actually received from the sale by the cc company?

Here's how it works, we (small company) runs a customer charge the cc company takes out their % plus an additional % for rewards programs which are not in writing.

Is there anything we can do to stop this? Is it legal to offer incentives that they take from us?

Please help.

Sincerely,

Peggy O'Day