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UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

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

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

I, CHARLES FILLINGER, declare and state as follows:

1. I am a Senior Associate of The Strawhecker Group, located at 1236 South 113<sup>th</sup> Plaza, Omaha, Nebraska 68144-1880. My C.V. is attached as Exhibit A.

2. I have over 20 years of experience in the Electronic Payments Industry, most recently with First Data Corporation. I have worked with merchants within all vertical retail and internet markets, vendors, gateway providers and acquirers, providing enhanced payment processing solutions on a national/global scale. While at First Data, my responsibilities included national client relations, third party relationships and sales, operations, product management and development, marketing, International market development and International portfolio management.

3. Based on my work in the electronic payments industry, I am aware of the following payment options available to Internet merchants other than credit cards:

### **Alternative Payments Types:**

- A. Non Card based ACH settlement
- B. Private label credit card/account
- C. Private label prepaid cards/ accounts and reloads
- D. Money Transfer/Electronic Check

#### **4.Non Card based ACH settlement**

- Example Companies: Secure Vault Payments, eBillme.
- Description (example: eBillme)
  - eBillme allows an individual to pay with cash from their online bank, which allows for a secure payment process. At checkout an individual picks the eBillme option and they will then receive a bill by e-mail. This bill is then used to make payment at their online bank. eBillme does not involve the sharing of any financial info and it helps prevent fraud and ID theft. eBillme works with 17,000 online banks and over 75,000 walk-in locations.

#### **5. Private label credit card/account**

- Example Companies: Revolution Money, Bill Me Later
- Description (example: Revolution Money)
  - Revolution Money allows merchants and banks to build their own payment solutions that connect the physical and online payment transaction. This includes: recurring payments from customers,

facilitating vendor payments, enabling peer-to-peer payments, and building new payment solutions.

- The RevolutionCard Network is a payment network that offers private label cards. It allows for rewards and promotions through specifically chosen merchants.
- Description (example: Bill Me Later)
  - Bill Me Later is an easy and safe way to make purchases over the internet or the telephone. Bill Me Later's key feature is that it lets users pay without using a credit card. When checking out an individual needs to provide the last four digits of their social security number as well as the date of their birthday. After the terms are accepted the order is complete, no codes or account numbers are required, and they receive their bill later.

## **6. Private label prepaid cards/ accounts and reloads**

- Example Companies: Green Dot, Moneypak
- Description (example: Green Dot)
  - No credit check or bank account is required to use. Green Dot is essentially a Debit MasterCard/Visa card that can be used like normal debit cards (such as paying bills and using an ATM). An individual will pay as they go, and it is safer to use than cash. Finally, Green Dot cards are reloadable at the store or through direct deposits.
- Description (example: Moneypak)

- Moneypak is a Green Dot product. An individual buys a Moneypak card at a retailer with cash, which is placed on the card. This can then be used to reload cards, add money to a PayPal account (without needing a bank account), or make same-day payments.

## 7. Money Transfer/Electronic Check

- Example Companies: Western Union
  - Western Union offers a variety of alternatives to deposit money to merchants including over the phone, online or through local merchants. To use the Western Union online service the only thing required is a registered account, which a customer then connects with a credit card. Once completed, it's very easy to set up a transfer of funds. Western Union users are also able to set up payments in advance and it's possible to make scheduled payouts to merchants, as well as creating frequent transfers, for example, to gambling sites.

8. Alternative payment types are gaining even greater acceptance. Customers may prefer direct debit and alternative payments over credit.

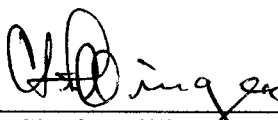
With the growth of Ecommerce, more alternative payments are being used. Ecommerce sales are sales of goods and services where an order is placed by the buyer and terms of sale are negotiated over an Internet, extranet, Electronic Data Interchange (EDI) network, electronic mail, or other online system. Payment may or may not be made online.

9. I am aware that the above payment options are used by a wide range of Internet merchants in a variety of vertical markets. These merchants include: retail apparel, sporting goods, gifts, services, travel, digital content providers, on-line gaming, auto parts. Some examples are: ShoeBuy.com, Sportsbook.com, GameStop.com, Dickssportinggoods.com, Finishline.com, Allposters.com, Partnerprinting.com, eBags.com, Leapsandbounds.com, Luggagesetselect.com, Partstrain.com, and Famoussmokehop.com.

10. In my opinion based on my over 20 years of experience in the electronic payments industry, were an Internet merchant during the past five (5) years with approximately \$50,000-75,000 per month in business unable to obtain credit card processing services, they could still maintain their business utilizing one or more of the alternate electronic payment options identified and discussed above.

