FORM B10 PROOF OF CLAIM

UNITED STATES BANKRUPTCY COURT	NORTHERN DISTRICT OF TEXAS	PROOF OF CLAIM

Name of Debtor Excel Telecommunications

Case Number 04 81698

NOTE This form should not be used to make a claim for an administrative expense arising after the commencement of the case A request for payment of an administrative expense may be filed pursuant to 11 U S C §503

Name of Creditor (The person or entity to whom the debtor owes money or property)
Discover Financial Services

Name and addresses where notices should be sent
Disc over Financial Servies
Attn Ginger Merriman
P O Box 3012
New Albany OH 43054

Telephone number 1 800 347 7560

☐ Check box if you are aware that anyone else has filed a proof of claim relating to your claim Attach copy of statement giving particulars

☐ Check box if you have never received any notices from the bankruptcy court in this case

☐ Check box if the address differs from the address on the envelope sent to you by the court

This Space Is For Court Use Only

Account or other number by which creditor identifies debtor
601101754685764 601101704775459

Check here if this claim ☐ replaces} ☐ amends } a previously filed claim, dated _____

1 Basis for Claim

☐ Goods sold
☐ Services performed
☐ Money loaned
☐ Personal injury/wrongful death
☐ Taxes
■ Other Chargebacks/Discounts and fees

☐ Retiree benefits as defined in 11 U S C §1114(a)
☐ Wages salaries and compensations (Fill out below)
Last Four Digits of SS# _____
Unpaid compensation for services performed from _____ (date) to _____ (date)

2 Date debt was incurred 06/04/2004 thru 10/31/2004

3 If court judgment, date obtained

4 Total Amount of Claim at Time Case Filed

$8 220 33	_____	_____	$5 531 10 *
(unsecured)	(secured)	(priority)	(Total)

If all or part of your claim is secured or entitled to priority also complete Item 5 or 7 below

☐ Check this box if claim includes interest or other charges in addition to the principal amount of the claim Attach itemized statement of all interest or additional charges

5 Secured Claim.

☐ Check this box if your claim is secured by collateral (including a right of setoff)

Brief Description of Collateral
☐ Real Estate ☐ Motor Vehicle ☐ Other _____

Value of Collateral $_____

Amount of arrearage and other charges at time case filed included in secured claim if any $_____

6 Unsecured NonPriority Claim $5 531 10

■ Check this box if a) there is no collateral or lien securing your claim or b) your claim exceeds the value of the property securing it or if c) none or only part of your claim is entitled to priority

7 Unsecured Priority Claim.

☐ Check this box if you have an unsecured priority claim
Amount entitled to priority $_____
Specify the priority of the claim

☐ Wages salaries or commissions (up to $4 925) * earned within 90 days before filing of the bankruptcy petition or cessation of the debtor s business whichever is earlier 11 U S C §507(a)(3)

☐ Contributions to an employee benefit plan 11 U S C §507(a)(4)

☐ Up to $2 225* of deposits toward purchase lease or rental of property or services for personal family or household use 11 U S C §507(a)(6)

☐ Alimony maintenance or support owed to a spouse former spouse or child 11 U S C §507(a)(7)

☐ Taxes or penalties owed to governmental units 11 U S C §507(a)(8)

☐ Other Specify applicable paragraph of 11 U S C §507(a)(___)

Amounts are subject to adjustment on 4/1/07 and every 3 years thereafter with respect to cases commenced on or after the date of adjustment

8 CREDITS The amount of all payments on this claim has been credited and deducted for the purpose of making this proof of claim

9 Supporting Documents *Attach copies of supporting documents* such as promissory notes purchase orders invoices itemized statements of running accounts contracts court judgments mortgages security agreements and evidence of perfection of lien DO NOT SEND ORIGINAL DOCUMENTS If the documents are not available explain If the documents are voluminous attach a summary

10 Date Stamped Copy To receive an acknowledgment of the filing of your claim enclose a stamped self addressed envelope and copy of this proof of claim

This Space Is For Court Use Only

FILED
MAR 14 2005
BMC

Vartec Telecom Inc
02882

Date
3/10/05

Sign and print the name and title if any of the creditor or other person authorized to file this claim (attach copy of power of attorney if any)
Ginger Merriman

Penalty for presenting fraudulent claim Fine of up to $500 000 or imprisonment for up to 5 years or both 18 U S C §§152 and 3571

INSTRUCTIONS FOR PROOF OF CLAIM FORM

The instructions and definitions below are general explanations of the law In particular types of cases or circumstances such as bankruptcy cases that are not filed voluntarily by a debtor there may be exceptions to these general rules

----- DEFINITIONS -----

Debtor
The person corporation or other entity that has filed a bankruptcy case is called the debtor

Creditor
A creditor is any person corporation or other entity to whom the debtor owed a debt to the date that the bankruptcy case was filed

Proof of Claim
A form telling the bankruptcy court how much the debtor owed a creditor at the time the bankruptcy case was filed (the amount of the creditor s claim) This form must be filed with the clerk of the bankruptcy court where the bankruptcy case was filed

Secured Claim

A claim is a secured claim to the extent that the creditor has a lien on property of the debtor (collateral) that gives the creditor the right to be paid from that property before creditors who do not have liens on the property

Examples of liens are a mortgage on real estate and a security interest in a car truck boat television set or other item of property A lien may have been obtained through a court proceeding before the bankruptcy case began in some states a court judgment is a lien In addition to the extent a creditor also owes money to the debtor (has a right of setoff) the creditor s claim may be a secured claim (See also *Unsecured Claim*)

Unsecured Claim
If a claim is not a secured claim it is an unsecured claim A claim may be partly secured and partly unsecured if the property on which a creditor has a lien is not worth enough to pay the creditor in full

Unsecured Priority Claim
Certain types of unsecured claims are given priority so they are to be paid in bankruptcy cases before most other unsecured claims (if there is sufficient money or property available to pay these claims) The most common types of priority claims are listed on the proof of claim form Unsecured claims that are not specifically given priority status by the bankruptcy laws are classified as *Unsecured Nonpriority* claims

Items to be completed in Proof of Claim form (if not already filled in)

Court, Name of Debtor, and Case Number
Fill in the name of the federal judicial district where the bankruptcy case was filed (for example Central District of California) the name of the debtor in the bankruptcy case and the bankruptcy case number If you received a notice of the case from the court all of this information is near the top of the notice

Information about Creditor
Complete the section giving the name address and telephone number of the creditor to whom the debtor owes money or property and the debtor s account number if any If anyone else has already filed a proof of claim relating to this debt if you never received notices from the bankruptcy court about this case if your address differs from that to which the court sent notice or if this proof of claim replaces or changes a proof of claim that was already filed check the appropriate box on the form

1 **Basis for Claim**
Check the type of debt for which the proof of claim is being filed If the type of debt is not listed check Other and briefly describe the type of debt If you were an employee of the debtor fill in your social security number and the dates of work for which you were not paid

2 **Date Debt Incurred**
Fill in the date when the debt first was owed by the debtor

3 **Court Judgments**
If you have a court judgment for this debt state the date the court entered the judgment

4 **Total Amount of Claim at Time Case Filed**
Fill in the total amount of the entire claim If interest or other charges in addition to the principal amount of the claim are included check the appropriate place on the form and attach an itemization of the interest and charges

5 **Secured Claim**
Check the appropriate place if the claim is a secured claim You must state the type of value of property that is collateral for the claim attach copies of the documentation of your lien and state the amount past due on the claim as of the date the bankruptcy case was filed A claim may be partly secured and partly unsecured (See DEFINITIONS above)

6 **Unsecured Priority Claim**
Check the appropriate place if you have an unsecured priority claim and state the amount entitled to priority (See DEFINITIONS above) A claim may be partly priority and partly nonpriority if for example the claim is for more than the amount given priority by the law Check the appropriate place to specify the type of priority claim

7 **Credits**
By signing this proof of claim you are stating under oath that in calculating the amount of your claim you have given the debtor credit for all payments received from the debtor

8 **Supporting Documents**
You must attach to this proof of claim form copies of documents that show the debtor owes the debt claimed or if the documents are too lengthy a summary of those documents If documents are not available you must attach an explanation of why they are not available

PROOF OF CLAIM FORM, ATTACHMENT 1

UNITED STATES BANKRUPTCY COURT

Northern DISTRICT OF Texas

Merchant's Legal Name	**Excel Telecommunications**
Case Number	**04-81698**
Merchant Account Number(s)	**601101754685764, 601101704775459**

Response to Question 1 The consideration for this debt is, and the grounds for liability on the claim arise out of the services and financial accommodations provided by Discover Financial Services, Inc (DFSI), f/k/a NOVUS Services, Inc, ("NOVUS Services") or its predecessor, Discover Card Services, Inc ("DCSI"), in connection with Debtor's acceptance of Cards in payment for goods and services in accordance with the pursuant to a "Merchant Services Agreement" dated 10/1991 between the Debtor and DFSI in its own capacity or as successor to DCSI

Response to Question 2 The debt was incurred throughout the term of the Agreement between the Debtor and DFSI See the attached list for the dates that the Card sales were charged back to the Debtor pursuant to the Agreement, the terms of which provide that DFSI will be reimbursed for charged back Card sales

Response to Question 4 The amounts set forth in this Claim are the fixed and liquidated amounts of DFSI's pre-petition claim as of March 10, 2005 The Agreement provides that the Debtor is obligated to reimburse DFSI for amounts with respect to Card sales which were paid to the Debtor by DFSI where such Card sales are later charged back to DFSI In addition, the Agreement also provides for DFSI to collect certain fees, including discount fees, terminal fees, and merchant fees as provided under the Agreement Because the amount of DFSI's claim will depend in part on the Debtor's actual performance of its obligations to Cardmembers on account of pre-petition sales, the precise amount of DFSI's claims arising from pre-petition sales or other obligations of the Debtor under the Agreement cannot be ascertained with certainty at this time DFSI's contingent claims arising under the Agreement were approximately $0 00 as of the commencement of the case and have been reduced as the Debtor has flown off forward sales Significant contingent claims still remain DFSI expressly reserves the right to supplement and amend this Claim as and when information becomes available with respect to additional claims

DFSI may also have a claim for attorneys' fees and costs incurred in collecting the amounts due and owing it in connection with the above-described indebtedness, which amount cannot be reasonably calculated or estimated at this time DFSI does not waive its rights to any or all attorneys' fees, costs and expenses by not stating a specific amount at this time

This Proof of Claim does not include the claims, if any, of DFSI with respect to services or financial accommodations provided to Debtor under the Agreement after the filing of the petition initiating this case DFSI reserves all of its rights with respect to such claims

Response to Question 5 This claim is secured by, and subject to setoff and/or recoupment by, $0 00 in amounts due from DFSI in accordance with the Agreement

Response to Question 7 This claim will be a priority claim to the extent that it includes claims for the return of the deposits made by individual Cardmembers prior to the commencement of the case in connection with the purchase, lease or rental of property, or the purchase of services, for personal, family or household use of such individuals, which were not delivered or provided by the Debtor, not exceeding the applicable limits provided by the Bankruptcy Code

Response to Question 9 Attached are the following documents (a) Agreement between DFSI and Debtor, and (b) a list of the obligation owed by the Debtor to DFSI as of the date of this claim, including chargebacks, merchant fees, terminal fees, and other fees, as authorized by the Agreement

6011 0175 4685 764 ** NOVUS NETWORK SERVICES ** 03/11/05
MERCHANT PROFILE PRIMARY INFORMATION 16 15 19
#03B

DISPOSTN CODE **A3** CHG DTE **06/13/95** USERID **GSAILOR**
CLASS **ALREADY OWNS A BUSINESS WHICH ACCEPTS DISCOVER CARD**

MERCHANT NAME **XL TELECOMMUNICATIONS** PH **(214)705-5500** FAX **NF**
ADDR **PO BOX 650582** **DALLAS** **TX** **75243**
PRIME CNTCT PSTN
CORP NAME **XL TELECOMMUNICATIONS, INC** PARENT
ADDR1 **9101 LBJ FWY STE 800** **DALLAS** **TX** **75243**
ADDR2 PH **(214)705-5500** FED TAX ID **75-2264299**

PRINCIPAL **KENNEY TROUTT** TITLE **SOLE DEIRECTOR** PH
ADDR **12202 PLEASANT VALLEY** **DALLAS** **TX 75243** SSN **354425055**

MERCHANT TYPE **HDQTR** MAIL ORDER? **YES** YRS AT RESIDENCE **04**
BUSINESS TYPE **CORP** HIGH RISK? **NO** YRS IN BUSINESS **04**
CATGY **7299 - MISC PERSONAL SERVICES** YRS AT LOCATION **00**

F1-HELP F2-DECISION F5-REFERENCE F6-ADD'L F9-D&B F10-EXP F11-DUP F24-RETURN
QUERY FUNCTION COMPLETE

6011 0175 4685 764 ** NOVUS NETWORK SERVICES ** 03/11/05
MERCHANT PROFILE ADDITIONAL INFORMATION 16 36 18
#106

MERCHANT NAME **XL TELECOMMUNICATIONS** PROFILE CONTROL NUMBER **R26220612154504**

ANNUAL SALES BANKCARD **00036000** AMEX **00000000** OTHER **00000000** AVG TICKET **100**
BANKCARD PROCESSOR # DRAFT CAPTURE

WEB SITE ADDR DATE TRANSMITTED **1995-06-12**

SEP BUSINESS ENTRY **YES** EXTERIOR SIGNS **NO** CASH REGISTER **YES** TELEMARKETING **NO**
MERCH ON DISPLAY **YES** OPERABLE PHONE **YES** STOCKROOM **YES** RESIDENCE **NO**

	PROFILE	TERMINAL
CONTRACT NUMBER	**33722**	
CONTRACT DATE	**1995-05-01**	
CONTRACT GIVEN TO	**KENNEY A TROUTT**	

ACQUISITION REP # **24377** DIST
REP NAME NUMBER OF OUTLETS **007**

F2-DECISION F4-PRIMARY F5-REFERENCE F24-NEXT FUNCTION
QUERY FUNCTION COMPLETE

Merchant Services Agreement

DISCOVER

Greenwood Trust Company
New Castle Delaware

A member of the
Sears Financial Network

Merchant Name _____

Merchant Floor Limit ► $ _____

Merchant Fee ► _____ %

To Inquire About Your Discover Card Merchant Account Call 1-800-347-2000

To Obtain A Voice Authorization Call 1-800-347-1111

THIS AGREEMENT GOVERNS THE ACCEPTANCE OF THE DISCOVER CARD BY THE MERCHANT SPECIFIED ABOVE THE ACCEPTANCE OF THE DISCOVER CARD AND THE SUBMISSION OF SALES DATA BY YOU WILL INDICATE YOUR ACCEPTANCE OF THE TERMS OF THIS AGREEMENT This Agreement supersedes any other agreements concerning the Discover Card Please read it carefully You must follow all of its terms

