

CARDMEMBER AGREEMENT AND ADDITIONAL DISCLOSURE STATEMENT

Term ID 080328

This document and accompanying Additional Disclosure Statement make up your Cardmember Agreement and Disclosure Statement and throughout this document are referred to as the "Cardmember Agreement" or "Agreement." The Additional Disclosure Statement contains important Account information including your Annual Percentage Rates (APRs) and the amount of any fees. Please take the time to familiarize yourself with your Agreement and retain it for future reference.

Thank you for being an HSBC Cardmember. We appreciate your business.

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AGREEMENT TO TERMS AND DEFINITIONS

This Cardmember Agreement and Additional Disclosure Statement as presently set forth, and as they may be amended, govern the open end line of credit we have established for you (your "Account"). We refer to these documents jointly as your "Cardmember Agreement" or "Agreement." "You" and "your" refer to all persons who applied for the Account or are contractually liable through any other means. "We," "us," and "our" refer to HSBC Bank Nevada, N.A. "Card" means any credit card, your assigned Account number and any other access devices issued under this Agreement. "Network" means Visa International, MasterCard International Incorporated, Discover Financial Services LLC or other governing credit card network, as applicable.

You and we are bound by this Agreement from the earlier of the time you receive it or from the date of the first transaction, including, without limitation, the placement or posting of any Annual Fee or Periodic Membership Fee on your Account. You may close your Account before using it without paying any Annual Fee, or Periodic Membership Fee, if applicable, to your Account, when you call us within 90 days of your Account open date at the customer service number on the back of your Card.

USING YOUR ACCOUNT

Account Use Restrictions

You agree to use your Account only for personal, family, household, or charitable purposes. You agree not to use your Account to make payments to us or to any of our affiliates. You agree to use your Account only for valid and lawful purposes. If your Account is used for any other purposes, you are responsible for such use and may be required to reimburse us and the Network for all resulting amounts and expenses. You are not authorized to use your Account for any internet gambling transactions, even if otherwise lawful and enforceable.

Types of Account Transactions

You can access your Account using your Card or by other means approved by us to make purchases or receive cash advances. We may limit the dollar amount and/or frequency of any type of transaction without notice to you.

Additional Cards

You may request additional Cards on your Account for yourself or others and you may permit authorized users to have access to the Card or Account number. You are personally responsible for each use of each Card issued on your Account according to the terms of this Agreement. If you permit authorized users to have access to your Account, you must pay us for all charges incurred by those persons, including charges for which you may not have intended to be responsible. You must notify us to revoke an authorized user's permission to use your Account. If you do so, we may close the Account and issue a new Card or Cards with a different Account number. You are responsible to recover from that authorized user and destroy any Cards, checks and other devices that can be used as a means of accessing your Account.

YOUR CREDIT

Credit Limit

The Card must be signed to be used. Whether you sign the Card or not, you are fully responsible for complying with all the terms of this Agreement, including the obligation to pay us for all balances due on your Account as specified in this Agreement.

We will advise you of the total credit limit on your Account when we first send you your Card. All or a portion of your total credit limit is available for cash advances. Your total credit limit and cash advance limit may change from time to time. We will notify you of any such changes through your billing statement or by sending you a separate notice. If no separate cash advance limit is listed on your billing statement, then the amount of your credit limit available for cash advances is your total credit limit.

You agree not to allow your unpaid balance (including Finance Charges and other charges) to exceed your total credit limit. We may elect to not extend credit if you have exceeded your total credit limit or if the amount requested would cause you to exceed your total credit limit. If you exceed your total credit limit, you agree to pay us that excess amount immediately.

Your available credit for purchases and your available credit for cash advances may not reflect your payments for up to 14 days.

Credit Authorizations

Some transactions may require our prior authorization and you may be asked by the merchant to provide identification. We may not be able to authorize a transaction, even if you have sufficient available credit. We may refuse to authorize any transactions at our sole discretion. We will not be liable to you if any of these events happen. We are not responsible for refusal or failure by any merchant to accept or honor your Card, or if a transaction cannot be completed for technical or other reasons.

PAYMENT

Promise to Pay

You promise to pay according to the terms of this Agreement for all: (a) credit we extend on your Account; (b) Finance Charges, and other fees and charges; and (c) collection costs and attorneys' fees to the extent permitted by applicable law.

