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UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

GUCCI AMERICA, INC.	:	
	:	Civil Action No. 09-6925-HB
Plaintiff,	:	
v.	:	District Judge Harold Baer, Jr.
	:	
FRONTLINE PROCESSING CORPORATION;	:	
WOODFOREST NATIONAL BANK;	:	
DURANGO MERCHANT SERVICES LLC d/b/a	:	
NATIONAL BANKCARD SYSTEMS OF	:	
DURANGO; ABC COMPANIES; and JOHN	:	
DOES,	:	
	:	
Defendants.	:	
	:	
	X	

**DECLARATION OF STAN PAUR IN SUPPORT OF DEFENDANT  
WOODFOREST'S OPPOSITION TO PLAINTIFF'S MOTION FOR SUMMARY JUDGMENT**

I, STAN PAUR, declare and state as follows:

1. I am the President and Chief Executive Officer of Delta Card Services, Inc. I have personal knowledge of the facts and matters discussed in this declaration, and if called as a witness, could and would testify to the matters set forth below.

2. Delta Card Services, Inc. is a Texas corporation which conducts business under the names Merchants' Choice Card Services, MCCS, Merchants' Choice Payment Solutions, and MCPS (hereafter collectively "Delta Card").

3. Delta Card provides processing services for credit card transactions for about 35,000 clients.

4. Credit card transactions begin with the card being swiped or keyed into the merchant's terminal. For this example, let us assume it is a VISA brand card. The merchant's terminal transmits an authorization request to the authorization center designated by the

merchant, which, in turn, sends the request electronically to the VisaNet network. The network routes the request to the cardholder's issuing bank. The issuing bank approves or declines the transaction, and this response is forwarded by the network back to the authorization center; which forwards it to the merchant. The merchant then completes the transaction. All transactions are kept at the terminal until the merchant sends all transactions, usually at the end of the day, to the processor for the acquiring bank (in our case, Delta Card). The acquiring bank credits the merchant's account and submits the transactions to the network for settlement. The network pays the processor and debits the appropriate issuer accounts. The issuers then post the transactions to their cardholders' accounts.

5. Woodforest and Delta Card play no role in the actual processing of credit card transactions. Woodforest and Delta Card do not render or transmit approvals; and are not involved in the transfer of any information concerning transactions. Woodforest's only role is as the sponsoring bank, fulfilling the credit card associations' requirement that the acquiring bank must be an actual financial institution. In the event of chargebacks that are defaulted on by a merchant, Delta Card is responsible for the payment.

Executed on July 30, 2010

By:   
Stan Paur