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December 31, 2004

**\* \* Important Compliance Notification for Visa and CounterPoint \* \***

Visa has specific security requirements that disallow retention of the magnetic stripe data used in credit card processing. To meet Visa's requirements your CounterPoint system must be at the following minimum level:

- CounterPoint V7.5.8 (with the Dec16 Service Pack)
- CounterPoint SQL V8.2.9 (with the Dec16 Service Pack)

Please note that previous versions of CounterPoint do not meet Visa's requirements. We were recently notified of the changes needed to comply with Visa's requirements and have provided these changes in a Service Pack. We urge you to contact your Authorized Synchronics Dealer and update your system to ensure that you comply with Visa's requirements, limit your financial liability, and protect the Visa cardholders who shop with you.

If you have CounterPoint Subscription Service (CSS), your dealer can install the current version for you. If you update your own systems and have current CSS, you can download the latest Service Pack from <http://www.synchronics.com/support/software.htm>. If your CSS is not current, you can renew CSS through your dealer or on the Synchronics website ([https://www.synchronics.com/support/css\\_renew.htm](https://www.synchronics.com/support/css_renew.htm)).

When you began processing cards with your merchant bank, you executed a Merchant Processing Agreement (MPA) in which you agreed to comply with the Visa USA Operating Regulations. Section 5.2I of those regulations prohibits storing magnetic stripe data. The Visa Regulations are only disclosed to merchant banks, and are not available to you or Synchronics, but when you signed your MPA, you agreed to comply with those regulations. It is for this reason that you need to update to the more current version and Service Pack.

We apologize for the abruptness of this notice. CounterPoint had already met all published requirements. Until recently, Synchronics was not aware of the specifics of the Visa Regulations, as we are not a Merchant Bank. Visa informed Synchronics on December 13, 2004, that CounterPoint did not comply with the Visa Regulations and by December 16, 2004, all current versions of CounterPoint were brought into compliance.

If you have questions regarding what liability you might have under your MPA for non-compliance, or for delaying compliance, we recommend that you direct those questions to your merchant bank.

If you have other questions that you would like Synchronics to address, please direct your questions to [cisp@synchronics.com](mailto:cisp@synchronics.com).

For additional information regarding protecting your customers' cardholder data, you may refer to [http://usa.visa.com/download/business/accepting\\_visas\\_ops\\_risk\\_management/Industry\\_Letter\\_to\\_Merchants.pdf](http://usa.visa.com/download/business/accepting_visas_ops_risk_management/Industry_Letter_to_Merchants.pdf).

We apologize for any inconvenience this may cause you.

Sincerely,

Jeff Goldstein  
President

JG/pg