If your Account is a joint Account, each joint Accountholder is jointly and individually responsible for all amounts due under this Agreement regardless of death, divorce, other legal proceedings or any agreement that may affect liability between you. If any joint Accountholder requests to not be liable for future transactions, we may close the Account.

Payment

Each periodic billing statement you receive from us will identify a Minimum Payment Due.

Minimum Payment Due

Your **Minimum Payment Due** each month will be calculated as follows:

- (a) If your New Balance is not more than \$15, your Minimum Payment is the New Balance.
- (b) If your New Balance is more than \$15, your Minimum Payment is the greater of:
 - (i) 1% of the New Balance shown on your statement plus the following:
 - any periodic Finance Charges posted to your Account during the billing cycle,
 - an amount equal to 1/12 of the Annual Fee, if applicable, or
 - (ii) \$15
- (c) Any Past Due Amount shown on your statement will be added to the Minimum Payment.
- (d) At our discretion, any Late Payment Fee and/or Overlimit Fee posted to your Account during the billing cycle may be added to your Minimum Payment.

Your Minimum Payment Due will be rounded up to the nearest dollar, unless doing so will cause the resulting value to exceed the New Balance.

If a different payment calculation is applicable to your Account, it will be disclosed on the Additional Disclosure Statement.

Recurring Transactions

If you authorize a third party to bill charges on a recurring basis to your Account, we may (but are not required to) provide such third party with your current Account status, Account number and/or expiration date to permit that party to continue billing your Account. We may take such steps even if your Account number changes or if we issue a renewal or replacement card. To withdraw authorization for a recurring charge in such a case, you must notify the third party. If you default, if a card is lost or stolen, or if we change your Account or Account number for any reason, we may refuse or suspend recurring charges; in such case you will be responsible for making arrangements to reinstate the recurring charge arrangement and/or for making other payment arrangements.

Timing and Form of Payments

You agree to pay at least the Minimum Payment Due, in time to be credited to your Account as of the Payment Due Date. Instructions for making payments are on your billing statement. For a payment to be credited to your Account as of a particular day, we must receive your payment by the date and time and in the manner specified in those instructions. If your Account is delinquent, you can avoid an additional late fee by paying at least the Minimum Payment Due amount in time to be credited to your Account as of the Payment Due Date. You may pay more than the Minimum Payment Due and you may pay the entire New Balance at any time.

All payments must be in U.S. dollars. Except for disputed payments, if you pay by mail the payment must be sent to the address specified on your billing statement. If you pay by negotiable instrument, such as a money order or check, it must be in a form that is acceptable to us and must be drawn on a U.S. financial institution. Any check, money order or other instrument tendered as an accord in satisfaction, or which includes a condition, restrictive endorsement or any statement to the effect that acceptance of such instrument shall constitute full or partial satisfaction of a disputed or undisputed debt (collectively, a "Condition") must be sent to the inquiries address on your billing statement. You must note conspicuously on the face of the payment instrument that it is tendered for this purpose. We reserve the right to refuse to accept any payment that is subject to a Condition. If the payment does not comply with the foregoing and we process it, we will not be bound by the Condition. By sending us a check for payment on your Account, you authorize us to initiate an electronic funds transfer from your bank or other financial institution account according to the terms of the check. This means that your check will be converted to an electronic transaction and your original check will not be returned to you by your bank. Your original check will be destroyed. Your checking or other financial institution account may be debited the same day we receive your check. If you do not want your checks to be converted to an electronic funds transfer, please call customer service at the phone number on the back of your Card. When you use our optional payment by phone service, you authorize us to initiate an electronic funds transfer from your designated bank account or to process the payment as a check transaction. You authorize the amount and timing of each payment. Please retain this authorization for your records.

Application of Payments

We apply payments to lower APR balances before higher APR balances. This means your balances subject to higher APRs may not be reduced before balances subject to lower APRs, such as Introductory or Promotional APRs, are paid off. The application of payments and Minimum Finance Charge may reduce the duration and benefit of any Introductory or Promotional rate offer.

INTEREST RATES AND FINANCE CHARGES

Interest Rates

The APRs on your Account are either fixed or variable rates. The APR is divided by 365 and rounded to the next highest hundred thousandth of a percentage point to determine your Daily Periodic Rate. The Daily Periodic Rate is used to determine the amount of Periodic Finance Charge (see Finance Charges). Variable rates are determined by adding a specified amount ("Spread") to an Index (described below).

