

# What to Look for in your MLS Agreement

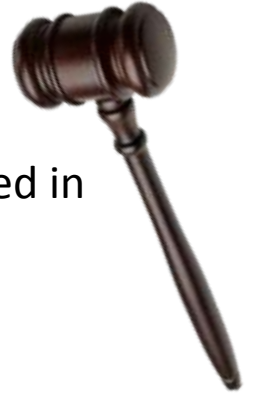


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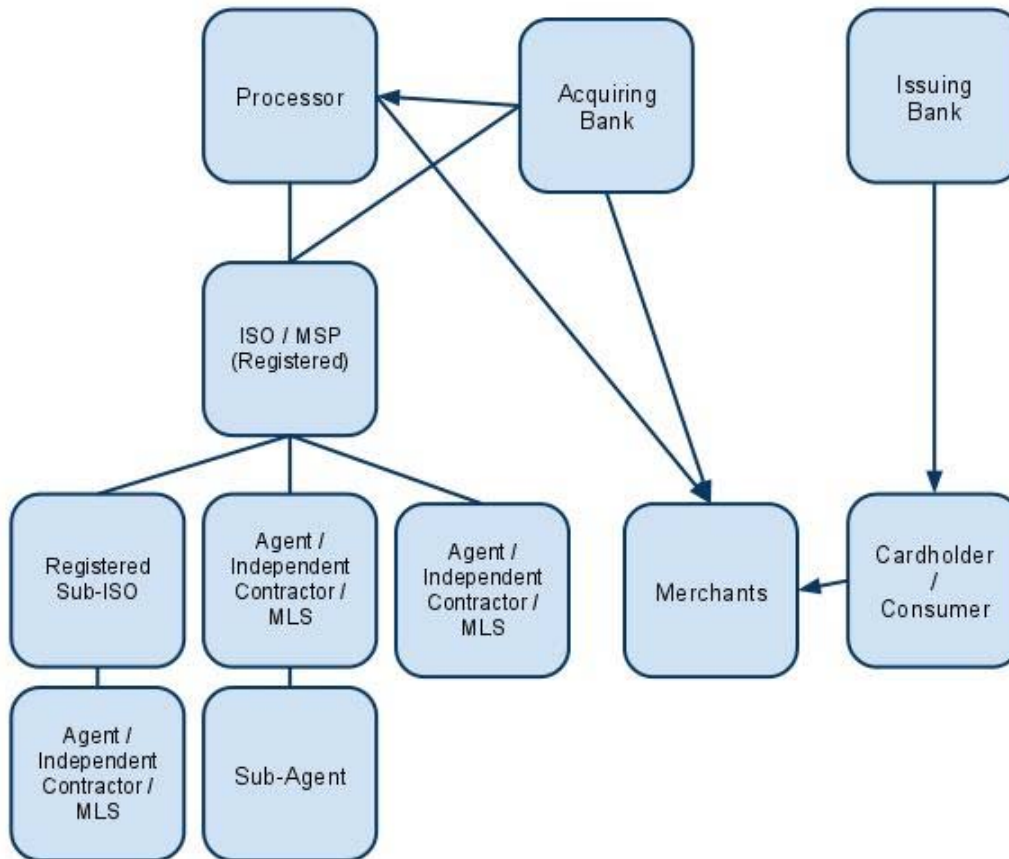
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# Introduction and disclaimer



- About Adam Atlas:
  - Licensed in New York. Based in lovely Montreal, Canada. Also licensed in Quebec.
  - 7 years of work exclusively in payments;
  - Acts for hundreds of ISOs throughout the US;
  - Legal columnist in [www.greensheet.com](http://www.greensheet.com) and [www.paymentsbusiness.ca](http://www.paymentsbusiness.ca);
  - Pleased to participate in MLS education; and
  - Provides free advice to MLS widows and widowers.
- Clauses discussed in this presentation are not necessarily the norm, but appear often enough to merit discussion
- **NOTHING IN THIS PRESENTATION SHALL BE INTERPRETED AS LEGAL ADVICE. ADAM ATLAS IS LICENSED IN THE STATE OF NEW YORK. ANY LANGUAGE PROPOSED IN THIS PRESENTATION IS FOR GENERAL DISCUSSION PURPOSES ONLY AND WILL NOT NECESSARILY FIT WITH YOUR AGREEMENT OR ACHIEVE THE GOAL YOU WISH TO ACHIEVE WITH IT. SEEK LEGAL ADVICE WHEN REVIEWING CONTRACTS.**

# What is an MLS?



# Non-Exclusivity



- The meaning of exclusivity.
- Meaning of preferred provider
- MLS preference for non-exclusive deal.
- Special consideration may make exclusivity acceptable.
- ISOs should be ware of DOL investigations.

# Pricing: 50% of What?

- MLS should read agreement and pricing schedule to understand how their residuals are calculated.
- What if ISO provides a new service, not listed on Schedule A?
- Minimums?
- Unilateral changes by ISO?



# Reasons For Termination of Residuals



Any termination.

Early termination by MLS.

Any breach by MLS.



Fraud by MLS.

Material breach by MLS that remains uncured for 30 days following notice.

Material and repeated Rule violation by MLS that remains uncured when MLS has received notice of violations.

# Non-Solicitation

- Can MLS solicit merchants for another ISO, but with the same bank as your ISO?
- Can MLS have its own direct processor relationships?
- Can ISO recruit your sub-agents?



# Termination

- Forced buyout of MLS?
- Right of MLS to assign residuals?
- Right MLS to assign agreement?

# Liability





# Q&A



- Questions?
- Thank you to NEAA.
- Thank you to attendees!



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