In this Agreement the words "you and "your' mean the merchant specified above the words "we our" and us refer to Discover Card Services Inc Card means a valid Discover Card Cardmember" means a person to whom we have issued a Card and/or any authorized user of a Card and Sales Data means evidence of Card transactions whether in paper magnetic or electronic form that is received by us in the form and format that we specify Unless the context clearly indicates otherwise words used in the singular include the plural and words used in the plural include the singular

1 **Acceptance of Cards** You agree to accept the Card at all of your locations in payment for consumer goods and services from all Cardmembers who want to use the Card at your establishment You agree to follow the procedures in this Agreement and in our Operating Guide concerning your acceptance of the Card and the preparation of sales slips You agree that you will not impose any surcharge levy or fee of any kind for any transaction where a Cardmember desires to use the Card for any purchase of goods or services You must include all goods and services purchased at one time and at one sales register on one sales slip Each sales slip must be imprinted to obtain a clear imprint of the Card (except that in the case of Sales Data which you electronically produce — i e by electronically reading or scanning the Card — and which is identified as being electronically produced you do not need to obtain an imprint of the Card) The Cardmember must sign the sales slip in your presence and the signature must be the same as the signature on the Card You may not accept the Card in exchange for advancing cash to a Cardmember unless you have executed a separate agreement with us but you may accept Discover Card checks which we may make available to Cardmembers and which you should treat like any other check Your owners officers or employees may not receive cash advances or purchase any goods or services from you using their personal Discover Cards except for bona fide purchases in the ordinary course of business

2 **Operating Guide** Our Operating Guide is incorporated into this Agreement as Exhibit A The Operating Guide is a part of this Agreement and contains procedures which you must follow in connection with the Card We may change the Operating Guide from time to time by sending you written notice 30 days in advance However certain changes may become effective immediately for security reasons If there is any conflict between this Agreement and the Operating Guide the terms of this Agreement will govern

3 **Authorization** For each individual Card sale at or above the floor limit specified above you must obtain authorization from us prior to making the Card sale As explained in the Operating Guide you can obtain authorization from us by telephone or by electronic terminal We will provide you with an authorization code which must be written on the sales slip If at the commencement of this Agreement you regularly receive authorizations by means other than with an electronic authorization terminal your floor limit will be the amount specified above However notwithstanding the above floor limit if at any time during the term of this Agreement you begin to utilize one or more electronic authorization terminals to receive authorizations for Card sales your floor limit will automatically be reduced to $0 meaning all Card sales must be authorized If this happens we will discontinue sending you the Warning Bulletin if you previously received it If you accept the Card for a sale at or above the floor limit without receiving our prior authorization we are not required to pay you for the sale and if we have already paid you we can process a Chargeback as described in section 10 on the reverse side of this Agreement Even if we give you authorization for a Card sale it may be charged back to you for the reasons set forth in this Agreement and in the Operating Guide We may change your floor limit from time to time by sending you written notice At our option we may periodically supply you with paper Warning Bulletins If a Discover Card is listed in the Warning Bulletin you are not authorized to complete the transaction with that card

Occasionally we may ask you to request certain information from a Discover Card customer for verification purposes Also we may request that you take the Discover Card from a customer If we do you agree to follow the instructions given by our authorization center You agree that you will not use any force or effort if the customer refuses to give up the Discover Card and that you will not take any action which will alarm or embarrass the customer You agree to advise all of your employees of these terms We will pay you a fee in the amount specified in the Operating Guide for each Discover Card that you pick up at our request

4 **Telephone and Mail Order Sales** You may accept the Card for a telephone or mail order sale provided that each such Card sale is authorized that you prepare a sales slip as required by this Agreement and by the Operating Guide and that you write the words "telephone order" or mail order as applicable on the sales slip in lieu of the Cardmember's signature If telephone and mail order sales are or become a substantial portion of your total charge card sales volume (meaning in excess of 50%) you agree to inform us of this and to execute and abide by any supplemental or replacement agreements we may provide to you regarding telephone and mail order sales If the Cardmember asserts that he or she has not authorized a mail or telephone order Card sale such Card sale will be subject to Chargeback pursuant to section 10 on the reverse side of this Agreement

5 **Cardmember Refunds and Credits** You may establish your own policy concerning refunds and you agree to advise Cardmembers in advance of any card sale of this policy If a Cardmember returns goods or services purchased with the Card at your establishment in accordance with your policy you agree to give a credit to the Cardmember's Card account by completing a credit slip as required in the Operating Guide You agree that if a Cardmember receives merchandise or services that are defective or not as agreed upon at the time of sale you must give the Cardmember a credit if requested by the Cardmember You agree to send us Sales Data for each credit within 7 calendar days after you issue it

6 **Settlement of Transactions** If you transmit Sales Data by electronic means you agree to transmit your Sales Data each business day to the location that we specify If you send Sales Data by mail or other non-electronic means you agree to send your Sales Data at least once each week to the location that we specify If you fail to send Sales Data to us in a timely manner or to the location that we specify we will not be required to reimburse you for such Card transactions You agree to follow the instructions in this Agreement and in the Operating Guide regarding summary information that must be sent with the Sales Data We will reimburse you for the amount of each Card sale that you submit to us which results from a purchase made at your establishment with the Card minus any Chargebacks the amounts of any credits to Cardmembers that you submit to us and the merchant fee if applicable and plus or minus adjustments that we make to reconcile or correct errors in your Sales Data We call this procedure Settlement

For Sales Data transmitted to us in electronic form or delivered to us in magnetic tape form and received by us at or before 10 00 A M local time on a business day we will use our best efforts to initiate Settlement by the following business day For Sales Data transmitted to us in electronic form or delivered to us in magnetic tape form and received by us after 10 00 A M local time on a business day we will use our best efforts to initiate Settlement by the second business day following receipt of the Sales Data For Sales Data mailed to us in paper form we will use our best efforts to initiate settlement by the second business day following receipt of the Sales Data

Depending upon the Settlement option that you select we will either send you a check for Settlement or send the funds electronically to an account that you designate at a financial institution (called the Settlement Account") If you choose electronic Settlement you authorize us to credit and debit the Settlement Account as specified in this Agreement and in accordance with the rules and procedures of the applicable clearinghouse association and settlement institution(s) This authority will remain in effect until 5 business days after we receive written notice of your cancellation of such authorization We are not liable for any delays in the receipt of funds or errors in debit and credit entries caused by third parties including but not limited to a clearinghouse your financial institution or your agents If there are insufficient funds in your Settlement Account to pay us the amounts that you owe us you agree to immediately send us such amounts upon demand or at our option we may offset such amounts owed to us from money that we may subsequently owe you

You are responsible for reviewing all Settlement amounts you receive to confirm that the payment you received correctly matches your Sales Date submissions If you believe you have received an underpayment you must notify us immediately so that we may pay you any additional amounts owed If you have received an overpayment or a payment is mistakenly sent to you you agree to immediately notify us and remit the overpayment to us You may not spend any overpayment and if an overpayment is in the Settlement Account you may not withdraw it You agree that we may debit the Settlement Account for the amount of the overpayment

Except for Cardmember deposits for purchases you agree not to send us Sales Data for goods or services ordered by a Cardmember until the goods or services have been delivered or furnished to the Cardmember

7 **Merchant Fee** In consideration for your participation in the Card program you agree to pay us a merchant fee in an amount equal to the percent specified above of the gross amount of your Card Sales less the amount of any credits to Cardmembers that you submit to us any Card Sales we have charged back to you and any adjustments that we make to reconcile or correct errors in the Sales Data We will calculate and collect the amount of the merchant fee on a daily or monthly basis depending on your method of settlement To collect the merchant fee we will debit your Settlement Account or we will offset the total merchant fee for a calculation period from the Settlement amount we would otherwise pay you on the day we calculate the fee or you will pay us any amounts that are owed to us on demand

8 **Billing Inquiries** From time to time we may receive a request from a Cardmember for information regarding a Card transaction made at your establishment or a Cardmember may dispute a Card transaction If we notify you of such an inquiry you agree to provide us with any information that we may request within 15 business days of our request In some cases we will require a copy of the sales slip or credit slip and in others we will also need a written explanation from you concerning the inquiry If you do not respond to our inquiry within the 15 days specified above we may return the transaction in question as a Chargeback as described in section 10 below

9 **Cardmember Disputes** If a billing error or dispute exists with a Cardmember with respect to a Card sale or if a Cardmember complains to us about the quality of goods or services obtained with the Card at your establishment you agree to act in good faith to attempt to resolve the problem with the Cardmember You also agree to notify us within 15 business days after the date we notify

SEE REVERSE SIDE FOR CONTINUATION OF THIS AGREEMENT

you of a billing inquiry or dispute of the action you will take to re the inquiry or dispute If the Cardmember refuses to pay us for goods or services due to a quality dispute we may process a Chargeback for the charge or for the disputed portion of it If we are involved in a lawsuit with a Cardmember relating to a Card sale made at your establishment you agree to cooperate with us and to provide any assistance that we may reasonably require

10 **Chargeback Rights** If you do not follow all the terms of this Agreement and the Operating Guide when making a transaction with the Card or if a Card sale which is the subject of a billing dispute or quality dispute is subject to Chargeback as specified in this Agreement we may refuse to pay you for the Card sale or the disputed portion of it If we have already paid you you agree to immediately pay the amount you owe us on demand or we may deduct the amount in question from your Settlement Account or from future payments that we owe you These returned charges are called Chargebacks We will notify you of Card sales that are subject to Chargeback as they arise but in some instances Chargebacks may be processed prior to notification as specified in the Operating Guide If you and a Cardmember resolve a billing inquiry or dispute on a Card sale which has been charged back and we are permitted by law to rebill the Cardmember for all or a portion of the disputed amount we will reimburse you for that portion of the Chargeback which we can rebill the Cardmember provided you request such reimbursement within 90 days from the date of the Chargeback If due to federal and/or state consumer laws we are not able to rebill a Cardmember for all or a portion of a disputed transaction we will not be required to reimburse you for the Chargeback even if you have complied with the terms of this Agreement If you have Chargebacks that exceed 2% of the total number of Card sales submitted by you at any one of your establishment locations during any calendar quarter we may at our option assess you a $5 00 fee for each Chargeback in excess of the 2% Chargeback limit

11 **Retention of Records** You agree to keep an original copy of each sales slip and each credit slip for no less than 210 days from the transaction date If you deliver or transmit Sales Data to us in magnetic or electronic form you also agree to keep microfilm or other copies of each sales slip and each credit slip for no less than 7 years from the date of the transaction You agree to provide us with a copy of any sales slip or credit slip within 15 business days of our request

12 **Payments by Cardmembers** We have the sole right to receive payment from Cardmembers for Card transactions made at your establishment If you receive a payment from a Cardmember you agree to immediately forward it to us

13 **Confidentiality** You agree that you will reveal our Confidential Information only to those of your directors officers or employees of any of your operating divisions or subsidiaries which you have designated either in your application or on this Agreement as your locations that will accept the Card and who are engaged in the implementation of policies programs or procedures in connection with your acceptance of the Card We agree that we will reveal your Confidential Information only to those of our directors officers or employees of any of our divisions subsidiaries or affiliates which are involved in the development of the Card program and who are engaged in the implementation of policies programs or procedures in connection with your acceptance of the Card Both parties further agree that Confidential Information will be used solely in the above manner and that neither party will disclose such information to its directors officers or employees or to those of its divisions subsidiaries or affiliates except on a need to know" basis

Each party agrees not to use Confidential Information nor to disclose such information to any third party except as may be necessary for that party to perform its obligations pursuant to this Agreement and except as may be agreed upon by the parties If either party should disclose Confidential Information to a third party pursuant to this Agreement that party shall cause the third party to agree to the confidentiality provisions set forth in this Agreement

Confidential Information includes but is not limited to the other party s marketing philosophy and objectives competitive advantages and disadvantages customer and Cardmember names and addresses financial results technological development store locations sales volume merchandise mix or other information of the business or affairs of the other party its parent company or its affiliated and subsidiary companies which that party reasonably considers to be confidential Confidential Information does not include information in the public domain informa tion known to the other party prior to the date of the Agreement and information lawfully obtained from a third party by the other party

14 **Advertising of the Card** We hereby authorize you for purposes of this Agreement to use the servicemark Discover" and such other servicemarks as may be associated with the Card plan in advertising and promotion of the Card plan in accordance with specifications provided by us from time to time

Except as otherwise provided herein neither party shall use the registered trademarks servicemarks logos or any other proprietary designations of the other party without that party s prior written consent and shall submit to the other party for prior written approval any advertising materials in which such proprietary designations are to be used Such approval shall not be unreasonably withheld or delayed Notwithstanding the foregoing we shall not be required to obtain your approval with respect to advertising and promotional materials which merely list name(s) of establishments that accept the Card

You shall prominently display at each of your locations advertising and promotional materials relating to the Card plan in such manner and with such frequency as accorded any other third party credit or charge card accepted by you including without limitation the display of Take–One applications You shall only use or display such materials in accordance with the Operating Guide or in accordance with any specifications provided by us We shall at our expense supply advertising and display materials and such other operating forms and materials necessary to promote the Card and make Card sales Such materials including completed and incompleted sales slips and credit slips are our property and shall be returned upon our request or at the termination of this Agreement

15 **Supplies** As specified in the Operating Guide we will provide you with certain supplies that are necessary for you to accept the Card and process Card transactions We will replenish these supplies from time to time upon request You may call us for additional supplies at the number listed in the Operating Guide

16 **Third Party Processors** The use of any third party processor is subject to our approval which we will not unreasonably withhold You agree to be liable for the actions of and all charges imposed by any third party processor which you use to perform your obligations under this Agreement If at any time during the term of this Agreement you elect to begin utilizing a third party processor or to change from an existing third party processor to a different third party processor to process any of your required activities under this Agreement and such processor assesses or increases transaction fees to us we may at our option adjust your Merchant Fee an appropriate amount to compensate us for our expense or invoice you directly for the total amount of such transaction fees

17 **Assignment** You may not assign or transfer this Agreement to any other party without our prior written approval If you sell all or a substantial part of your business or materially change the nature of your business you agree to notify us in advance and we may terminate this Agreement as provided below We may as this Agreement and our rights and obligations unde in whole or in part to any company wi a direct or indirect parent subsidiary or affiliate of ours We will notify you of any such assignment This Agreement will be binding upon and inure to the benefit of the parties and their respective successors and assigns

18 **Changing This Agreement** We may change this Agreement at any time by giving you written notice at least 30 days in advance of the change If you do not accept such a change you may terminate this Agreement by notifying us within that 30 day period If you make any Card sales after the effective date of a change in terms this means that you have consented to the new terms

