



April 13, 2011

Dear Valued Business Customer,

At TD Commercial Bank we value your business and are committed to informing you about matters affecting your account. I am writing to let you know that we will no longer be exercising any discretion with respect to the exception processing of payee names, in our Cheque Fraud Protection Service ("CFP"). This is being done to improve service consistency and protect against payee name alterations.

In anticipation of this change, we would like to provide the following information which will help you avoid unnecessary exception-related charges.

What you need to know about our Daily Exception Processing

Each cheque written on your Cheque Fraud Protection account, subscribed to the payee match option, passes through an automated Payee Name Verification module where the first 25 or 40 characters of the first line of the payee name, is read through Optical Character Recognition. It is then compared to the payee name previously provided in your issue file.

As of May 9th, operators will no longer exercise any discretion when reviewing exceptions and the first 25 or 40 characters printed on a cheque (depending on the character limit you have selected), **must match your issue file exactly.**

The following table outlines past examples where discretion may have been exercised. While these examples may have been acceptable in the past, they will result in exceptions going forward:

Condition	Cheque Payee Name (First Line)	Issue File Payee Name
The cheque's payee name is separated into two lines on your cheque	John Bailey ABC Corp	John Bailey ABC Corp
There is a number/character/word preceding or following the cheque's payee name (on the first line only) which does not appear in the issue file	John Smith (8) or 023456789 John Smith	John Smith
You subscribe to a 25 or 40 character payee name for the issue file and your issue file payee name contains fewer than 25 or 40 characters, respectively, but the cheque's payee name contains more than 25 or 40 characters	John Bailey Smith Incorporated → 30 characters including spaces	John Bailey Smith → 18 characters including spaces
Reversed payee names	Smith, John	John Smith

The word “and”, “or” or the ampersand symbol appears in the cheque’s payee name following the first 25 or 40 characters on the first payee line	ABC Widget Company Limited and John Smith	ABC Widget Company Limite (25 characters)
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What does your business need to do?

Kindly share this information with those who deal with Cheque Fraud Protection Service at your company and ensure:

- The first line of the cheque’s payee name contains the exact information that you have provided to us in your issue file.
- Your payee name information in the issue file begins in the correct field position (starting the payee name in the wrong position will cause the first or last characters in the issue file payee name to be truncated, causing unnecessary exceptions).
- The payee information provided in your issue file is all contained in the first payee line of your cheque, not split into two lines.

We believe these changes are in the best interests of all of our customers and will result in better overall fraud protection.

Thank you for using our Cheque Fraud Protection Service and doing business with TD Commercial Banking. You can read more about CFP features in our CFP Customer Guide by selecting the ‘Help’ link at the bottom of your CFP Web Home Page. For more information please contact your Relationship Manager or Manager, Business Banking Services.

Sincerely,



Dennis Parker
AVP Business Banking
Cash Management Services

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