

CONFIDENTIAL

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# Memorandum

To  
Distribution

MasterCard  
International



From  
H. Eugene Lockhart

Date  
June 6, 1996

Subject

Copies to

I met with Joe Saunders today and took him through many of the core elements of our proposed bylaws regarding AMEX. As we discussed at the SMG earlier this week, our thinking was to have a bylaw that focuses on competing acceptance marks. We would handle the issue of Visa and Diners Club in a manner that stated that if these acceptance marks are owned (in whole or part) by the members then they would be exempt.

Joe supported this overall, but raised an interesting issue:

1. JCB: Not only does he issue JCB, but many other members issue JCB around the world. I wonder how we would handle that.
2. He wondered how we would handle private label cards. In other words, he suspects that himself, GE Capital, Associates, etc. would have concerns as our rule was written in a manner that would cause confusion or prevent them from owning the receivables of private label card programs. He noted that some of these private label programs did have multi-region acceptance capability (e.g., Mitsubishi Three-Star, Sanwa, Yamaha).

Clearly, we need to take his point on board. Also I note that yesterday the Visa European Board backed down from their mandate to not allow members to issue AMEX. I wonder what that does to our decision that this should be a global board rule.

HEL/le

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