19 **Term and Termination** This Agreement will become effective when it is signed by each party and approved at our home office It remains in full force and effect until terminated as provided for in this section 19 You may terminate this Agreement at any time by giving us written notice sent certified mail to the address specified in the Operating Guide We may terminate this Agreement at any time by giving you 30 days prior written notice We may terminate this Agreement without such notice if you have materially breached this Agreement or if in our sole discretion Card sales made at your establishment are irregular you have had or in our opinion you may have an unusual or inappropriate number of Cardmember inquiries credit requests or Chargebacks during a relevant period we have security concerns regarding Card sales at any of your establishments or your financial condition or other conditions warrant earlier termination You agree to accept the Card and follow the terms of this Agreement until the termination becomes effective The provisions governing the processing of sales slips and credit slips and Settlement will continue to apply even after the termination until all Card transactions made prior to the termination are settled or resolved Upon termination you agree to immediately send us all sales slips and credit slips for Card sales made up to the date of termination We are not liable to you for any direct or consequential damages you may suffer as a result of our termination of this Agreement

20 **Reserve Account** At the termination of this Agreement we may require you to maintain with us or at a financial institution designated by us money as cash collateral in reserve in an amount necessary to cover fees Chargebacks and Cardmember disputes which relate to transactions made prior to the termination You agree to pay us the amount of the reserve balance promptly on demand or we may debit the Settlement Account or withhold payment(s) owed to you at t mination for the reserve balance We will release the money held in reserve (if any) not later than 210 days after the termination date and we will provide you with an accounting of any money taken out of the reserve account We may also require you to establish a reserve account during the term of this Agreement if there are excessive disputes or Chargebacks relating to Card sales at your establishment or if in our discretion we believe that your financial position warrants such an account If you do not agree to establish a reserve account upon our request we may terminate this Agreement as provided in section 19

21 **Financial Information** If we request it you agree to provide us with financial information concerning you and/or your establishment with respect to your obligations under this Agreement You agree to immediately send us written notice if you become insolvent or discontinue your business or if you or any creditor files for your bankruptcy or reorganization

22 **Indemnification** You agree to indemnify and hold us harmless along with our subsidiaries and affiliates who are engaged in the Card program and each company s respective officers directors and employees for all costs damages claims or complaints arising from your wrongful acts or omissions in connection with each Card sale (including but not limited to costs damages claims or complaints arising in connection with the goods or services purchased in the Card sale) and from your failure to perform your duties and responsibilities under this Agreement We agree to indemnify and hold you harmless along with your subsidiaries and divisions who accept the Card and each company s respective officers directors and employees for all costs damages claims or complaints arising from our wrongful acts or omissions in connection with your acceptance of the Card

23 **Factoring** You may only submit Sales Data regarding Card sales that are made by you and that occur at one of your establishment locations A submission of Sales Data by you regarding a Card sale made by any other person or business no covered under this Agreement whether or not that other person or business has a separate agreement with us is called factoring which is strictly prohibited hereunder and constitutes a material breach of this Agreement for which we may terminate this Agreement immediately without notice Any Card sales that in our judgment have been factored are in our sole discretion subject to Chargeback

24 **Type of Business** You understand that we have considered your application to become a Card merchant and proposed the terms of this Agreement based upon the information you provided in your application for the types and kinds of business you listed on your application In the event you are presently engaging in or in the future elect to engage in any new lines or types of business activities not disclosed on your application or you materially change your business activities you agree to immediately inform us of this If you fail to so notify us we may terminate this Agreement and/or reject or Chargeback any Card sales related to a new business activity about which we have not been notified You understand that there are some types of business activities that we have determined we will not accept as merchants and that acceptable merchant businesses may have different merchant fees depending upon the nature of their business activities

25 **Performance of Duties** Neither party shall be liable for its failure to perform under this Agreement if such failure arises out of causes beyond the control and without the fault or negligence of such party Such causes may include but are not limited to acts of God fire wars or strikes

26 **Enforcement of Our Rights** If you breach this Agreement you agree to reimburse us for our costs and expenses including reasonable attorney s fees that we incur in enforcing our rights under this Agreement

27 **Notice** You agree that you will send any notice to us that is required by this Agreement or by the Operating Guide via certified mail to the address specified in the Operating Guide We agree that we will send any notice to you that is required by this Agreement or the Operating Guide to your address specified at the top of this Agreement

28 **Captions** The captions used in this Agreement are for reference only and will not be interpreted to limit or define the text of this Agreement

29 **Governing Law** This Agreement is governed by the laws of the State of Delaware If any part of this Agreement is not enforceable the remaining provisions will remain valid and enforceable We have not waived any of our rights under this Agreement unless we agree to do so in writing Each party agrees to comply with all applicable laws and regulations in connection with the Card program and with this Agreement

30 **Credit Information** In consideration of your application to become a Discover Card merchant and our agreement to review your application you agree that we and any of our affiliates or agents may obtain verify or exchange credit information on you and any of your owners

DISCOVER®
FINANCIAL SERVICES

MERCHANT SERVICES AGREEMENT

In this Agreement, the words "you and 'your" mean the merchant that has received and agreed to the terms of this Agreement the words 'we" our Discover Business Services and 'us refer to Discover Financial Services Inc Business Day refers to Monday through Friday except when we are closed for business 'Card means (i) a valid credit, charge or other card or device bearing a Discover® Card or Novus® logo service mark or trademark identified in our Operating Regulations as defined below or as otherwise approved in writing by us or (ii) the Card Account if the Cardmember is not present at a physical location 'Card Account means the credit account represented by the unique sixteen digit account number assigned by the issuer which the Cardmember may use as permitted by the issuer "Cardmember means a person to whom a Card has been issued and/or any authorized user of a Card 'Operating Regulations" refers to our Merchant Operating Regulations and 'Sales Data means evidence of Card transactions whether in paper or electronic form, that is received by us in the form and format that we specify Unless the context clearly indicates otherwise words used in the singular include the plural and words used in the plural include the singular

THIS AGREEMENT GOVERNS YOUR ACCEPTANCE OF CARDS YOUR ACCEPTANCE OF A CARD SALE OR SUBMISSION OF SALES DATA DOCUMENTING A CARD SALE INDICATES YOUR ACCEPTANCE OF THE TERMS OF THIS AGREEMENT This Agreement supersedes any other agreements concerning Cards Please read this Agreement carefully You must follow all of the terms set forth below

1 Acceptance of Cards You agree to accept Cards at all of your establishments in payment for purchases of goods and services from all Cardmembers who want to use Cards at your establishment You agree to follow the procedures in this Agreement and in our Operating Regulations concerning your acceptance of Cards and the preparation of Sales Data. Please refer to the Operating Regulations for specific details regarding how you may accept Card sales

2 Other Important Documents

(a) Operating Regulations The Operating Regulations are incorporated into this Agreement as Exhibit A The Operating Regulations are an integral part of this Agreement and contain procedures which you must follow in connection with your acceptance of Cards We may change the Operating Regulations from time to time by sending you written notice thirty (30) days in advance However certain changes may become effective immediately for security reasons If there is any conflict between this Agreement and the Operating Regulations the terms of this Agreement will govern

(b) Disclosure Letter After we approve your application for a Merchant account we will send you a Disclosure Letter that identifies important terms of your Agreement including t' e fees payable by you as described in Section 9 below the deadline for submission of your Sales Data and the timing of our Settlement payments as described in Section 8 ("Disclosure Letter") The Disclosure Letter is incorporated herein by reference Please retain the Disclosure Letter In the event of a conflict between the terms of the Disclosure Letter and the Operating Regulations the Disclosure Letter shall govern

3 Authorization and Sales Data Submission

(a) Authorization For each individual Card sale above the floor limit indicated in our records (the 'Floor Limit ') you must obtain authorization from us prior to making the Card sale If you accept a Card sale above the Floor Limit without obtaining authorization from us the Card sale is subject to Chargeback to you You agree not to obtain authorization for a Card sale if you are not capable of promptly shipping the merchandise or services ordered by the Cardmember If you accept Card sales at your retail outlets if any you agree to provide complete and unaltered track data, including without limitation Card Verification Value (CVV) data to us from all Cards as described in the Operating Regulations Please refer to the Operating Regulations for specific information on obtaining authorization

(b) Submission of Sales Data. You agree to transmit Sales Data to us each Business Day in our form and format and by the transmission deadline each of which is described in the Operating Regulations Additional requirements for Card sales by mail telephone and Internet are described in Section 4(b) of the Agreement.

4 Telephone, Mail Order and Internet Card Sales You agree to obtain our prior approval before accepting any Card sales over the Internet. You agree to comply with our data security and encryption requirements for Card transactions indicated in the Operating Regulations including our procedures for Card transactions over the Internet and Card transactions on your website regardless of the number of Card transactions that you accept Any Card sales over the Internet that do not comply with the Operating Regulations are subject to Chargeback as described in Section 11 You may accept a Card for a telephone or mail order sale provided that you follow the procedures in the Operating Regulations for accepting such Card sales If telephone or mail order Card sales are or become a substantial portion of your total charge Card sales volume (meaning in excess of 50%) you agree to inform us of this and to execute and abide by any supplemental or replacement agreements that we may provide to you regarding telephone and mail order Card sales

(a) Address Verification For each Card sale by Internet, mail or telephone in addition to obtaining authorization as described in Section 3(a) you must obtain an address verification from us prior to making the Card sale regardless of whether the authorization decision is approved or declined Refer to the Operating Regulations for detailed address verification requirements

(b) Documentation of Card Sales For each Card sale by Internet, mail or telephone you must obtain the following information from the Cardmember Cardmember name Card Account number Card expiration date and shipping address You must include such information on an invoice or other documentation provided to the Cardmember at the time of delivery of the merchandise or services ordered in the Card sale and you must retain such information along with the shipping date for the period set forth in Section 12 You shall provide the shipping date to the Cardmember at the time of each telephone order Card sale and upon request for each mail order Card sale

(c) Transmission of Sales Data For each Card sale by Internet, mail or telephone Sales Data shall be transmitted to us using an electronic means of transmission You agree not to transmit Sales Data to us for merchandise or services ordered by a Cardmember until the merchandise or services have been shipped, delivered or furnished to the Cardmember provided that you may accept a Card for a deposit on a purchase of merchandise or services and you may transmit the Sales Data relating to such deposit prior to the time of shipment or delivery of the merchandise or services purchased in such Card sale

5 Special Industry Requirements If you accept Card sales for recurring billing or installment sales transactions with Cardmembers, please refer to the Operating Regulations for detailed requirements for these transactions including the format for authorization requests If you are a merchant in the lodging industry please refer to the Operating Regulations for procedures for guaranteed reservations advance deposits and priority check outs If you are a merchant selling petroleum and related products that operates "customer activated terminals please refer to the Operating Regulations for specific procedures governing acceptance of Card transactions on these terminals

6 Retail Outlet Card Sales If you accept Card sales at your retail outlets if any you must follow the procedures in the Operating Regulations including those for the preparation of Sales Data, and the transmission of complete and unaltered track data, including without limitation CVV data, from all Cards as described in the Operating Regulations For each Card sale accepted at your retail outlets if any the Cardmember or authorized user of a Card must sign the Sales Data in your presence and the signature must be reasonably similar to the signature appearing on the signature panel of such Card

7 Credits for Returns You may establish your own policy concerning refunds and you agree to advise Cardmembers in advance of any Card sale of this policy Consult the Operating Regulations for the procedures that you must follow so that we will honor your return policy and the Credits that you issue

8 Settlement of Transactions As used in this Agreement, the term "Settlement" means the procedure by which we will reimburse you for the amount of each valid Card sale for which you submit Sales Data to us that represents a purchase from your establishment with a Card, minus an amount equal to the sum of any Chargebacks, any credits to Cardmembers that you submit to us and the Merchant Fee if applicable and plus or minus adjustments that we make to reconcile or correct errors in your Sales Data. The timing for your Settlement payments is described in the Operating Regulations unless otherwise indicated by us in writing If the timing for Settlement payments in our written notice to you such as in the Disclosure Letter conflicts with the Operating Regulations our written notice to you shall govern We may in our discretion, change the timing of your Settlement payments upon five (5) calendar days advance written notice We will consider factors such as your financial condition dispute history or business conduct and practices in making this decision Your terminals or point-of-sale devices must be programmed with the Merchant number that we assign to you if you are to receive payment for Card sales You are responsible for the programming of your terminals to accept Card sales If a third party programs your terminals you are responsible for such party s actions and omissions in connection therewith, including, without limitation, any payment of your Settlement amounts to the incorrect party Promptly following the completion of programming services you agree to confirm the receipt in your Settlement Account, as defined in the Operating Regulations of Settlement amounts for Card sales accepted by you If you do not receive Settlement amounts for Card sales in accordance with the Agreement and Operating Regulations you must contact us immediately or risk non-payment for such Card sales You must comply with each of the terms and conditions in this Agreement and in the Operating Regulations before you will receive a Settlement payment for a Card sale Consult the Operating Regulations for other important Settlement terms and conditions

9 Merchant Fee and Other Fees In consideration for your participation in the Card program, you agree to pay fees to us in the amounts indicated by us in writing including, in the Disclosure Letter as evidenced by our records and the periodic reports, if any we produce for your Merchant account. The fees payable by you consist of some or all of the following: (a) a percentage of the Card sales accepted by you (either Net Card Sales or Gross Card Sales as defined in the Operating Regulations) (b) a Per Transaction Fee as defined in the Operating Regulations (c) Submission Error Fees as defined in the Operating Regulations (d) fees for services that you elect to receive from us and (e) other fees payable by you as indicated in our records including, without limitation, application and set up charges The fees described in (a) and (b) are collectively referred to as the "Merchant Fee" We will notify you in writing if the amount of the Merchant Fee varies depending on the type of Card product involved in the Card sale If Merchant Fees that you owe in any calendar month are less than the minimum fee indicated by us in writing including in the

See Reverse Side For Continuation Of This Agreement

Disclosure Letter (Minimum Fee) you agree to pay an additional amount equal to the Minimum Fee less your actual Merchant Fee The Operating Regulations fully explain how the Merchant Fee Submission Error Fees and other fees are calculated by us and paid by you

10 Billing Inquiries You agree to follow the procedures set forth in the Operating Regulations with respect to the notices of Cardmember disputes and billing inquiries that you receive from us

11 Chargeback Rights Under certain circumstances we may return a Card sale to you unpaid, or we may return a previously paid Card sale to you for repayment to us These returned charges are called 'Chargebacks" If you do not follow all the terms of the Agreement and the Operating Regulations when making a transaction with a Card, or if a Card sale which is the subject of a billing dispute or quality dispute is subject to Chargeback as specified in the Agreement or Operating Regulations we may refuse to pay you for the Card sale or the disputed portion of it. Refer to the Operating Regulations for complete terms and conditions with respect to Chargebacks