Index for Variable Rate Accounts

Monthly Index. For each billing cycle, the Index is determined in the calendar month prior to the calendar month in which the billing cycle ends. In that prior calendar month, the highest (U.S.) "Prime Rate" published in the Money Rates table of *The Wall Street Journal* is selected (the "Index"). If the Index has changed, the new variable rates will take effect as of the first day of the first billing cycle that ends on or after the first day of the calendar month following the Index change.

If a different Index is applicable to your Account, the Index will be disclosed on the Additional Disclosure Statement.

An increase in the Index will increase your applicable Daily Periodic Rates which may increase the Finance Charge due on your Account and may increase the Minimum Payment Due. Each time any APR changes, we will apply it to any existing balances, excluding any fixed rate Promotional or Introductory APR.

Purchase APR

For credit card purchases, the Spread (for variable rates), APR and corresponding Daily Periodic Rate are disclosed on the Additional Disclosure Statement.

Cash APR

For cash advances, the Spread (for variable rates), APR and corresponding Daily Periodic Rate are disclosed on the Additional Disclosure Statement.

Default/Penalty APR

Your variable Default/Penalty APRs (hereinafter "Default APR(s)") and their application will be determined as follows:

All your APRs may automatically increase to your Default APR if you default under this Cardmember Agreement because you 1) fail to make a payment to us when due or 2) exceed your credit limit. (For Promotional or Introductory balance transfer balances, default additionally includes closure of this Account for any reason.)

In setting your Default APR, we may consider the following factors: how long your Account has been open, the existence, seriousness or timing of the defaults on your Account or any other account you have with us; other indications of your Account usage and performance; information about your other relationship(s) with us or any of our related companies; and information we obtain from consumer credit reports obtained from credit reporting agencies.

Your Default APR may take effect as of the first day of the billing cycle in which the default occurs. Your Default APR will remain in effect until you make each Minimum Payment Due by the Payment Due Date and do not exceed your credit limit for 6 consecutive billing cycles. At that time, your APR(s) will return to the non-default APR(s) (excluding Introductory or Promotional APRs) applicable to your Account.

The Default/Penalty APR and corresponding Daily Periodic Rate as well as the Spread are disclosed on the Additional Disclosure Statement.

Promotional or Introductory APR

At our discretion, we may offer you a Promotional or Introductory APR for any type of transaction. The Promotional or Introductory APR, corresponding Daily Periodic Rate, period of time for which the Promotional or Introductory APR applies, and conditions by which the Promotional or Introductory APR will be lost or be shortened are disclosed in the offer, if applicable. Certain promotional offers may or may not be subject to Cash Advance Fees. Any Promotional or Introductory APR offer will be subject to the terms of the offer and this Agreement.

See Additional Disclosure Statement for any additional APRs that may be applicable to your Account.

Finance Charges

All Finance Charges will be added to the purchase balance, unless otherwise specified.

Please see the Additional Disclosure Statement for applicability and amount of the following Finance Charges.

(a) Minimum Finance Charge. A Finance Charge that is assessed in lieu of a lesser periodic Finance Charge in any billing cycle in which a periodic Finance Charge is payable. The Minimum Finance Charge will be allocated to each category of transactions containing balances subject to a Finance Charge.

(b) Periodic Finance Charges. Periodic Finance Charges are computed by multiplying the Average Daily Balance for each category of transactions shown on the billing statement (e.g., purchases, balance transfers, cash advances) by the applicable Daily Periodic Rate and then multiplying the result by the number of days in the billing cycle. To calculate the Daily Balances, we take the beginning balance for each category of transactions each day, add any new transactions, any previous day's periodic Finance Charges, any assessed fees and charges, and subtract any payments and/or credits and we make any necessary adjustments. If a transaction posts after the beginning of a billing cycle, but the transaction occurred prior to the beginning of that billing cycle, the applicable Daily Balance and any related Finance Charge calculations may be adjusted retroactively to include the transaction amount as of the transaction date. Then, for each transaction category, we add the Daily Balances for the billing cycle together and divide the total by the number of days in the billing cycle. This is the Average Daily Balance for each transaction category. We may use mathematical formulas which produce equivalent results (including rounding or truncation) to calculate the Average Daily Balance, Finance Charge, and related amounts. For example, we may utilize computer programs or other computational methods that are designed to produce mathematically equivalent results while using fewer and/or simpler computational steps than are described in this Agreement. If the balance for any day is less than zero we treat it as zero.

