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August 12, 2009

Re: User Notification, Target Brands, Inc. '547 Patent

StoreNext has been informed by MTXEPS, Inc. that Target Brands, Inc. owns a patent concerning the electronic payments capability of prompting for a signature before the amount of the sale is finalized when using a signature capture device. This is U.S. Patent No. 7,512,547 ("the '547 Patent").

The purpose of this letter is to make merchants aware of Target's position, and to provide advice by which WinEPS or Connected Payments users can avoid concerns about the '547 Patent.

The '547 Patent describes a process where the shopper has the option to sign the signature capture device and approve the transaction during the order, before the amount of the sale is finalized, and if the shopper refuses to sign and approve the transaction before the amount of the sale is finalized, to again prompt the shopper at the end of the order.

Legal counsel for MTXEPS has advised it that the patent may be invalid because of several legal issues. Regardless of the validity of the '547 Patent or Target's claims, MTXEPS recommends that merchants make sure their transaction flows steer clear of Target's ownership claim of this process.

WinEPS' setup enables this configuration change to be completed in a few minutes. Connected Payments sites can be updated via the Connected Payments Remote Configuration facility: changes can be specified once and then broadcast to all a chain's stores simultaneously without physical store visits. To verify your configuration follow the steps below:

- Go to Configuration, then Terminal Configuration, then OpenEPS, and select the configuration that you wish to change
- Select the Transaction Sequence tab and choose Credit
- Drag the "O" Signature Capture TAC so that it is *after* the ">" Send Transaction TAC
- Save the change
 - For WinEPS, the change will automatically take effect at end-of-day. Stopping and restarting the engine will force the change to take immediate effect if desired.
 - For Connected Payments, select the desired schedule to download the change, or choose the option that brings about an immediate download.

Future WinEPS and Connected Payments releases will limit the timing of signatures and/or final approvals to take place only at end-of-order. This would ensure that users do not inadvertently use a signature capture process that could make them a target of litigation.