12 Retention of Records You agree to keep an original copy of all Sales Data, mail/telephone order forms the documentation required in the Operating Regulations and other related document(s) e g shipping invoices for no less than two hundred and ten (210) days from the Card transaction date or one hundred and eighty (180) days from the date of submission of Sales Data, whichever is later You also agree to keep microfilm or other copies of Sales Data for no less than three (3) years from the date of the Card transaction You agree to provide us with a copy of any Sales Data, mail/telephone order forms and the documentation required in the Operating Regulations within fifteen (15) Business Days of our request

13 Assignment You may not assign or transfer this Agreement to any other party without our prior written approval If you sell all or a substantial part of your business or materially change the nature of your business, or by any means cause or permit a new entity to own a substantial part of your business you agree to notify us in advance and we may offset any amounts we owe you against any outstanding obligations you have to us or at our option, terminate this Agreement as provided below We may assign this Agreement and our rights and obligations under it in whole or in part, to any company We will notify you of any such assignment This Agreement will be binding upon and inure to the benefit of the parties and their respective successors and assigns You agree not to pledge transfer or otherwise impair any of our rights under this Agreement

14 Changing This Agreement We may change this Agreement at any time by giving you written notice at least thirty (30) days in advance of the change You agree that your authorized representative will receive and review any notices that you receive with your periodic reports If you do not accept a change to the Agreement, you may terminate this Agreement by notifying us within that thirty (30) day period If you make any Card sales after the effective date of the change in terms this means that you have consented to the new terms

15 Term and Termination This Agreement will become effective upon your acceptance of the terms of this Agreement through the conduct described in the second introductory paragraph of this Agreement. We are not bound by any changes that you propose to this Agreement unless our home office provides you with written approval of such changes If you propose changes to this Agreement and accept Card sales before you receive written approval of such changes from us you agree that such Card sales shall be governed by the terms of this Agreement without any of the proposed changes unless such changes are approved by us in writing Any changes to the Agreement proposed by you and agreed upon by us in writing shall apply to all Card sales accepted by you on and after the date of execution of the document describing the changes to the Agreement. This Agreement remains in full force and effect until terminated as provided in this Section 15 You may terminate this Agreement at any time by giving us written notice sent certified mail to the address specified in the Operating Regulations We may terminate this Agreement at any time by giving you thirty (30) days prior written notice We may terminate this Agreement without such notice if you have materially breached this Agreement or if in our sole discretion, Card sales made by your establishment are irregular the Card sales conducted by you the goods or services sold by you or your business practices violate any U S federal state or local law statute or regulation (e.g aiding, facilitating or offering Internet gambling services establishing quasi-cash, credits or monetary value of any type that may be used for Internet gambling or any other illegal purpose), the goods or services sold by you or the type of business operated by you are not eligible for Card acceptance as described in the Operating Regulations or otherwise creates excessive risk, you have had, or may have an unusual or inappropriate number of Cardmember inquiries credit requests or Chargebacks during a relevant period, there are security concerns regarding Card sales by any of your establishments or your financial condition or other conditions warrant earlier termination You agree to accept Cards and follow the terms of this Agreement until the termination is effective The terms in this Agreement and the Operating Regulations governing the acceptance of Cards transmission and processing of Sales Data and mail/telephone order forms and Settlement will continue to apply even after the termination of this Agreement, until all Card transactions made prior to such termination are settled or resolved. Upon termination of this Agreement, you agree to immediately send us all Sales Data, mail/telephone order forms and the documentation required in Section 4(b) not previously submitted to us for any Card sales made up to the date of termination We are not liable to you for any direct or consequential damages that you may suffer as a result of our termination of this Agreement.

16 Reserve Account At the termination, or during the term, of this Agreement, we may require you to maintain with us, or at a financial institution designated by us money as cash collateral in reserve in an amount necessary to cover fees Chargebacks and Cardmember disputes which relate to pending Card transactions made prior to the termination You agree to pay us the amount of the reserve balance promptly on demand, or at our option, we may debit the Settlement Account, suspend Settlement without prior notice or withhold Settlement amounts otherwise payable to you, in order to fund the required reserve You agree to promptly execute any additional documents that are required by us in connection with the establishment and maintenance of the reserve We will release some or all of the funds held in reserve after the last to occur of 210 days after the effective date of termination of the Agreement in the event of termination or 210 days after you cure the event giving rise to the creation of the reserve during the term of the Agreement or when we notify you that we are willing to release some or all of the funds You agree not to withdraw transfer pledge or otherwise impair any of our rights or interests in the reserve during the period that it is held for our benefit and we will provide you with an accounting of any money taken out of the reserve account. We may require you to establish a reserve account during the term of this Agreement through one of the methods described above if there are excessive disputes or Chargebacks relating to Card sales by your establishment or if in our discretion, we believe that your financial position warrants such an account. If you do not agree to establish a reserve account upon our request, we may terminate this Agreement immediately

17 Financial Information If we request it, you agree to provide us with financial information including without limitation, financial statements, concerning you and/or your establishment s financial condition and general creditworthiness and your and/or your establishment s ability to perform your obligations under this Agreement. You agree to immediately send us written notice if you become insolvent or cease to operate your business, or if you or any creditor files for your bankruptcy or reorganization

18 Indemnification You agree to indemnify and hold us harmless along with our subsidiaries, affiliates and divisions who are engaged in the Card program, and each company s respective officers directors and employees for all costs damages claims or complaints arising from your wrongful acts or omissions in connection with each Card sale (including but not limited to costs damages, claims or complaints arising in connection with the goods or services purchased in the Card sale) and from your failure to perform your duties and responsibilities under this Agreement. We agree to indemnify and hold you harmless along with your subsidiaries affiliates and divisions who accept Cards, and each company s respective officers directors and employees for all costs damages claims or complaints arising from our wrongful acts or omissions in connection with your acceptance of Cards The terms of this Section 18 will survive termination of this Agreement.

19 Factoring You agree that you will not factor any Card sales See the Operating Regulations for complete details regarding what constitutes factoring and the liability you incur if you factor any Card sale

20 Type of Business You understand that we have considered your application for a merchant account and proposed the terms of this Agreement based upon the information you provided in your application, including the types and kinds of business you listed in your application The Operating Regulations specify what you must do the notice you must provide and what may happen if you change the type or kind of business in which you engage

21 Performance of Duties Neither party shall be liable for its failure to perform under this Agreement if such failure arises out of causes beyond the control and without the fault or negligence of such party Such causes may include but are not limited to, acts of God, fire wars, or strikes

22 Enforcement of our Rights If you breach this Agreement, you agree to reimburse us for our costs and expenses, including reasonable attorney s fees that we incur in enforcing our rights under this Agreement

23 Notices You agree that you will send any notice to us that is required by this Agreement or by the Operating Regulations to the address specified in the Operating Regulations We agree that we will send any notice to you that is required by this Agreement or the Operating Regulations to your address as specified in our records If our records indicate that your address for notices is the same as your address for periodic reports we may send notice of changes to the Agreement with your periodic reports

24 Captions The captions used in this Agreement are for reference only and will not be interpreted to limit or define the text of this Agreement.

25 Governing Law This Agreement is governed by the laws of the State of Delaware. If any part of this Agreement is not enforceable the remaining provisions still remain valid and enforceable We have not waived any of our rights under this Agreement unless we agree to do so in writing. Each party agrees to comply with all applicable laws and regulations in connection with the Card program and this Agreement.

26 Credit Information. In consideration of your application for a merchant account and our agreement to review your application, you and each of your owners agree that we and any of our affiliates or agents may obtain, verify and exchange with others business and personal financial and/or credit information on you and any of your owners

See Reverse Side For Continuation Of This Agreement

6011 0175 0532 226 ** NOVUS NETWORK SERVICES ** 03/11/05
MERCHANT PROFILE PRIMARY INFORMATION 16 36 39
#106

DISPOSTN CODE **A5** CHG DTE **07/30/92** USERID **TJONES**
CLASS **NORMAL PROFILE, DOES NOT FIT INTO ANY OTHER CATEGORY**

MERCHANT NAME **XL TELECOMMUNICATIONS** PH **(214)705-5500** FAX **NF**
ADDR **PO BOX 650582** **DALLAS** **TX 75243**
PRIME CNTCT **JOYCE NICHOLS** PSTN **CONTROLLER**
CORP NAME **XL TELECOMMUNICATIONS INC** PARENT
ADDR1 **9101 LBJ FWAY STE 800** **DALLAS** **TX 75243**
ADDR2 PH **(214)705-5500** FED TAX ID **75-2264299**

PRINCIPAL **KENNEY TROUTT** TITLE **SOLE DEIRECTOR** PH
ADDR **12202 PLESANT VALLEY** **DALLAS** **TX 75243** SSN **345425055**

MERCHANT TYPE **SNGLE** MAIL ORDER? **NO** YRS AT RESIDENCE **00**
BUSINESS TYPE **CORP** HIGH RISK? **NO** YRS IN BUSINESS **04**
CATGY **7299** - **MISC PERSONAL SERVICES** YRS AT LOCATION **01**

F1-HELP F2-DECISION F5-REFERENCE F6-ADD'L F9-D&B F10-EXP F11-DUP F24-RETURN
QUERY FUNCTION COMPLETE

6011 0175 0532 226 ** NOVUS NETWORK SERVICES **
MERCHANT PROFILE ADDITIONAL INFORMATION

03/11/05
16 36 31
#106

MERCHANT NAME **XL TELECOMMUNICATIONS** PROFILE CONTROL NUMBER **R26220728921825**

ANNUAL SALES BANKCARD **00042000** AMEX **00000000** OTHER **00000000** AVG TICKET **045**
BANKCARD PROCESSOR # DRAFT CAPTURE

WEB SITE ADDR DATE TRANSMITTED **1980-01-01**

SEP BUSINESS ENTRY **YES** EXTERIOR SIGNS **NO** CASH REGISTER **YES** TELEMARKETING **NO**
MERCH ON DISPLAY **YES** OPERABLE PHONE **YES** STOCKROOM **YES** RESIDENCE **NO**

	PROFILE	TERMINAL
CONTRACT NUMBER	**33722**	
CONTRACT DATE	**1991-11-01**	
CONTRACT GIVEN TO	**JOYCE NICHOLS**	

ACQUISITION REP # **24377** DIST
REP NAME NUMBER OF OUTLETS **000**

F2-DECISION F4-PRIMARY F5-REFERENCE F24-NEXT FUNCTION
QUERY FUNCTION COMPLETE

Merchant Services Agreement

DISCOVER FINANCIAL SERVICES CARD

Greenwood Trust Company
New Castle, Delaware

A member of the
Sears Financial Network

Merchant Name _____

Merchant Floor Limit ► $ _____

Merchant Fee ► _____ %

To Inquire About Your Discover Card Merchant Account Call 1-800-347-2000

To Obtain A Voice Authorization Call 1-800-347-1111

THIS AGREEMENT GOVERNS THE ACCEPTANCE OF THE DISCOVER CARD BY THE MERCHANT SPECIFIED ABOVE THE ACCEPTANCE OF THE DISCOVER CARD AND THE SUBMISSION OF SALES DATA BY YOU WILL INDICATE YOUR ACCEPTANCE OF THE TERMS OF THIS AGREEMENT This Agreement supersedes any other agreements concerning the Discover Card Please read it carefully You must follow all of its terms

In this Agreement the words "you and "your" mean the merchant specified above the words "we our" and us refer to Discover Card Services Inc Card" means a valid Discover Card Cardmember" means a person to whom we have issued a Card and/or any authorized user of a Card and Sales Data means evidence of Card transactions whether in paper magnetic or electronic form that is received by us in the form and format that we specify Unless the context clearly indicates otherwise words used in the singular include the plural and words used in the plural include the singular

1 **Acceptance of Cards** You agree to accept the Card at all of your locations in payment for consumer goods and services from all Cardmembers who want to use the Card at your establishment You agree to follow the procedures in this Agreement and in our Operating Guide concerning your acceptance of the Card and the preparation of sales slips You agree that you will not impose any surcharge levy or fee of any kind for any transaction where a Cardmember desires to use the Card for any purchase of goods or services You must include all goods and services purchased at one time and at one sales register on one sales slip Each sales slip must be imprinted to obtain a clear imprint of the Card (except that in the case of Sales Data which you electronically produce — i e by electronically reading or scanning the Card — and which is identified as being electronically produced you do not need to obtain an imprint of the Card) The Cardmember must sign the sales slip in your presence and the signature must be the same as the signature on the Card You may not accept the Card in exchange for advancing cash to a Cardmember unless you have executed a separate agreement with us but you may accept Discover Card checks which we may make available to Cardmembers and which you should treat like any other check Your owners officers or employees may not receive cash advances or purchase any goods or services from you using their personal Discover Cards except for bona fide purchases in the ordinary course of business

2 **Operating Guide** Our Operating Guide is incorporated into this Agreement as Exhibit A The Operating Guide is a part of this Agreement and contains procedures which you must follow in connection with the Card We may change the Operating Guide from time to time by sending you written notice 30 days in advance However certain changes may become effective immediately for security reasons If there is any conflict between this Agreement and the Operating Guide the terms of this Agreement will govern

3 **Authorization** For each individual Card sale at or above the floor limit specified above you must obtain authorization from us prior to making the Card sale As explained in the Operating Guide you can obtain authorization from us by telephone or by electronic terminal We will provide you with an authorization code which must be written on the sales slip If at the commencement of this Agreement you regularly receive authorizations by means other than with an electronic authorization terminal your floor limit will be the amount specified above However notwithstanding the above floor limit if at any time during the term of this Agreement you begin to utilize one or more electronic authorization terminals to receive authorizations for Card sales your floor limit will automatically be reduced to $0 meaning all Card sales must be authorized If this happens we will discontinue sending you the Warning Bulletin if you previously received it If you accept the Card for a sale at or above the floor limit without receiving our prior authorization we are not required to pay you for the sale and if we have already paid you we can process a Chargeback as described in section 10 on the reverse side of this Agreement Even if we give you authorization for a Card sale it may be charged back to you for the reasons set forth in this Agreement and in the Operating Guide We may change your floor limit from time to time by sending you written notice At our option we may periodically supply you with paper Warning Bulletins If a Discover Card is listed in the Warning Bulletin you are not authorized to complete the transaction with that card

Occasionally we may ask you to request certain information from a Discover Card customer for verification purposes Also we may request that you take the Discover Card from a customer If we do you agree to follow the instructions given by our authorization center You agree that you will not use any force or effort if the customer refuses to give up the Discover Card and that you will not take any action which will alarm or embarrass the customer You agree to advise all of your employees of these terms We will pay you a fee in the amount specified in the Operating Guide for each Discover Card that you pick up at our request

4 **Telephone and Mail Order Sales** You may accept the Card for a telephone or mail order sale provided that each such Card sale is authorized that you prepare a sales slip as required by this Agreement and by the Operating Guide and that you write the words "telephone order" or mail order as applicable on the sales slip in lieu of the Cardmember's signature If telephone and mail order sales are or become a substantial portion of your total charge card sales volume (meaning in excess of 50%) you agree to inform us of this and to execute and abide by any supplemental or replacement agreements we may provide to you regarding telephone and mail order sales If the Cardmember asserts that he or she has not authorized a mail or telephone order Card sale such Card sale will be subject to Chargeback pursuant to section 10 on the reverse side of this Agreement

