



July 8, 2004

«merch_id»«sequence»
 «Name»
 «address1»
 «address2»
 «city», «state» «zip»

Dear Merchant:

First Horizon Merchant Services (FHMS) and Humboldt Merchant Services (HMS) are pleased to announce the sale of your merchant account from FHMS to HMS effective July 1, 2004. HMS is a national leading Internet Acquirer. This acquisition allows both organizations to better focus on our core services thereby providing exemplary customer service and additional support in our respective area of expertise.

Within the next few months, you will begin receiving a new format of your monthly billing statement. In order to accommodate this, HMS will contact you prior to that time to re-direct your payment gateway or device and verify your account information as well as to answer any questions that you may have. This should have a minimal effect on your daily operations and will give us the opportunity to learn how to better serve your future needs.

There will be no increase to your fees or changes to your contract and all terms and conditions, inclusive of any personal guarantee, remain in effect.

Both FHMS and HMS thank you for your business. We look forward to continue providing you the type and quality of service to which you deserve as a valued customer. Should you have questions about your existing statement, please contact FHMS at (800) 333-8336. If you have any questions about HMS or the transition process, please contact HMS at (877) 635-3510.

Sincerely,

Tereše Brozovich
 SVP, Client Services
 First Horizon Merchant Services

Sue Redmond

 VP, Merchant Services Manager
 Humboldt Merchant Services