(1) Grace Period for Credit Card Purchases for Goods and Services. Periodic Finance Charges begin to accrue on the date of the transaction and continue to accrue until payment in full is credited to your Account. However, there is a Grace Period on new credit card purchases. "Grace Period" means, if the New Balance shown on your last billing statement is paid in full by the Payment Due Date for that statement, periodic Finance Charges will not be imposed on new credit card purchases during the next following billing cycle, provided the New Balance for that next following billing cycle is paid in full by the Payment Due Date for that billing cycle. In other circumstances the Grace Period will not apply. The Payment Due Date will be at least 20 days from the statement date if no periodic Finance Charge was billed to the Account in the current billing period; otherwise the Payment Due Date will be 25 days from the statement date. If a different grace period is applicable to your Account, it will be disclosed on the Additional Disclosure Statement.

(2) Grace Period for Other Transactions (including cash advances, balance transfers and credit card checks). Periodic Finance Charges begin to accrue on the date of the transaction and continue to accrue until payment in full is credited to the Account. There is no Grace Period on other transactions, unless otherwise disclosed.

(3) Periodic Finance Charges will be calculated using the Daily Periodic Rate in effect on the billing statement closing date.

(4) Any request to change your billing cycle date is subject to our approval. You agree that changes based on your request may shorten any Grace Period you may have or increase the time period for which periodic Finance Charges may accrue.

(c) Cash Advance Fee Finance Charges. Cash advances include all advances to get cash over the counter, through an ATM, balance transfers (if available), credit card checks (if available), or other "cash-like" transactions (such as purchasing a money order, traveler's check, casino betting chip, or a lottery ticket) as determined by us. A Cash Advance Fee Finance Charge will be assessed on the amount of each cash advance as of the date the transaction posts to your Account and will be added to the cash balance.

(d) Foreign Transaction Fee Finance Charge. A Foreign Transaction Fee Finance Charge may be assessed on the U.S. dollar amount on transactions made in a foreign currency, as of the transaction date.

(e) See Additional Disclosure Statement for any additional Finance Charges that may be applicable to your Account.

The application of any Finance Charge other than a periodic Finance Charge may cause the APR on the billing statement on which this Finance Charge first appears to exceed the Nominal APR (annualized amount of periodic Finance Charges).

ACCOUNT FEES

Please see the Additional Disclosure Statement for amounts of the following fees. All fees will be added to the purchase balance, unless otherwise specified.

Annual Fee/Periodic Membership Fee

If your Account is subject to an Annual Fee or Periodic Membership Fee, you agree to pay this fee each year (or other periodic assessment if indicated on the Additional Disclosure Statement) your Account is open, or closed with a balance. You agree that this fee will be charged to your Account.

If you close your Account within the first 90 days your Account is open, the Annual Fee/Periodic Membership Fee(s) are refundable so long as you have not used the Account. The Annual Fee/Periodic Membership Fee compensates HSBC Bank Nevada, N.A. in part, for cardmember services provided or made available to you throughout the membership year.

Late Payment Fee

A Late Payment Fee may be assessed for each billing cycle in which at least the Minimum Payment Due, and any amount past due, is not paid in time to be credited to the Account by the Payment Due Date.

Overlimit Fee

An Overlimit Fee may be assessed if the Account balance exceeds the total credit limit at any time during a billing cycle. We may impose this fee even if we authorize any transactions or impose any charges that cause your balance to exceed the credit limit.

Other Fees and Charges

Returned Payment Fee

A Returned Payment Fee may be assessed to the Account each time a payment check, automatic payment deduction, or other payment method is not honored or is returned unsatisfied by your bank or other financial institution. Any payment returned unsatisfied for any reason may be reposted to any type of transaction (i.e. cash advance, purchases, etc.) and Finance Charges may be reinstated back to the payment date at the APR being charged for that transaction.

Returned Check Fee

A Returned Check Fee may be assessed to the Account each time a credit card check, balance transfer check (if available), electronic check or other Account access device is returned unsatisfied by us for any reason.

Check by Phone Fee

A Check by Phone Fee may be assessed to the Account each time a payment is made by telephone, even if the payment is made by someone other than you. The amount of this fee will be disclosed at the time such payment is requested.