5 **Cardmember Refunds and Credits** You may establish your own policy concerning refunds and you agree to advise Cardmembers in advance of any card sale of this policy If a Cardmember returns goods or services purchased with the Card at your establishment in accordance with your policy you agree to give a credit to the Cardmember's Card account by completing a credit slip as required in the Operating Guide You agree that if a Cardmember receives merchandise or services that are defective or not as agreed upon at the time of sale you must give the Cardmember a credit if requested by the Cardmember You agree to send us Sales Data for each credit within 7 calendar days after you issue it

6 **Settlement of Transactions** If you transmit Sales Data by electronic means you agree to transmit your Sales Data each business day to the location that we specify If you send Sales Data by mail or other non-electronic means you agree to send your Sales Data at least once each week to the location that we specify If you fail to send Sales Data to us in a timely manner or to the location that we specify we will not be required to reimburse you for such Card transactions You agree to follow the instructions in this Agreement and in the Operating Guide regarding summary information that must be sent with the Sales Data We will reimburse you for the amount of each Card sale that you submit to us which results from a purchase made at your establishment with the Card minus any Chargebacks the amounts of any credits to Cardmembers that you submit to us and the merchant fee if applicable and plus or minus adjustments that we make to reconcile or correct errors in your Sales Data We call this procedure "Settlement

For Sales Data transmitted to us in electronic form or delivered to us in magnetic tape form and received by us at or before 10 00 A M local time on a business day we will use our best efforts to initiate Settlement by the following business day For Sales Data transmitted to us in electronic form or delivered to us in magnetic tape form and received by us after 10 00 A M local time on a business day we will use our best efforts to initiate Settlement by the second business day following receipt of the Sales Data For Sales Data mailed to us in paper form we will use our best efforts to initiate settlement by the second business day following receipt of the Sales Data

Depending upon the Settlement option that you select we will either send you a check for Settlement or send the funds electronically to an account that you designate at a financial institution (called the Settlement Account") If you choose electronic Settlement you authorize us to credit and debit the Settlement Account as specified in this Agreement and in accordance with the rules and procedures of the applicable clearinghouse association and settlement institution(s) This authority will remain in effect until 5 business days after we receive written notice of your cancellation of such authorization We are not liable for any delays in the receipt of funds or errors in debit and credit entries caused by third parties including but not limited to a clearinghouse your financial institution or your agents If there are insufficient funds in your Settlement Account to pay us the amounts that you owe us you agree to immediately send us such amounts upon demand or at our option we may offset such amounts owed to us from money that we may subsequently owe you

You are responsible for reviewing all Settlement amounts you receive to confirm that the payment you received correctly matches your Sales Date submissions If you believe you have received an underpayment you must notify us immediately so that we may pay you any additional amounts owed If you have received an overpayment or a payment is mistakenly sent to you you agree to immediately notify us and remit the overpayment to us You may not spend any overpayment and if an overpayment is in the Settlement Account you may not withdraw it You agree that we may debit the Settlement Account for the amount of the overpayment

Except for Cardmember deposits for purchases you agree not to send us Sales Data for goods or services ordered by a Cardmember until the goods or services have been delivered or furnished to the Cardmember

7 **Merchant Fee** In consideration for your participation in the Card program you agree to pay us a merchant fee in an amount equal to the percent specified above of the gross amount of your Card Sales less the amount of any credits to Cardmembers that you submit to us any Card Sales we have charged back to you and any adjustments that we make to reconcile or correct errors in the Sales Data We will calculate and collect the amount of the merchant fee on a daily or monthly basis depending on your method of settlement To collect the merchant fee we will debit your Settlement Account or we will offset the total merchant fee for a calculation period from the Settlement amount we would otherwise pay you on the day we calculate the fee or you will pay us any amounts that are owed to us on demand

8 **Billing Inquiries** From time to time we may receive a request from a Cardmember for information regarding a Card transaction made at your establishment or a Cardmember may dispute a Card transaction If we notify you of such an inquiry you agree to provide us with any information that we may request within 15 business days of our request In some cases we will require a copy of the sales slip or credit slip and in others we will also need a written explanation from you concerning the inquiry If you do not respond to our inquiry within the 15 days specified above we may return the transaction in question as a Chargeback as described in section 10 below

9 **Cardmember Disputes** If a billing error or dispute exists with a Cardmember with respect to a Card sale or if a Cardmember complains to us about the quality of goods or services obtained with the Card at your establishment you agree to act in good faith to attempt to resolve the problem with the Cardmember You also agree to notify us within 15 business days after the date we notify

SEE REVERSE SIDE FOR CONTINUATION OF THIS AGREEMENT

you of a billing inquiry or dispute of the action you will take to re the inquiry or dispute If the Cardmember refuses to pay us for goods or services due to a quality dispute we may process a Chargeback for the charge or for the disputed portion of it If we are involved in a lawsuit with a Cardmember relating to a Card sale made at your establishment you agree to cooperate with us and to provide any assistance that we may reasonably require

10 **Chargeback Rights** If you do not follow all the terms of this Agreement and the Operating Guide when making a transaction with the Card or if a Card sale which is the subject of a billing dispute or quality dispute is subject to Chargeback as specified in this Agreement we may refuse to pay you for the Card sale or the disputed portion of it If we have already paid you you agree to immediately pay the amount you owe us on demand or we may deduct the amount in question from your Settlement Account or from future payments that we owe you These returned charges are called "Chargebacks We will notify you of Card sales that are subject to Chargeback as they arise but in some instances Chargebacks may be processed prior to notification as specified in the Operating Guide If you and a Cardmember resolve a billing inquiry or dispute on a Card sale which has been charged back and we are permitted by law to rebill the Cardmember for all or a portion of the disputed amount we will reimburse you for that portion of the Chargeback which we can rebill the Cardmember provided you request such reimbursement within 90 days from the date of the Chargeback If due to federal and/or state consumer laws we are not able to rebill a Cardmember for all or a portion of a disputed transaction we will not be required to reimburse you for the Chargeback even if you have complied with the terms of this Agreement If you have Chargebacks that exceed 2% of the total number of Card sales submitted by you at any one of your establishment locations during any calendar quarter we may at our option assess you a $5 00 fee for each Chargeback in excess of the 2% Chargeback limit

11 **Retention of Records** You agree to keep an original copy of each sales slip and each credit slip for no less than 210 days from the transaction date If you deliver or transmit Sales Data to us in magnetic or electronic form you also agree to keep microfilm or other copies of each sales slip and each credit slip for no less than 7 years from the date of the transaction You agree to provide us with a copy of any sales slip or credit slip within 15 business days of our request

12 **Payments by Cardmembers** We have the sole right to receive payment from Cardmembers for Card transactions made at your establishment If you receive a payment from a Cardmember you agree to immediately forward it to us

13 **Confidentiality** You agree that you will reveal our Confidential Information only to those of your directors officers or employees of any of your operating divisions or subsidiaries which you have designated either in your application or on this Agreement as your locations that will accept the Card and who are engaged in the implementation of policies programs or procedures in connection with your acceptance of the Card We agree that we will reveal your Confidential Information only to those of our directors officers or employees of any of our divisions subsidiaries or affiliates which are involved in the development of the Card program and who are engaged in the implementation of policies programs or procedures in connection with your acceptance of the Card Both parties further agree that Confidential Information will be used solely in the above manner and that neither party will disclose such information to its directors officers or employees or to those of its divisions subsidiaries or affiliates except on a "need to know" basis

Each party agrees not to use Confidential Information nor to disclose such information to any third party except as may be necessary for that party to perform its obligations pursuant to this Agreement and except as may be agreed upon by the parties If either party should disclose Confidential Information to a third party pursuant to this Agreement that party shall cause the third party to agree to the confidentiality provisions set forth in this Agreement

Confidential Information includes but is not limited to the other party's marketing philosophy and objectives competitive advantages and disadvantages customer and Cardmember names and addresses financial results technological development store locations sales volume merchandise mix or other information of the business or affairs of the other party its parent company or its affiliated and subsidiary companies which that party reasonably considers to be confidential Confidential Information does not include information in the public domain informa tion known to the other party prior to the date of the Agreement and information lawfully obtained from a third party by the other party

14 **Advertising of the Card** We hereby authorize you for purposes of this Agreement to use the servicemark Discover and such other servicemarks as may be associated with the Card plan in advertising and promotion of the Card plan in accordance with specifications provided by us from time to time

Except as otherwise provided herein neither party shall use the registered trademarks servicemarks logos or any other proprietary designations of the other party without that party's prior written consent and shall submit to the other party for prior written approval any advertising materials in which such proprietary designations are to be used Such approval shall not be unreasonably withheld or delayed Notwithstanding the foregoing we shall not be required to obtain your approval with respect to advertising and promotional materials which merely list name(s) of establishments that accept the Card

You shall prominently display at each of your locations advertising and promotional materials relating to the Card plan in such manner and with such frequency as accorded any other third party credit or charge card accepted by you including without limitation the display of Take–One applications You shall only use or display such materials in accordance with the Operating Guide or in accordance with any specifications provided by us We shall at our expense supply advertising and display materials and such other operating forms and materials necessary to promote the Card and make Card sales Such materials including completed and incompleted sales slips and credit slips are our property and shall be returned upon our request or at the termination of this Agreement

15 **Supplies** As specified in the Operating Guide we will provide you with certain supplies that are necessary for you to accept the Card and process Card transactions We will replenish these supplies from time to time upon request You may call us for additional supplies at the number listed in the Operating Guide

16 **Third Party Processors** The use of any third party processor is subject to our approval which we will not unreasonably withhold You agree to be liable for the actions of and all charges imposed by any third party processor which you use to perform your obligations under this Agreement If at any time during the term of this Agreement you elect to begin utilizing a third party processor or to change from an existing third party processor to a different third party processor to process any of your required activities under this Agreement and such processor assesses or increases transaction fees to us we may at our option adjust your Merchant Fee an appropriate amount to compensate us for our expense or invoice you directly for the total amount of such transaction fees

17 **Assignment** You may not assign or transfer this Agreement to any other party without our prior written approval If you sell all or a substantial part of your business or materially change the nature of your business you agree to notify us in advance and we may terminate this Agreement as provided below We may as this Agreement and our rights and obligations under it, in whole or in part to any company wi a direct or indirect parent subsidiary or affiliate of ours We will notify you of any such assignment This Agreement will be binding upon and inure to the benefit of the parties and their respective successors and assigns

18 **Changing This Agreement** We may change this Agreement at any time by giving you written notice at least 30 days in advance of the change If you do not accept such a change you may terminate this Agreement by notifying us within that 30 day period If you make any Card sales after the effective date of a change in terms this means that you have consented to the new terms

19 **Term and Termination** This Agreement will become effective when it is signed by each party and approved at our home office It remains in full force and effect until terminated as provided for in this section 19 You may terminate this Agreement at any time by giving us written notice sent certified mail to the address specified in the Operating Guide We may terminate this Agreement at any time by giving you 30 days prior written notice We may terminate this Agreement without such notice if you have materially breached this Agreement or if in our sole discretion Card sales made at your establishment are irregular you have had or in our opinion you may have an unusual or inappropriate number of Cardmember inquiries credit requests or Chargebacks during a relevant period we have security concerns regarding Card sales at any of your establishments or your financial condition or other conditions warrant earlier termination You agree to accept the Card and follow the terms of this Agreement until the termination becomes effective The provisions governing the processing of sales slips and credit slips and Settlement will continue to apply even after the termination until all Card transactions made prior to the termination are settled or resolved Upon termination you agree to immediately send us all sales slips and credit slips for Card sales made up to the date of termination We are not liable to you for any direct or consequential damages you may suffer as a result of our termination of this Agreement

20 **Reserve Account** At the termination of this Agreement we may require you to maintain with us or at a financial institution designated by us money as cash collateral in reserve in an amount necessary to cover fees Chargebacks and Cardmember disputes which relate to transactions made prior to the termination You agree to pay us the amount of the reserve balance promptly on demand or we may debit the Settlement Account or withhold payment(s) owed to you at t mination for the reserve balance We will release the money held in reserve (if any) not later than 210 days after the termination date and we will provide you with an accounting of any money taken out of the reserve account We may also require you to establish a reserve account during the term of this Agreement if there are excessive disputes or Chargebacks relating to Card sales at your establishment or if in our discretion we believe that your financial position warrants such an account If you do not agree to establish a reserve account upon our request we may terminate this Agreement as provided in section 19

21 **Financial Information** If we request it you agree to provide us with financial information concerning you and/or your establishment with respect to your obligations under this Agreement You agree to immediately send us written notice if you become insolvent or discontinue your business or if you or any creditor files for your bankruptcy or reorganization

22 **Indemnification** You agree to indemnify and hold us harmless along with our subsidiaries and affiliates who are engaged in the Card program and each company s respective officers directors and employees for all costs damages claims or complaints arising from your wrongful acts or omissions in connection with each Card sale (including but not limited to costs damages claims or complaints arising in connection with the goods or services purchased in the Card sale) and from your failure to perform your duties and responsibilities under this Agreement We agree to indemnify and hold you harmless along with your subsidiaries and divisions who accept the Card and each company s respective officers directors and employees for all costs damages claims or complaints arising from our wrongful acts or omissions in connection with your acceptance of the Card

23 **Factoring** You may only submit Sales Data regarding Card sales that are made by you and that occur at one of your establishment locations A submission of Sales Data by you regarding a Card sale made by any other person or business not covered under this Agreement whether or not that other person or business has a separate agreement with us is called factoring which is strictly prohibited hereunder and constitutes a material breach of this Agreement for which we may terminate this Agreement immediately without notice Any Card sales that in our judgment have been factored are in our sole discretion subject to Chargeback

24 **Type of Business** You understand that we have considered your application to become a Card merchant and proposed the terms of this Agreement based upon the information you provided in your application for the types and kinds of business you listed on your application In the event you are presently engaging in or in the future elect to engage in any new lines or types of business activities not disclosed on your application or you materially change your business activities you agree to immediately inform us of this If you fail to so notify us we may terminate this Agreement and/or reject or Chargeback any Card sales related to a new business activity about which we have not been notified You understand that there are some types of business activities that we have determined we will not accept as merchants and that acceptable merchant businesses may have different merchant fees depending upon the nature of their business activities

25 **Performance of Duties** Neither party shall be liable for its failure to perform under this Agreement if such failure arises out of causes beyond the control and without the fault or negligence of such party Such causes may include but are not limited to acts of God fire wars or strikes

26 **Enforcement of Our Rights** If you breach this Agreement you agree to reimburse us for our costs and expenses including reasonable attorney s fees that we incur in enforcing our rights under this Agreement

