

**Subject: Pending Merchant Account****Date:** Mon, 12 May 2003 15:51:27 -0700**From:** "Brummett, Ed" <EBrummett@csi-corp.com>**To:** "Norman Z" <normanz@earthlink.net>

Norman I am in receipt of your additional information and have completed my initial review. In order to continue the underwriting process I will need a user name and pw to review the membership area of your web site. In addition Cardservice International will only accept the following billing terms:

Trial membership

Monthly membership

Cardservice International will not accept magazine subscriptions as a service.

Can you please indicate if the billing terms and service exemption are acceptable to you. If yes, please confirm the acceptance of terms and exclusion of service in writing and make the necessary changes to the web site and provide user name and pw. If no, then we cannot accept the account.

Ed Brummett

Risk Analysis Manager

Direct Line 805 552 2640

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5/12/2003 6:23 PM

**From:** Dan Cooper [mailto:Dan@perfect10.com]  
**Sent:** Tuesday, June 17, 2003 11:54 AM  
**To:** 'Elliott, Martin'; 'noah\_hanft@mastercard.com'; 'noah-hanft@mastercard.com'; 'adam.herbert@firstdata.com'  
**Cc:** 'Norman Z'  
**Subject:**

Dear Gentlemen:

As you are all aware, over the course of the previous five months Perfect 10, along with others, has notified you on various occasions regarding the involvement of Master Card, Visa, and their constituent Member Banks in the processing of credit cards for webmasters with obviously stolen celebrity content (including Perfect 10 content), phony registrations, and who commit various acts of consumer fraud.

On February 24, 2003, Martin Elliot, Visa's Director of Corporate Risk Management, responded to our notifications by informing us of newly enacted regulations apparently designed to stem the tide of the illegal action we brought to his attention. Specifically, the regulations purportedly enacted are as follows:

- (1) "Members known by Visa to be processing transactions for such websites will be required to confirm to Visa that any celebrity porn site merchant with whom they have a business relationship does not sell material that would cause the Member to violate Visa regulations prohibiting illegal transactions."
- (2) "Members registering new celebrity porn site merchants will be required to provide Visa with documentation to demonstrate that the content sold at such websites will not cause the Member to violate Visa regulations that prohibit illegal transactions."
- (3) "Members that have registered merchants whom Visa believes pose higher chargeback and financial risks (which include many adult-content websites) are required to validate the ownership of the sites."

Despite the enactment of these regulations, which Perfect 10 wholeheartedly welcomed, it appears that they have been roundly ignored, as the Member Banks have seemingly done very little in response to our repeated communications. For example, the following is a list of websites about which we notified Mr. Elliott in our letter of January 8, 2003 that are still operating and accepting Visa and Mastercard as forms of payment:

- Celebmovie.com which offers "Susan George Raped" along with "Alyson Hanigan Lesbo" on its homepage

- Truecelebs.com
- Celebfan.com, nakedcelebritypics.com (“masterbating Gillian Anderson”)
- Celebfakes.com (now nudecelebnews.com)
- Call-girls.net “The unauthorized celebrity site”
- Celebrityorgy.com “uncensored celebrity fucking”
- Celebrity-xxx.com (“Drew Barrymore drunk nude pics”)
- Celeblover.com, allnudecelebritiesxxx.com, 007celebsnude.com, and realcelebs.com.

These sites all go to the same stolen content, which includes images belonging to Perfect 10. They advertise such things as “Our Exclusive Gallery on Anna Kournikova! Clear shots of Anna’s pussy!” In fact, beyond just these few examples, it seems that virtually all of the 247 sites with obvious celebrity infringements identified in my January 8, 2003 letter continue to operate and accept Visa or Mastercard as a form of payment.

Moreover, despite the “enactment” of regulation three (3) above, as we have indicated before, many of the webmasters for these websites continue to maintain obviously phony “who is” registrations, such as celeblover.com (“BELIZE CITY, BZ BZ BZ,” with a phone number of 000-000-0000); celebfan.com and nakedcelebritypics.com (formerly “The Valley, AI,” with a phone number of 123-456-7890, now with no registration information at all); and celebrity-xxx.com (formerly “Port Vila VU NA VU,” now “Groningen, NL”).

The persistence of this illegal activity unfortunately compels the conclusion that the regulations announced in Mr. Elliott’s letter of February 24, 2003 are not being enforced in any meaningful way. With the notice we have provided to you, there is simply no excuse for your continued financial support of this mass theft of intellectual property and other illegal acts.

On behalf of Perfect 10 and other copyright holders, please let us know what, if anything, you intend to do about this matter.

Sincerely,