I declare under penalty and perjury the foregoing is true and correct.

Executed on July 29, 2010

By:   
\_\_\_\_\_  
Charles Fillinger

# **EXHIBIT A**



**Charles Fillinger**  
**Senior Associate – Merchant Processing & Product Solutions Expert**  
**The Strawhecker Group**

***Summary of Qualifications***

Chuck Fillinger's experience in the Electronic Payments Industry is substantial, with over 20 years experience, most recently with First Data Corporation. He has proven results working with merchants within all vertical retail and internet markets, vendor's, gateway providers and acquirers, providing enhanced payment processing solutions on a national/global scale. While at First Data, Chuck's responsibilities included National Client Relations, Third Party Relationships and Sales, Operations, Product Management and Development, Marketing, International Market Development and International Portfolio Management.

***Education Background***

Electronics Engineering, Business Administration  
Franklin University, Columbus, Ohio

***Professional Experience***

**The Strawhecker Group**

*Associate, 2008 to Present – Omaha, NE*

Independent business consulting services to the Electronic Payments Industry focused on the Merchant Acquiring segment.

- Providing Interchange Cost Assessments to national retail clients with recommendations on optimizing their cost of payment acceptance reducing cost in the ranges of \$40K to \$500K plus.
- Strategic engagements with major merchant's and payment processing companies to evaluate and provide recommendations on enhanced technology products and solutions

**First Data Corporation**

*Vice President, Product & Business Development, 2006 to 2007 – Coral Springs, FL*

Direct strategic product collaboration in support of National Sales and Client Relations executive teams.

- *Created strategic product packaging for all Requests for Proposals and direct sales presentations to "C" level executives during the final selection round, resulting in increased annual revenue of \$8.5M.*

*Vice President, Hospitality/Food Service, 2005 to 2006*

Managed national client portfolio and cross-sells of additional products and services.

- *Reorganized Relationship Management Team improving client relationships with the top national clients with 97% successful retention and directed new product cross-sells resulting in increased revenue of \$4.6M.*

*Vice President, Global Choice, 2002 to 2005*

Developed strategic global product development.



## THE STRAWHECKER GROUP

Management Consultants To The Payments Industry

- *Developed and implemented Multicurrency and Dynamic Currency Conversion services into the US Market, achieving annual revenues of \$15M.*
- *Selected and established International Bank sponsorship relationship and international processing platform.*

*Vice President, Product Management, 1995 to 2002*

*Directed Product Subject Matter Experts with staff of 45 Directors/Managers.*

- *Introduced first Wireless POS Terminals to Sales Channels.*
- *Developed and implemented direct connections to all major Debit/EBT Networks improving efficiencies and reducing processing fees.*
- *Launched first virtual terminal, "YourPay.com", consolidating retail Point-of-Sale environment*

*Vice President, International, 1992 to 1995 – Sunrise, FL*

*Managed business development and P&L portfolio management for all existing international markets; Canada, Caribbean and Mexico.*

- *Successfully developed and managed relationships with major Caribbean Bank partners in 26 countries, implementing Bank Employee training programs for this \$2.1B portfolio. Negotiated first ever Canadian Bank License sponsorship relationship to accommodate US Clients expansion into Canada.*

*Director, Indirect Sales, 1989 to 1992*

*Managed business relationships with American Express, Discover, Diner's Club, JCB, TeleCheck, Telecredit, and other external Check Services companies.*

- *Increased Discover merchant sales by 39%, launched first to market American Express External Sales Agent program.*

*Business Manager, 1984 to 1989*

*Managed Client Services and Loss Prevention Teams providing services to the top 200 major clients with \$6.8B annual volume, transaction dispute resolution, merchant loss control and fraud prevention service.*

- *Coordinated telecommunications network conversion with minimal impact to clients.*
- *Assisted with implementation of first industry automated Chargeback Resolution system.*

### **Professional Accreditations**

Product Development Management Association (PDMA), Member  
International Association of Credit Card Investigators (IACCI),  
Member





THE STRAWHECKER GROUP  
Management Consultants To The Payments Industry

## ***CURRICULM VITAE***

### ***Expert Witness Case History*** Cohen

Case: CL 2009-80, Timothy Robinson and Whorl, LLC, plaintiffs, v.

Whorl, LLC, plaintiffs, v. Cohen Mohr, LLP, Dan Duval, and Perkins Coie, LLP, Perkins Coie, I.P.C., Perkins Coie, D.C., P.C., and Perkins Coie, California, P.C.

Court: Virginia in the Circuit Court of Fairfax County

Party: Defendant

Type: Legal Malpractice

Filed: January 5, 2009