27 **Notice** You agree that you will send any notice to us that is required by this Agreement or by the Operating Guide via certified mail to the address specified in the Operating Guide We agree that we will send any notice to you that is required by this Agreement or the Operating Guide to your address specified at the top of this Agreement

28 **Captions** The captions used in this Agreement are for reference only and will not be interpreted to limit or define the text of this Agreement

29 **Governing Law** This Agreement is governed by the laws of the State of Delaware If any part of this Agreement is not enforceable the remaining provisions will remain valid and enforceable We have not waived any of our rights under this Agreement unless we agree to do so in writing Each party agrees to comply with all applicable laws and regulations in connection with the Card program and with this Agreement

30 **Credit Information** In consideration of your application to become a Discover Card merchant and our agreement to review your application you agree that we and any of our affiliates or agents may obtain verify or exchange credit information on you and any of your owners

Discount Activity Continued

DATE SETTLED	MERCHANT OUTLET NUMBER	GROSS SALES VOLUME	DISCOUNT RATE	DISCOUNT AMOUNT
10/31/04	601101730674270	628 72	0 02070	-13 01
10/31/04	601101754685772	200 00	0 02070	-4 14
10/31/04	601101754685780	392 71	0 02070	-8 13
10/31/04	601101770658407	2,488 00	0 02070	-51 51
10/31/04	601101770658415	269 88	0 02070	-5 58

SUBTOTAL FOR 6011 0175 4685 764 82 37

6011 0177 2056 907 VARTEC TELECOM, INC

DATE SETTLED	MERCHANT OUTLET NUMBER	GROSS SALES VOLUME	DISCOUNT RATE	DISCOUNT AMOUNT
10/31/04	601101701459594	293 67	0 03160	[redacted]
10/31/04	601101752056414	45,217 33	0 03160	
10/31/04	601101762056909	29,981 64	0 03160	

SUBTOTAL FOR 6011 0177 2056 907 -2,

TOTAL -3,539 53

Discover Card processing fee is calculated by multiplying total number of Discover Card sales transactions by your processing fee rate

6011 0170 4775 459 EXCEL TELECOMMUNICATIONS, INC

DATE SETTLED	MERCHANT OUTLET NUMBER	TOTAL SALES TRANS	PROCESSING FEE RATE	PROCESSING FEE AMOUNT
10/06/04	601101704437134	2	0 05000	[redacted]
10/09/04	601101704437134	1	0 05000	
10/15/04	601101704437134	1	0 05000	
10/18/04	601101704437134	2	0 05000	
10/20/04	601101704437134	3	0 05000	
10/21/04	601101704437134	1	0 05000	
10/23/04	601101704437134	1	0 05000	
10/26/04	601101704437134	1	0 05000	
10/28/04	601101704437134	1	0 05000	

OUTLET TOTAL [redacted]

DATE SETTLED	MERCHANT OUTLET NUMBER	TOTAL SALES TRANS	PROCESSING FEE RATE	PROCESSING FEE AMOUNT
10/09/04	601101704775442	2	0 05000	[redacted]
10/02/04	601101704956992	91	0 05000	
10/03/04	601101704956992	54	0 05000	
10/05/04	601101704956992	36	0 05000	
10/06/04	601101704956992	45	0 05000	
10/07/04	601101704956992	60	0 05000	
10/08/04	601101704956992	57	0 05000	
10/09/04	601101704956992	103	0 05000	
10/10/04	601101704956992	53	0 05000	
10/12/04	601101704956992	46	0 05000	
10/13/04	601101704956992	73	0 05000	
10/14/04	601101704956992	62	0 05000	
10/15/04	601101704956992	47	0 05000	
10/16/04	601101704956992	70	0 05000	
10/18/04	601101704956992	56	0 05000	

Discount Activity Continued

DATE SETTLED	MERCHANT OUTLET NUMBER	TOTAL SALES TRANS	PROCESSING FEE RATE	PROCESSING FEE AMOUNT
10/08/04	601101730253745	2	0 05000	[redacted]
10/14/04	601101730253745	2	0 05000	
10/15/04	601101730253745	2	0 05000	
10/16/04	601101730253745	2	0 05000	
10/17/04	601101730253745	1	0 05000	
10/19/04	601101730253745	1	0 05000	
10/26/04	601101730253745	1	0 05000	
10/30/04	601101730253745	3	0 05000	
10/31/04	601101730253745	1	0 05000	
			OUTLET TOTAL	[redacted]

DATE SETTLED	MERCHANT OUTLET NUMBER	TOTAL SALES TRANS	PROCESSING FEE RATE	PROCESSING FEE AMOUNT
10/02/04	601101795064615	1	0 05000	[redacted]
10/06/04	601101795064615	2	0 05000	
10/07/04	601101795064615	2	0 05000	
10/09/04	601101795064615	1	0 05000	
10/12/04	601101795064615	1	0 05000	
10/15/04	601101795064615	1	0 05000	
10/18/04	601101795064615	1	0 05000	
10/19/04	601101795064615	1	0 05000	
10/20/04	601101795064615	1	0 05000	
10/24/04	601101795064615	1	0 05000	
10/27/04	601101795064615	1	0 05000	
10/28/04	601101795064615	1	0 05000	
10/30/04	601101795064615	12	0 05000	
			OUTLET TOTAL	[redacted]

SUBTOTAL FOR 6011 0170 4775 459 [redacted]

6011 0175 4685 764 XL TELECOM/CORPORATE

DATE SETTLED	MERCHANT OUTLET NUMBER	TOTAL SALES TRANS	PROCESSING FEE RATE	PROCESSING FEE AMOUNT
10/31/04	601101730674270	28	0 05000	-1 40
10/31/04	601101754685772	2	0 05000	-0 10
10/31/04	601101754685780	11	0 05000	-0 55
10/31/04	601101770658407	13	0 05000	-0 65
10/31/04	601101770658415	12	0 05000	-0 60

SUBTOTAL FOR 6011 0175 4685 764 -3 30

6011 0177 2056 907 VARTEC TELECOM, INC

DATE SETTLED	MERCHANT OUTLET NUMBER	TOTAL SALES TRANS	PROCESSING FEE RATE	PROCESSING FEE AMOUNT
10/31/04	601101701459594	14	0 08000	[redacted]
10/31/04	601101752056414	989	0 08000	
10/31/04	601101762056909	359	0 08000	

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Activity Report Date	Merchant outlet number	Pre-petition Discount	Pre-petition Fees	
10/31/2004	601101730674270	$13 01	$1 40	
	601101754685772	$4 14	$0 10	
	601101754685780	$8 13	$0 55	
	601101770658407	$51 51	$0 65	
	601101770658415	$5 58	$0 60	
Total discount		$82 37	$3 30	$85 67
Total Chargebacks	601101754685764			2386 6
Total Chargebacks	601101704775459			3058 83
Total claim amount				**$5,531 10**

Activity Report Date	Outlet Merchant Number	Cardmember Number	Original Tran Date	Original Tran Amount	Dispute Amount	Dispute Case Number	Dispute Reason code
11/15/2004	'601101730674270	9975	9/3/2004	$55 16	-$55 16	1022433686	RM
11/15/2004	'601101730674270	9975	9/14/2004	$55 16	-$55 16	251606433	RM
11/30/2004	'601101730674270	8070	8/9/2004	$27 96	-$27 96	8435600570	RM
11/16/2004	'601101754685780	4995	9/14/2004	$36 50	-$36 50	2107664555	RI
12/1/2004	'601101730674270	8070	9/3/2004	$30 67	-$30 67	321600811	RM
12/1/2004	'601101730674270	8070	9/14/2004	$30 67	-$30 67	8969630611	RM
12/10/2004	'601101730674270	5914	9/3/2004	$33 51	-$33 51	1960975147	DP
12/10/2004	'601101754685772	3679	9/30/2004	$100 00	-$100 00	9760077136	RM
12/9/2004	'601101754685780	3780	9/10/2004	$39 80	-$39 80	4364171872	RN2
12/21/2004	'601101754685780	7335	8/26/2004	$12 50	-$12 50	2528404268	RM
12/7/2004	'601101770658407	4132	10/14/2004	$199 00	-$199 00	4284936854	RM
12/10/2004	'601101770658407	8587	10/6/2004	$100 00	-$100 00	8558493390	RM
12/10/2004	'601101770658407	8587	10/6/2004	$199 00	-$199 00	6948974052	RM
12/15/2004	'601101770658407	9493	10/15/2004	$199 00	-$199 00	3736145038	RM
12/21/2004	'601101770658407	5811	6/4/2004	$199 00	-$199 00	8732160420	RM
12/27/2004	'601101770658407	1751	9/13/2004	$140 00	-$140 00	7322523088	RM
12/29/2004	'601101770658407	6064	9/10/2004	$199 00	-$199 00	4694485400	RM
12/20/2004	'601101752056414	2142	10/28/2004	$32 67	-$32 67	8016493494	DP
1/6/2005	'601101754685772	0450	10/12/2004	$100 00	-$100 00	1360007796	RM
1/6/2005	'601101770658407	0518	10/15/2004	$199 00	-$199 00	8160097136	RM
1/11/2005	'601101770658407	9863	7/8/2004	$199 00	-$199 00	6200912521	RM
1/11/2005	'601101770658407	9093	9/8/2004	$199 00	-$199 00	6888180104	RM

$2,386 60

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Activity Report Date	Outlet Merchant Number	Cardmember Number	Original Tran Date	Original Tran Amount	Dispute Amount	Dispute Case Number	Dispute Reason code
11/15/2004	'601101730674270	9975	9/3/2004	$55 16	-$55 16	1022433686	RM
11/15/2004	'601101730674270	9975	9/14/2004	$55 16	-$55 16	251606433	RM
11/30/2004	'601101730674270	8070	8/9/2004	$27 96	-$27 96	8435600570	RM
11/16/2004	'601101754685780	4995	9/14/2004	$36 50	-$36 50	2107664555	RI
12/1/2004	'601101730674270	8070	9/3/2004	$30 67	-$30 67	321600811	RM
12/1/2004	'601101730674270	8070	9/14/2004	$30 67	-$30 67	8969630611	RM
12/10/2004	'601101730674270	5914	9/3/2004	$33 51	-$33 51	1960975147	DP
12/10/2004	'601101754685772	3679	9/30/2004	$100 00	-$100 00	9760077136	RM
12/9/2004	'601101754685780	3780	9/10/2004	$39 80	-$39 80	4364171872	RN2
12/21/2004	'601101754685780	7335	8/26/2004	$12 50	-$12 50	2528404268	RM
12/7/2004	'601101770658407	4132	10/14/2004	$199 00	-$199 00	4284936854	RM
12/10/2004	'601101770658407	8587	10/6/2004	$100 00	-$100 00	8558493390	RM
12/10/2004	'601101770658407	8587	10/6/2004	$199 00	-$199 00	6948974052	RM
12/15/2004	'601101770658407	9493	10/15/2004	$199 00	-$199 00	3736145038	RM
12/21/2004	'601101770658407	5811	6/4/2004	$199 00	-$199 00	8732160420	RM
12/27/2004	'601101770658407	1751	9/13/2004	$140 00	-$140 00	7322523088	RM
12/29/2004	'601101770658407	6064	9/10/2004	$199 00	-$199 00	4694485400	RM
12/20/2004	'601101752056414	2142	10/28/2004	$32 67	-$32 67	8016493494	DP
1/6/2005	'601101754685772	0450	10/12/2004	$100 00	-$100 00	1360007796	RM
1/6/2005	'601101770658407	0518	10/15/2004	$199 00	-$199 00	8160097136	RM
1/11/2005	'601101770658407	9863	7/8/2004	$199 00	-$199 00	6200912521	RM
1/11/2005	'601101770658407	9093	9/8/2004	$199 00	-$199 00	6888180104	RM
				$2,386 60			

Excel Telecommunications, Inc
Case# 75-2264299

Activity Report Date	Outlet Merchant Number	Cardmember Number	Original Tran Date	Original Tran Amount	Dispute Amount	Dispute Case Number	Dispute Reason code
12/6/2004	'601101705064473	9027	8/17/2004	$21 99	-$21 99	7020189093	RM
12/13/2004	'601101705064473	2219	10/23/2004	$21 99	-$21 99	2555608068	RM
12/14/2004	'601101705064473	0449	9/16/2004	$21 99	-$21 99	5920435034	UA
12/14/2004	'601101705064473	0449	10/17/2004	$21 99	-$21 99	1796918901	UA
12/14/2004	'601101705064473	0522	10/26/2004	$21 99	-$21 99	1872116160	RM
12/16/2004	'601101705064473	5410	10/26/2004	$21 99	-$21 99	1922519686	RM
12/21/2004	'601101705064473	7335	10/9/2004	$21 99	-$21 99	3072486098	RM
12/21/2004	'601101705064473	2031	10/26/2004	$21 99	-$21 99	4088427711	RM
12/28/2004	'601101705064473	9377	10/26/2004	$21 99	-$21 99	5244123428	RI
12/28/2004	'601101705064473	8234	10/26/2004	$21 99	-$21 99	7808492043	RM
12/29/2004	'601101705064473	6064	10/26/2004	$21 99	-$21 99	9822538672	RM
12/30/2004	'601101705064473	1058	10/26/2004	$21 99	-$21 99	6347682238	RM
12/31/2004	'601101705064473	2174	10/23/2004	$21 99	-$21 99	275678041	RM
12/6/2004	'601101705064499	9027	8/17/2004	$399 00	-$399 00	7097620882	RM
12/14/2004	'601101705064499	0449	9/16/2004	$399 00	-$399 00	8062427226	UA
12/14/2004	'601101705064499	8420	10/25/2004	$345 00	-$345 00	6000019010	RG
12/14/2004	'601101705064499	8420	10/25/2004	$345 00	-$345 00	7539693457	RG
12/14/2005	'601101705064499	8590	8/30/2004	$399 00	-$399 00	1064465415	RM
1/4/2005	'601101705064473	5800	10/23/2004	$21 99	-$21 99	2041670114	RM
1/6/2005	'601101705064473	9434	10/10/2004	$21 99	-$21 99	8924132880	RM
1/6/2005	'601101705064473	0518	10/13/2004	$21 99	-$21 99	3302594864	RM
1/10/2005	'601101705064473	1190	10/26/2004	$21 99	-$21 99	7012912700	RM
1/5/2005	'601101705064499	6259	10/29/2004	$399 00	-$399 00	3424425465	RN2
1/14/2005	'601101705064499	6973	7/29/2004	$399 00	-$399 00	2576436861	RM
				$3,058 83			

