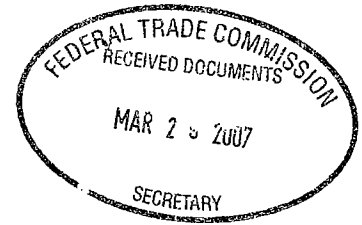

From: zhen Shan
Posted At: Thursday, March 29, 2007 1:36 PM
Conversation: Suggestion: Reimbursement plan in Kmart Gift Card Settlement
Posted To: Secretary
Subject: Suggestion: Reimbursement plan in Kmart Gift Card Settlement



I learned the proposed Kmart gift card settlement case and was very excited that consumer right will be protected in the future. One major logistic issue is how to reimburse those gift card holders. Unless one keeps old receipts, he cannot verify his possession of a card and get reimbursed.

As a professional in the card industry, I would like to share my solution. Kmart or its gift card issuer maintains a database detailing gift-card buyers' names and gift-card numbers (home address is not collected). From its Account Receivable database, Kmart can easily identify the gift-card numbers that had been unfairly charged a dormancy fee. Linking these two databases together, one can determine card buyers' names. Then, Kmart should use a consumer bureau or similar data vendors (like Acxiom) to do a name matching to identify card-buyers' mailing address. Based on names and addresses, Kmart will be able to pay back those buyers the dormancy fees.

I understand that a gift-card buyer is not necessary a card user. Card users are the true victims. But I believe that because of the specific nature of Kmart gift cards, my solution should work well.

There are two types of gift card buyers. One is business. Business buys cards as gifts for its business partners. KMart is hardly a place where a business wants its partners to spend money at. The other is consumers. Consumers buy cards as gifts for their friends and relatives. Kmart gift card buyers usually fall into this consumer category. In that case, card buyers usually know card users personally. Once card buyers get reimbursed by Kmart, they will forward the message / check to the card-receiving parties.

If you have any question, please let me know. Thanks!

James Shan
