

OCT 16 1995

**Memorandum
Confidential**

To: Carl Pascarella
From: Paul Allen
Re: Williamsburg Board Meeting
Date: 10/16/95

P-0770

The following are the salient director comments on the noted issues.

Sony On Line

Nicholson - wants option to extend

Mylod - Expresses concern about using the Visa brand in an "inappropriate" manner. *Note to Carl:* For as long as he has been on the Board, Bob has expressed concern (grounded in his religious beliefs) about the Visa brand being associated with "inappropriate" products, cards, etc. He has variously expressed concern about Nevada bordellos and 900 telephone numbers.

STT

Arena, Phillips - Express what you have heard before about the deal without MC and the timing of same. Both express need for a single standard.

Arena - Expresses specific concern about revealing consumer information to Microsoft. Also, should be allowing commerce at all -- or without modifying chargeback rights -- over open, unsecured networks?

Remote Banking

Phillips - Expresses some concern about Visa competing with Members.

Arena - Why start with an ACH product; why not wait to deliver a better product, even if it is later?

Sznewajs - Asks about a product for the small business market.

GOVERNMENT
DEPOSITION
EXHIBIT
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Carl Pascarella

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Apollo Generally

Arena - Expresses concern about doing a deal with them that merely increases the Microsoft stock price. We should focus on building superior technology.

Phillips - Concern about Microsoft's ability to move off the principles adopted; they should commit for an extended period of time.

Wells - Need guidelines from counsel on the conflicts here.

AMEX Situation

Tolleson -- strong support for an aggressive plan, even if it means an "assessment." Support from Nicholson and Giltner. Tolleson would rather spend money here than on Sony. We need deals so that merchants are discouraged from taking their card.

Phillips - Urges that the attack be on the travel segment. Would rather hurt Amex than help Walmart.

Supermarket Interchange

Arena - She places greater priority on adding to market segment penetration than marginal increase in interchange rate. We're too early in the supermarket cycle to do this.

Hunter and Chormann - Support Arena.

Biller - If we have not penetrated the market segment enough, then it's a bad idea to raise the rate.

Phillips - The competition here is the regional networks and Interlink, not so much MasterCard.

Visa Information

Boardman, Chaplin, Chormann -- concern about Visa ownership of the information.

Tolleson and Phillips -- sympathy for the position, but maybe we need a better alternative.

Chip Presentation

Arena - Expresses doubt that chip will replace mag stripe anytime in the next 10 years.