Excel Telecommunications, Inc
Case# 75-2264299

Activity Report Date	Outlet Merchant Number	Cardmember Number	Original Tran Date	Original Tran Amount	Dispute Amount	Dispute Case Number	Dispute Reason code
12/6/2004	'601101705064473	9027	8/17/2004	$21 99	-$21 99	7020189093	RM
12/13/2004	'601101705064473	2219	10/23/2004	$21 99	-$21 99	2555608068	RM
12/14/2004	'601101705064473	0449	9/16/2004	$21 99	-$21 99	5920435034	UA
12/14/2004	'601101705064473	0449	10/17/2004	$21 99	-$21 99	1796918901	UA
12/14/2004	'601101705064473	0522	10/26/2004	$21 99	-$21 99	1872116160	RM
12/16/2004	'601101705064473	5410	10/26/2004	$21 99	-$21 99	1922519686	RM
12/21/2004	'601101705064473	7335	10/9/2004	$21 99	-$21 99	3072486098	RM
12/21/2004	'601101705064473	2031	10/26/2004	$21 99	-$21 99	4088427711	RM
12/28/2004	'601101705064473	9377	10/26/2004	$21 99	-$21 99	5244123428	RI
12/28/2004	'601101705064473	8234	10/26/2004	$21 99	-$21 99	7808492043	RM
12/29/2004	'601101705064473	6064	10/26/2004	$21 99	-$21 99	9822538672	RM
12/30/2004	'601101705064473	1058	10/26/2004	$21 99	-$21 99	6347682238	RM
12/31/2004	'601101705064473	2174	10/23/2004	$21 99	-$21 99	275678041	RM
12/6/2004	'601101705064499	9027	8/17/2004	$399 00	-$399 00	7097620882	RM
12/14/2004	'601101705064499	0449	9/16/2004	$399 00	-$399 00	8062427226	UA
12/14/2004	'601101705064499	8420	10/25/2004	$345 00	-$345 00	6000019010	RG
12/14/2004	'601101705064499	8420	10/25/2004	$345 00	-$345 00	7539693457	RG
12/14/2005	'601101705064499	8590	8/30/2004	$399 00	-$399 00	1064465415	RM
1/4/2005	'601101705064473	5800	10/23/2004	$21 99	-$21 99	2041670114	RM
1/6/2005	'601101705064473	9434	10/10/2004	$21 99	-$21 99	8924132880	RM
1/6/2005	'601101705064473	0518	10/13/2004	$21 99	-$21 99	3302594864	RM
1/10/2005	'601101705064473	1190	10/26/2004	$21 99	-$21 99	7012912700	RM
1/5/2005	'601101705064499	6259	10/29/2004	$399 00	-$399 00	3424425465	RN2
1/14/2005	'601101705064499	6973	7/29/2004	$399 00	-$399 00	2576436861	RM

$3,058 83

Discover Card Chargebacks & Adjustments Continued

Card Number [redacted]9975
TRAN

DATE	REASON	AMOUNT
11/15/04	CARDMEMBER MDSE/SERVICE DISPUTE	55 16
CASE# 1022433686	EXCEL LONG DIST-MONTH 800-875-9235 T GRZ51N090204	
ORIGINAL DATE 09/03/04	PREFIX 33 ID 161 TRAN ID 00051009	

Card Number [redacted]9975
TRAN

DATE	REASON	AMOUNT
11/15/04	CARDMEMBER MDSE/SERVICE DISPUTE	-55 16
CASE# 0251606433	EXCEL LONG DIST-MONTH 800-875-9235 T GRZ51N090204	
ORIGINAL DATE 09/14/04	PREFIX 33 ID 161 TRAN ID 00051009	

Card Number [redacted]8070
TRAN

DATE	REASON	AMOUNT
11/30/04	CARDMEMBER MDSE/SERVICE DISPUTE	27 96
CASE# 8435600570	EXCEL LONG DIST-MONTH 800-875-9235 T GRXD2C080604	
ORIGINAL DATE 08/09/04	PREFIX 33 ID 161 TRAN ID 00002008	
	OUTLET TOTAL	-138 28

6011 0175 4685 780 XL TELECOM SALES AIDS

Card Number [redacted]4995
TRAN

DATE	REASON	AMOUNT
11/16/04	NON-RECEIPT OF REQUESTED ITEM	-36 50
CASE# 2107664555	EXCEL *SALES AIDS 972-738-8300 TX VBYC70679815	
ORIGINAL DATE 09/14/04	PREFIX 33 ID 161 TRAN ID 00007067	
	OUTLET TOTAL	-36 50

SUBTOTAL FOR 6011 0175 4685 764 -174 78

6011 0177 2056 907 VARTEC TELECOM, INC

6011 0175 2056 414 VARTEC TELECOM

Card Number [redacted]2683
TRAN

DATE	REASON	AMOUNT
11/02/04	CARDMEMBER MDSE/SERVICE DISPUTE	-47 46
CASE# 7086430081	VTT*VARTEC TELECOM 800-583-8811 TX 11S0019255740003	
ORIGINAL DATE 09/15/04	PREFIX 33 ID 161 TRAN ID 11000192	

Card Number [redacted]12721
TRAN

DATE	REASON	AMOUNT
11/08/04	UNAUTHORIZED PURCHASE	-40 43
CASE# 0179640630	VTT*VARTEC TELECOM 800-583-8811 TX 000011S002032779	
ORIGINAL DATE 08/27/04	PREFIX 33 ID 161 TRAN ID 00001100	

Discover Card Chargebacks & Adjustments Continued

Card Number [redacted]2845

TRAN DATE	REASON	AMOUNT
11/15/04	DUPLICATE PROCESSING	-45 55
CASE# 8100140392	VTT*VARTEC TELECOM 800-583-8811 TX 11S0017855720001	
ORIGINAL DATE 10/05/04	PREFIX 33 ID 161 TRAN ID 11000178	

Card Number [redacted]

TRAN DATE	REASON	AMOUNT
11/30/04	CARDMEMBER MDSE/SERVICE DISPUTE	[redacted]
CASE# 3760919790	VTT*VARTEC TELECOM 800-583-8811 TX 11S0020663350002	
ORIGINAL DATE 09/30/04	PREFIX 33 ID 161 TRAN ID 11000206	

OUTLET TOTAL -188 85

SUBTOTAL FOR 6011 0177 2056 907 -188 85

Discount Activity

Discover Card discount is calculated by multiplying gross sales volume by your discount rate Gross sales volume equals sales, plus or minus any adjustments

6011 0170 4775 459 EXCEL TELECOMMUNICATIONS, INC

DATE SETTLED	MERCHANT OUTLET NUMBER	GROSS SALES VOLUME	DISCOUNT RATE	DISCOUNT AMOUNT
11/09/04	601101704437134	18 79	0 02050	
11/13/04	601101704437134	13 84	0 02050	
11/16/04	601101704437134	10 47	0 02050	
11/17/04	601101704437134	10,017 51	0 02050	-2[redacted]
11/20/04	601101704437134	77 72	0 02050	
11/23/04	601101704437134	17 86	0 02050	
11/24/04	601101704437134	14 74	0 02050	
11/25/04	601101704437134	54 09	0 02050	
			OUTLET TOTAL	[redacted]

DATE SETTLED	MERCHANT OUTLET NUMBER	GROSS SALES VOLUME	DISCOUNT RATE	DISCOUNT AMOUNT
11/01/04	601101704956992	14 95	0 02050	
11/02/04	601101704956992	667 50	0 02050	
11/03/04	601101704956992	885 04	0 02050	
11/04/04	601101704956992	550 02	0 02050	
11/05/04	601101704956992	725 50	0 02050	
11/06/04	601101704956992	910 96	0 02050	
11/07/04	601101704956992	860 23	0 02050	
11/08/04	601101704956992	849 15	0 02050	
11/09/04	601101704956992	767 73	0 02050	
11/10/04	601101704956992	761 32	0 02050	
11/11/04	601101704956992	626 05	0 02050	
11/12/04	601101704956992	1,052 13	0 02050	
11/13/04	601101704956992	1,049 90	0 02050	
11/14/04	601101704956992	701 92	0 02050	
11/15/04	601101704956992	633 97	0 02050	
11/16/04	601101704956992	596 75	0 02050	
11/17/04	601101704956992	894 00	0 02050	
11/18/04	601101704956992	843 07	0 02050	
11/19/04	601101704956992	886 17	0 02050	

Batches Received Continued

BATCH DATE	BATCH REF #	CARD BRAND	NUMBER OF ITEMS	TRAN TYPE	RECEIVED AMOUNT
12/29/04	041229d2	DISCOVER CARD	6	S	551 06
12/30/04	041230d2	DISCOVER CARD	8	S	686 05
12/31/04	041231d2	DISCOVER CARD	25	S	1,718 72
				OUTLET TOTAL	26,495 51

SUBTOTAL FOR 6011 0177 2056 907 72,626 06

Discover Card Chargebacks & Adjustments

DIRECT ALL CHARGEBACK INQUIRIES TO **1-800-767-7392**

6011 0170 4775 459 EXCEL TELECOMMUNICATIONS, INC

6011 0170 4956 992 EXCELL ONLINE

Card Number [redacted]
TRAN

DATE	REASON	AMOUNT
12/27/04	CARDMEMBER MDSE/SERVICE DISPUTE	[redacted]
CASE# 4840078230	MYEXCEL INTERNET ACCES 866-890-4508	
ORIGINAL DATE 11/01/04	PREFIX 33 ID 161 TRAN ID 70335507	

Card Number [redacted]
TRAN

DATE	REASON	AMOUNT
12/30/04	CARDMEMBER MDSE/SERVICE DISPUTE	[redacted]
CASE# 4000007200	MYEXCEL INTERNET ACCES 866-890 4508 699922537	
ORIGINAL DATE 10/27/04	PREFIX. 33 ID 161 TRAN ID 69992253	

Card Number [redacted]
TRAN

DATE	REASON	AMOUNT
12/30/04	CARDMEMBER MDSE/SERVICE DISPUTE	[redacted]
CASE# 5062543280	MYEXCEL INTERNET ACCES 866-890-4508 717618839	
ORIGINAL DATE 11/26/04	PREFIX 33 ID 161 TRAN ID 71761883	
	OUTLET TOTAL	[redacted]

6011 0170 5064 473 EXCELL IR HOMESITE

Card Number [redacted]9027
TRAN

DATE	REASON	AMOUNT
12/06/04	CARDMEMBER MDSE/SERVICE DISPUTE	-21 99
CASE# 7020189093	EXCEL *IR HOMESITE 972-930-0695 TX 1800001372797	
ORIGINAL DATE 08/17/04	PREFIX 33 ID 161 TRAN ID 18000013	

Card Number [redacted]2219
TRAN

DATE	REASON	AMOUNT
12/13/04	CARDMEMBER MDSE/SERVICE DISPUTE	-21 99
CASE# 2555608068	EXCEL *IR HOMESITE 972-930-0695 TX 1850001436773	
ORIGINAL DATE 10/23/04	PREFIX 33 ID 161 TRAN ID 18500014	

Discover Card Chargebacks & Adjustments Continued

Card Number [redacted]0449
TRAN

DATE	REASON	AMOUNT
12/14/04	UNAUTHORIZED PURCHASE	-21 99
CASE# 5920435034	EXCEL *IR HOMESITE 972-930-0695 TX 1850001376931	
ORIGINAL DATE 09/16/04	PREFIX 33 ID 161 TRAN ID 18500013	

Card Number [redacted]0449
TRAN

DATE	REASON	AMOUNT
12/14/04	UNAUTHORIZED PURCHASE	-21 99
CASE# 1796918901	EXCEL *IR HOMESITE 972-930-0695 TX 1850001427805	
ORIGINAL DATE 10/17/04	PREFIX 33 ID 161 TRAN ID 18500014	

Card Number [redacted]0522
TRAN

DATE	REASON	AMOUNT
12/14/04	CARDMEMBER MDSE/SERVICE DISPUTE	-21 99
CASE# 1872116160	EXCEL *IR HOMESITE 972-930-0695 TX 1850001442901	
ORIGINAL DATE 10/26/04	PREFIX 33 ID 161 TRAN ID 18500014	

Card Number [redacted]5410
TRAN

DATE	REASON	AMOUNT
12/16/04	CARDMEMBER MDSE/SERVICE DISPUTE	21 99
CASE# 1922519686	EXCEL *IR HOMESITE 972-930-0695 TX 1850001443766	
ORIGINAL DATE 10/26/04	PREFIX 33 ID 161 TRAN ID 18500014	

Card Number [redacted]7335
TRAN

DATE	REASON	AMOUNT
12/21/04	CARDMEMBER MDSE/SERVICE DISPUTE	21 99
CASE# 3072486098	EXCEL *IR HOMESITE 972-930-0695 TX 1850001415382	
ORIGINAL DATE 10/09/04	PREFIX 33 ID 161 TRAN ID 18500014	

Card Number [redacted]2031
TRAN

DATE	REASON	AMOUNT
12/21/04	CARDMEMBER MDSE/SERVICE DISPUTE	-21 99
CASE# 4088427711	EXCEL *IR HOMESITE 972-930-0695 TX 1850001446895	
ORIGINAL DATE 10/26/04	PREFIX 33 ID 161 TRAN ID 18500014	

Card Number [redacted]9377
TRAN

DATE	REASON	AMOUNT
12/28/04	NON-RECEIPT OF REQUESTED ITEM	-21 99
CASE# 5244123428	EXCEL *IR HOMESITE 972-930-0695 TX 1850001443437	
ORIGINAL DATE 10/26/04	PREFIX 33 ID 161 TRAN ID 18500014	

Card Number [redacted]8234
TRAN

DATE	REASON	AMOUNT
12/28/04	CARDMEMBER MDSE/SERVICE DISPUTE	-21 99
CASE# 7808492043	EXCEL *IR HOMESITE 972-930-0695 TX 1850001443515	
ORIGINAL DATE 10/26/04	PREFIX 33 ID 161 TRAN ID 18500014	

Discover Card Chargebacks & Adjustments Continued

Card Number [redacted]6064
TRAN

DATE	REASON	AMOUNT
12/29/04	CARDMEMBER MDSE/SERVICE DISPUTE	21 99
CASE# 9822538672	EXCEL *IR HOMESITE 972-930-0695 TX 1850001442958	
ORIGINAL DATE 10/26/04	PREFIX 33 ID 161 TRAN ID 18500014	

Card Number [redacted]1058
TRAN

DATE	REASON	AMOUNT
12/30/04	CARDMEMBER MDSE/SERVICE DISPUTE	-21 99
CASE# 6347682238	EXCEL *IR HOMESITE 972-930-0695 TX 1850001446548	
ORIGINAL DATE 10/26/04	PREFIX 33 ID 161 TRAN ID 18500014	

Card Number [redacted]2174
TRAN

DATE	REASON	AMOUNT
12/31/04	CARDMEMBER MDSE/SERVICE DISPUTE	-21 99
CASE# 0275678041	EXCEL *IR HOMESITE 972-930-0695 TX 1850001436875	
ORIGINAL DATE 10/23/04	PREFIX 33 ID 161 TRAN ID 18500014	