Stop Payment Fee

A Stop Payment Fee may be added to the cash advance balance when a payment of a credit card check is stopped at your request. Payment may be stopped on a credit card check by notifying us in writing or by calling us at the telephone number listed on the Account billing statement, so long as such check has not already been processed. A stop payment request must include the check number, payee, amount, and date of the credit card check on which payment is

to be stopped. If a stop payment is requested by telephone, the call must be confirmed in writing within 14 days. A written stop payment will remain in effect for six months unless renewed in writing. Written stop payment requests should be sent to the **inquiries** address shown on your billing statement.

Research Fee

A Research Fee may be assessed to the Account for each copy of a sales slip, billing statement, or other document requested.

Additional Fees

See the Additional Disclosure Statement for any other fees that may be applicable to your Account.

FOREIGN TRANSACTIONS

If you make a transaction in a foreign currency, the transaction will be converted by the Network, into a U.S. dollar amount in accordance with its operating regulations or conversion procedures in effect at the time the transaction is processed. Currently, Network regulations and procedures provide that the currency conversion rate to be used is either (1) a wholesale market rate, or (2) a government-mandated rate in effect on either (i) the applicable central processing date, or (ii) one day prior to the processing date. The currency conversion rate in effect on the processing date may differ from the rate in effect on the transaction or posting date. The Network may change the procedures, from time to time, at its own discretion.

ACCOUNT RENEWAL, CLOSURE AND TERMINATION

Card Renewal

Cards are issued with an expiration date. We have the right not to renew your Card for any reason.

Closing Your Account

You can close your Account by notifying us in writing or by telephone. Your Account balance will continue to accrue Finance Charges and other fees and your Account will remain subject to all the terms and conditions of this Agreement. We will not honor any credit card check written on your Account or authorize any transactions after your Account is closed and you must destroy your Card(s) and any unused credit card checks. Send your written request to close your Account to the inquiries address shown on your billing statement or you may call us at the telephone number listed on your billing statement.

Account Closure

We may close your Account, suspend your credit privileges, or reduce your credit limit at any time and for any reason, subject to the requirements of applicable law. In any of these events, your Account balance will continue to accrue Finance Charges and fees and will remain subject to all the terms and conditions of this Agreement. If we close your Account, you agree to destroy your Card(s) and any unused credit card checks. If your Account has been closed, or your credit privileges are suspended, you may not use your Card or credit card checks.

Default

You will be in default under this Agreement if: (a) you fail to make at least the Minimum Payment Due in time to be credited to your Account as of the Payment Due Date; (b) you violate any other provision of this Agreement; (c) you become deceased; (d) you become subject to bankruptcy or insolvency proceedings; (e) you supply us with misleading, false, incomplete or incorrect information; (f) we receive information from third parties, including credit reporting agencies, which indicate a serious delinquency or charge-off with other creditors; (g) you fail to provide us a physical address; (h) you exceed your credit limit; (i) your payment is returned unsatisfied by your bank or other financial institution for any reason; or (j) any credit card check is returned unpaid by us. Upon default, we have the right to close your Account, to terminate or suspend your credit privileges under this Agreement, to change the terms of your Account and this Agreement, to require you to pay your entire Account balance including all accrued but unpaid charges immediately, and to sue you for what you owe. If you do not pay us, your Account balance will continue to accrue Finance Charges and fees until paid in full and will remain subject to all the terms and conditions of this Agreement. If we sue you, or if we hire a third party to collect your Account balance, you will pay our court costs, reasonable attorneys' fees and other collection costs related to the default to the extent permitted by law in the state in which you reside, and we will apply your payments first to attorneys' fees and other costs and then to principal and unpaid Finance Charges.

CREDIT CARD FRAUD

Lost or Stolen Credit Card or Account Checks

You agree to notify us immediately if your credit card or credit card checks are lost or stolen or your Account number is compromised. You may notify us by calling us at the phone number listed on your billing statement.

Liability for Unauthorized Use

You should retain copies of all charge slips until you receive your billing statement, at which time you should verify that the charges are true and the amounts unaltered. You may be liable for the unauthorized use of your credit card. You will not be liable for unauthorized use that occurs after you notify us of the loss, theft or possible unauthorized use. Notification must be given either by writing us immediately upon learning of the loss, theft or possible unauthorized use or calling us at the telephone number listed on your billing statement. You will not be liable for any unauthorized use of your credit card Account when you notify us immediately by phone or in writing. In any case, your liability for unauthorized use of your credit card will not exceed \$0. To notify us of unauthorized use of your credit card, you may call or write to us at the telephone number or inquiries address shown on your billing statement.

