

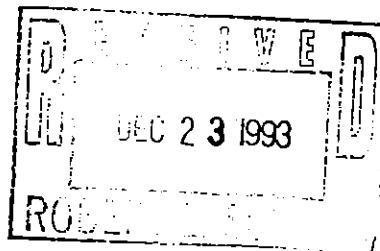
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December 22, 1993

Philip P. Verdi  
Executive Vice President  
Electronic Services

Mr. Peter Hill  
Visa International  
3055 Clearview Way  
Mail Stop/3055-1K  
San Mateo, California 94402



Via Facsimile

Dear Peter:

Please understand MasterCard is working with PA Consultants to evaluate Watermark as a possible solution to CAM.

Progress to date would indicate serious weaknesses with Watermark as that technology. However, we have not completed our analysis but hope to have something definitive to report by early January. I am sure you can understand our reluctance to make any statements positive or negative until the analysis has been completed.

I have asked Bob Schmid and Tom McGrath to share those results with you just as soon as they are finalized. With input just received from Tom McGrath and PA, the first week in January certainly sounds doable.

MasterCard is not attempting to make this a competitive issue but rather making sure from our prospective we understand the results.

Have a happy holiday season.

Best Regards,

PPV/mv

cc: William T. Sandalls Jr.  
Robert Schmid

P-1232