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M E M O R A N D U M

July 3, 2007

To Our Clients and Friends

Re: Regulation E Exemption from Receipt Requirement

The Federal Reserve Board exempted electronic fund transfers of \$15 or less from the Electronic Fund Transfer Act and Regulation E requirement that financial institutions provide a receipt at the time a consumer initiates an EFT at an electronic terminal, such as at a merchant POS terminal or an ATM. The consumer will still receive information about the transaction on the consumer's periodic statement. The rule will be effective 30 days after publication in the *Federal Register*.

The rule facilitates the use of debit cards in environments where making receipts available is impractical or too costly, such as in vending machines and mass transit systems.

A copy of the Federal Reserve's final rule can be found on our web site at http://www.schwartzandballen.com/whats_new.html.

If you have any questions, please call Gilbert Schwartz, Robert Ballen, Tom Fox or Heidi Wicker at (202) 776-0700.