



Office of the Secretary

UNITED STATES OF AMERICA
FEDERAL TRADE COMMISSION
WASHINGTON, D.C. 20580

September 5, 2006

Mr. Edward P. Finnerty
Vice President
Champlain National Bank
3900 State Route 22
P.O. Box 130
Willsboro, New York 12996-0130

Re: *In the Matter of CardSystems Solutions, Inc., et al., File No. 052 3148*

Dear Mr. Finnerty:

This acknowledges your letter commenting on the Federal Trade Commission's consent agreement in the above-entitled proceeding. Your letter was placed on the public record pursuant to Rule 4.9(b)(6)(ii) of the Commission's Rules of Practice, 16 C.F.R. § 4.9(b)(6)(ii), and was given serious consideration by the Commission.

Your comment expresses support for obtaining redress for the losses suffered by issuing banks as a result of the alleged breach at CardSystems Solutions, Inc. The Commission ordinarily seeks redress for injury to consumers rather than institutions such as issuing banks. Whether or not the Commission will seek such redress in a particular case depends on a number of factors, including, but not limited to, the nature and magnitude of the consumer injury, whether victims are identifiable, and whether redress is practicable. After considering these and other factors in this case, the Commission determined not to seek consumer redress. Also, CardSystems faces potential liability in the millions of dollars under bank procedures and in private litigation for losses related to the breach.

After reviewing your comment, and the other submitted comments, the Commission has determined that the public interest would be best served by according final approval to the consent order. Thank you again for your comment.

By direction of the Commission, Commissioner Harbour recused.

Donald S. Clark
Secretary