OUTLET TOTAL -285 87

6011 0170 5064 499 EXCELL IR HOME SIGHT

Card Number [redacted]9027
TRAN

DATE	REASON	AMOUNT
12/06/04	CARDMEMBER MDSE/SERVICE DISPUTE	-399 00
CASE# 7097620882	EXCEL *IR HOMESITE 972-930-0695 TX 1800001372795	
ORIGINAL DATE 08/17/04	PREFIX 33 ID 161 TRAN ID 18000013	

Card Number [redacted]0449
TRAN

DATE	REASON	AMOUNT
12/14/04	UNAUTHORIZED PURCHASE	-399 00
CASE# 8062427226	EXCEL *IR HOMESITE 972-930-0695 TX 1850001376926	
ORIGINAL DATE 09/16/04	PREFIX 33 ID 161 TRAN ID 18500013	

Card Number [redacted]8590
TRAN

DATE	REASON	AMOUNT
12/14/04	CARDMEMBER MDSE/SERVICE DISPUTE	-399 00
CASE# 1064465415	EXCEL *IR HOMESITE 972-930-0695 TX 1800001395759	
ORIGINAL DATE 08/30/04	PREFIX 33 ID 161 TRAN ID 18000013	

Card Number [redacted]8420
TRAN

DATE	REASON	AMOUNT
12/14/04	NON-RECEIPT OF GOODS	-345 00
CASE# 6000019010	EXCEL *IR HOMESITE 972-930-0695 TX 1850001442365	
ORIGINAL DATE 10/25/04	PREFIX 33 ID 161 TRAN ID 18500014	

Discover Card Chargebacks & Adjustments Continued

Card Number: [redacted]8420

TRAN DATE	REASON	AMOUNT
12/14/04	NON-RECEIPT OF GOODS	-345 00
CASE# 7539693457	EXCEL *IR HOMESITE 972-930-0695 TX 1850001442396	
ORIGINAL DATE 10/25/04	PREFIX 33 ID 161 TRAN ID 18500014	
	OUTLET TOTAL	-1,887 00

SUBTOTAL FOR 6011 0170 4775 459 -2,217 72

6011 0175 4685 764 XL TELECOM/CORPORATE

6011 0173 0674 270 XL LONG DISTANCE MONTHLY

Card Number [redacted]8070

TRAN DATE	REASON	AMOUNT
12/01/04	CARDMEMBER MDSE/SERVICE DISPUTE	-30 67
CASE# 8969630611	EXCEL LONG DIST-MONTH 800-875-9235 T GRXD2C090204	
ORIGINAL DATE 09/14/04	PREFIX 33 ID 161 TRAN ID 00002009	

Card Number [redacted]8070

TRAN DATE	REASON	AMOUNT
12/01/04	CARDMEMBER MDSE/SERVICE DISPUTE	-30 67
CASE# 0321600811	EXCEL LONG DIST-MONTH 800-875-9235 T GRXD2C090204	
ORIGINAL DATE 09/03/04	PREFIX 33 ID 161 TRAN ID 00002009	

Card Number: [redacted]5914

TRAN DATE	REASON	AMOUNT
12/10/04	DUPLICATE PROCESSING	-33 51
CASE# 1960975147	EXCEL LONG DIST-MONTH 800-875-9235 T GRZ4N1090204	
ORIGINAL DATE 09/05/04	PREFIX 33 ID 161 TRAN ID 00040109	
	OUTLET TOTAL	-94 85

6011 0175 4685 772 XL TELECOM TRAIN/EVENT

Card Number: [redacted]8679

TRAN DATE	REASON	AMOUNT
12/10/04	CARDMEMBER MDSE/SERVICE DISPUTE	-100 00
CASE# 9760077136	EXCEL *TRAINING 972-930-0695 TX 1850001402133	
ORIGINAL DATE 09/30/04	PREFIX 33 ID 161 TRAN ID 18500014	
	OUTLET TOTAL	-100 00

6011 0175 4685 780 XL TELECOM SALES AIDS

Discover Card Chargebacks & Adjustments Continued

Card Numbe [redacted] 3780
TRAN

DATE	REASON	AMOUNT
12/09/04	NON RECEIPT OF CREDIT	-39 80
CASE# 4364171872	EXCEL *SALES AIDS 972-738-8300 TX VBYC68326319	
ORIGINAL DATE 09/10/04	PREFIX 33 ID 161 TRAN ID 00006832	

Card Number [redacted] 7335
TRAN

DATE	REASON	AMOUNT
12/21/04	CARDMEMBER MDSE/SERVICE DISPUTE	-12 50
CASE# 2528404268	EXCEL *SALES AIDS 972-738-8300 TX 1800001387766	
ORIGINAL DATE 08/26/04	PREFIX 33 ID 161 TRAN ID 18000013	

OUTLET TOTAL -52 30

6011 0177 0658 407 EXCEL US EMPOWIR

Card Number: [redacted] 4132
TRAN

DATE	REASON	AMOUNT
12/07/04	CARDMEMBER MDSE/SERVICE DISPUTE	-199 00
CASE# 4284936854	EXCEL *EXCELUSEMPOWIR 972-930-0695 T 9751692000000000	
ORIGINAL DATE 10/14/04	PREFIX 33 ID 161 TRAN ID 97516920	

Card Number [redacted] 8587
TRAN

DATE	REASON	AMOUNT
12/10/04	CARDMEMBER MDSE/SERVICE DISPUTE	-199 00
CASE# 6948974052	EXCEL *EXCELUSEMPOWIR 972-930-0695 T 9749132000000000	
ORIGINAL DATE 10/06/04	PREFIX 33 ID 161 TRAN ID 97491320	

Card Number: [redacted] 8587
TRAN

DATE	REASON	AMOUNT
12/10/04	CARDMEMBER MDSE/SERVICE DISPUTE	-100 00
CASE# 8558493390	EXCEL *EXCELUSEMPOWIR 972-930-0695 T 9749133000000000	
ORIGINAL DATE. 10/06/04	PREFIX 33 ID 161 TRAN ID 97491330	

Card Number [redacted] 9493
TRAN

DATE	REASON	AMOUNT
12/15/04	CARDMEMBER MDSE/SERVICE DISPUTE	-199 00
CASE# 3736145038	EXCEL *EXCELUSEMPOWIR 972-930-0695 T 9752271000000000	
ORIGINAL DATE 10/15/04	PREFIX 33 ID 161 TRAN ID 97522710	

Card Number [redacted] 5811
TRAN

DATE	REASON	AMOUNT
12/21/04	CARDMEMBER MDSE/SERVICE DISPUTE	-199 00
CASE# 8732160420	EXCEL *EXCELUSEMPOWIR 972-930-0695 T 9709917000000000	
ORIGINAL DATE 06/04/04	PREFIX 33 ID 161 TRAN ID 97099170	

Discover Card Chargebacks & Adjustments Continued

Card Number: [redacted]1751
TRAN

DATE	REASON	AMOUNT
12/27/04	CARDMEMBER MDSE/SERVICE DISPUTE	-140 00
CASE# 7322523088	EXCEL *EXCELUSEMPOWIR 972-930 0695 T 9741479000000000	
ORIGINAL DATE 09/13/04	PREFIX 33 ID 161 TRAN ID 97414790	

Card Number: [redacted]6064
TRAN

DATE	REASON	AMOUNT
12/29/04	CARDMEMBER MDSE/SERVICE DISPUTE	-199 00
CASE# 4694485400	EXCEL *EXCELUSEMPOWIR 972-930-0695 T 9740811000000000	
ORIGINAL DATE 09/10/04	PREFIX. 33 ID 161 TRAN ID 97408110	

OUTLET TOTAL -1,235 00

SUBTOTAL FOR 6011 0175 4685 764 -1,482 15

6011 0177 2056 907 VARTEC TELECOM, INC

6011 0175 2056 414 VARTEC TELECOM

Card Number [redacted]
TRAN

DATE	REASON	AMOUNT
12/01/04	CHARGEBACK REVERSAL	[redacted]
CASE# 3760919790	VTT*VARTEC TELECOM 800-583-8811 TX 11S0020663350002	
ORIGINAL DATE 09/30/04	PREFIX 33 ID 161 TRAN ID 11000206	

Card Number: [redacted]1804
TRAN

DATE	REASON	AMOUNT
12/06/04	CARDMEMBER MDSE/SERVICE DISPUTE	[redacted] R
CASE# 9937621492	VTT*VARTEC TELECOM 800-583-8811 TX 11S0004814270001	
ORIGINAL DATE 09/17/04	PREFIX 33 ID 161 TRAN ID 11000048	

Card Number [redacted]
TRAN

DATE	REASON	AMOUNT
12/20/04	UNAUTHORIZED PURCHASE	[redacted]
CASE# 1868152729	VTT*VARTEC TELECOM 800-583-8811 TX 11S0020986390003	
ORIGINAL DATE 11/17/04	PREFIX 33 ID 161 TRAN ID 11000209	

Card Number [redacted]2142
TRAN

DATE	REASON	AMOUNT
12/20/04	DUPLICATE PROCESSING	-32 67
CASE# 8016493494	VTT*VARTEC TELECOM 800-583-8811 TX 41S0013913460002	
ORIGINAL DATE 10/28/04	PREFIX. 33 ID 161 TRAN ID 41000139	

Card Number [redacted]
TRAN

DATE	REASON	AMOUNT
12/21/04	CARDMEMBER MDSE/SERVICE DISPUTE	[redacted]
CASE# 2384491318	VTT*VARTEC TELECOM 800-583-8811 TX 000011S001863984	
ORIGINAL DATE 11/17/04	PREFIX 33 ID 161 TRAN ID 00001100	

Discover Card Chargebacks & Adjustments Continued

Card Number [redacted]5800
TRAN

DATE	REASON	AMOUNT
01/04/05	CARDMEMBER MDSE/SERVICE DISPUTE	-21 99
CASE# 2041670114	EXCEL *IR HOMESITE 972-930-0695 TX 1850001437558	
ORIGINAL DATE 10/23/04	PREFIX 33 ID 161 TRAN ID 18500014	

Card Number [redacted]0518
TRAN

DATE	REASON	AMOUNT
01/06/05	CARDMEMBER MDSE/SERVICE DISPUTE	-21 99
CASE# 3302594864	EXCEL *IR HOMESITE 972-930-0695 TX 1850001421592	
ORIGINAL DATE 10/13/04	PREFIX 33 ID 161 TRAN ID 18500014	

Card Number [redacted]9434
TRAN

DATE	REASON	AMOUNT
01/06/05	CARDMEMBER MDSE/SERVICE DISPUTE	-21 99
CASE# 8924132880	EXCEL *IR HOMESITE 972-930-0695 TX 1850001416900	
ORIGINAL DATE 10/11/04	PREFIX 33 ID 161 TRAN ID 18500014	

Card Number 6011009920261190
TRAN

DATE	REASON	AMOUNT
01/10/05	CARDMEMBER MDSE/SERVICE DISPUTE	-21 99
CASE# 7012912700	EXCEL *IR HOMESITE 972-930-0695 TX 1850001443648	
ORIGINAL DATE 10/27/04	PREFIX 33 ID 161 TRAN ID 18500014	
	OUTLET TOTAL	-87 96

6011 0170 5064 499 EXCELL IR HOME SIGHT

Card Number [redacted]6259
TRAN

DATE	REASON	AMOUNT
01/05/05	NON RECEIPT OF CREDIT	-399 00
CASE# 3424425465	EXCEL *IR HOMESITE 972-930-0695 TX 1850001451219	
ORIGINAL DATE 10/29/04	PREFIX. 33 ID 161 TRAN ID 18500014	

Card Number [redacted]6973
TRAN

DATE	REASON	AMOUNT
01/14/05	CARDMEMBER MDSE/SERVICE DISPUTE	-399 00
CASE# 2576436861	EXCEL *IR HOMESITE 972-930-0695 TX 1750001841970	
ORIGINAL DATE 07/29/04	PREFIX 33 ID 161 TRAN ID 17500018	
	OUTLET TOTAL	-798 00

SUBTOTAL FOR 6011 0170 4775 459 -888 00

6011 0175 4685 764 XL TELECOM/CORPORATE

6011 0175 4685 772 XL TELECOM TRAIN/EVENT

Discover Card Chargebacks & Adjustments Continued

Card Number [redacted]0450

TRAN DATE	REASON	AMOUNT
01/06/05	CARDMEMBER MDSE/SERVICE DISPUTE	-100 00
CASE# 1360007796	EXCEL *TRAINING 972-930-0695 TX 1850001420713	
ORIGINAL DATE 10/12/04	PREFIX 33 ID 161 TRAN ID 18500014	
	OUTLET TOTAL	-100 00

6011 0177 0658 407 EXCEL US EMPOWIR

Card Number [redacted]0518

TRAN DATE	REASON	AMOUNT
01/06/05	CARDMEMBER MDSE/SERVICE DISPUTE	-199 00
CASE# 8160097136	EXCEL *EXCELUSEMPOWIR 972-930-0695 T 9752180000000000	
ORIGINAL DATE 10/15/04	PREFIX 33 ID 161 TRAN ID 97521800	

Card Number [redacted]9863

TRAN DATE	REASON	AMOUNT
01/11/05	CARDMEMBER MDSE/SERVICE DISPUTE	199 00
CASE# 6200912521	EXCEL *EXCELUSEMPOWIR 972-930-0695 T 9721704000000000	
ORIGINAL DATE 07/08/04	PREFIX 33 ID 161 TRAN ID 97217040	

Card Number [redacted]9093

TRAN DATE	REASON	AMOUNT
01/11/05	CARDMEMBER MDSE/SERVICE DISPUTE	-199 00
CASE# 6888180104	EXCEL *EXCELUSEMPOWIR 972-930-0695 T 9739992000000000	
ORIGINAL DATE 09/08/04	PREFIX 33 ID 161 TRAN ID 97399920	
	OUTLET TOTAL	-597 00

6011 0177 0658 415 WWW EXCEL COM

Card Number [redacted]

TRAN DATE	REASON	AMOUNT
01/03/05	CARDMEMBER MDSE/SERVICE DISPUTE	[redacted]
CASE# 5010094169	EXCEL *MYEXCELEBUSINE 972-930-0695 T 704512628	
ORIGINAL DATE 11/03/04	PREFIX 33 ID 161 TRAN ID 70451262	

Card Number [redacted]

TRAN DATE	REASON	AMOUNT
01/11/05	NON-RECEIPT OF REQUESTED ITEM	[redacted]
CASE# 5756164612	EXCEL *MYEXCELEBUSINE 972-930-0695 T 712433445	
ORIGINAL DATE 11/17/04	PREFIX 33 ID 161 TRAN ID 71243344	
	OUTLET TOTAL	-29 98

SUBTOTAL FOR 6011 0175 4685 764 -726 98

6011 0177 2056 907 VARTEC TELECOM, INC

6011 0175 2056 414 VARTEC TELECOM

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