

Feb 22, 2011

Barbara Ericks  
Waugh's Men's and Women's Apparel  
110 East Heron Street  
Aberdeen, WA 98520-6624

Secretary Jennifer Johnson  
Board of Governors of the Federal Reserve System  
20th Street and Constitution Avenue NW  
Washington, DC 20551

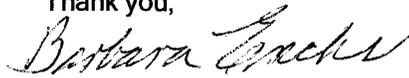
Dear Secretary Johnson:

Our apparel shop has been in existence since 1920. My husband, Ray, has worked here since 1966, and we bought the business in 1990. We have seen a lot of changes, and one of them is the increased use of plastic as a form of payment. Today, roughly 50% of our sales are purchased through debit or credit cards. We also offer in-house charge accounts.

Our current debit/credit contract is through Costco. My husband has checked into it and feels this is a very good rate. We have not personally seen the huge increases in our merchant fees that I understand are common across the country, so in that regard, we are lucky.

Plastic is here to stay, and we know that we have to accept merchant fees as a cost of doing business. We appreciate that Congress and the Federal Reserve are looking out for our best interests by capping the amount that we can be charged. We are a small business and it is important to us that these fees remain reasonable.

Thank you,



Barbara Ericks