PERSONAL INFORMATION

Change of Name, Address, Telephone Number or Employment

You agree to give us prompt notice of any change in your name, mailing address, telephone number or place of employment.

Updated Financial and Other Information

Upon request, you agree to promptly give us accurate financial and other information about yourself.

Credit Reporting

If you fail to fulfill the terms of your credit obligation, a negative report reflecting on your credit record may be submitted to credit reporting agencies. If any specific information related to your Account transactions or credit experience with us is inaccurate, you may notify us to correct the inaccurate information (after confirmation of the alleged error) reported to any credit reporting agency by writing to us at P.O. Box 98706, Las Vegas, NV 89193.

Certain Privacy Practices

You agree that from time to time we may receive credit information concerning you from others, such as stores, other lenders, and credit reporting agencies, and that we may use this information to amend, cancel or suspend your credit privileges under this Agreement even if you are not in default with us. You agree that the Department of Motor Vehicles may release your residence address to us, should it become necessary to locate you. You agree that our supervisory personnel may listen and record telephone calls between you and our representatives in order to evaluate the quality of our service to you and to other cardmembers. For additional information regarding our privacy practices, please refer to our Privacy Statement.

ADDITIONAL TERMS

Change of Terms (Including Finance Charges)

WE MAY CHANGE OR TERMINATE ALL OR ANY PART OF THIS AGREEMENT OR ADD NEW TERMS AT ANY TIME, INCLUDING WITHOUT LIMITATION ADDING OR INCREASING FEES, INCREASING YOUR PERIODIC PAYMENT, INCREASING THE RATE OR AMOUNT OF FINANCE CHARGES, OR CHANGING THE METHOD OF COMPUTING THE BALANCE UPON WHICH FINANCE CHARGES ARE ASSESSED. AMONG OTHER THINGS, WE MAY INCREASE YOUR APR, FEES, AND TOTAL COST OF CREDIT BASED ON A CHANGE IN YOUR CREDIT HISTORY, AN INCREASE IN YOUR CREDIT OBLIGATIONS, ACCOUNT PERFORMANCE, USE OF YOUR CREDIT LINES WITH US OR ANOTHER CREDITOR, OR OUR FINANCIAL

RETURN. ANY CHANGES WILL BE IN ACCORDANCE WITH THIS AGREEMENT AND APPLICABLE LAW. WRITTEN NOTICE WILL BE PROVIDED TO YOU WHEN REQUIRED BY APPLICABLE LAW. UNLESS OTHERWISE STATED, CHANGES APPLY TO BOTH NEW AND OUTSTANDING BALANCES.

ARBITRATION

Federal Arbitration Act

This arbitration agreement is made pursuant to a transaction involving interstate commerce, and shall be governed by the Federal Arbitration Act, 9 U.S.C. Sections 1 - 16 (the "FAA"). The arbitrator shall apply applicable substantive law consistent with the FAA and provide written reasoned findings of fact and conclusions of law upon request. The arbitrator's award shall not be subject to appeal except as permitted by the FAA. The parties agree that the award shall be kept confidential. Judgment upon the award may be entered in any court having jurisdiction.

Claims and Arbitration Administrators

This arbitration provision shall apply to any Claim (defined below) by or against us, or you or any other Covered Person (defined below). You agree any claim, dispute, or controversy (whether based upon contract; tort; intentional or otherwise; constitution; statute; common law; or equity and whether pre-existing, present or future), including initial claims, counter-claims, cross-claims and third party claims, arising from or relating to (a) this Agreement, your Account, any transaction or activity involving any payment or failure to make payment on your Account, or any solicitation, advertisement, promotion, or oral or written statements related to this Agreement or your Account, (b) the relationships which result from this Agreement and your relationship with any Covered Person pursuant to the criteria in the immediately preceding subsection or (c) the scope, validity or enforceability of this arbitration clause, any part thereof or the entire Agreement (any of the foregoing a "Claim"), shall be resolved, upon the election of you, us, or any other Covered Person described below, by binding arbitration pursuant to this arbitration provision and the applicable rules or procedures of the arbitration administrator selected at the time the Claim is filed. The party initiating the arbitration proceeding shall have the right to select one of the following arbitration administrators: the National Arbitration Forum ("NAF") or the American Arbitration Association ("AAA"). The arbitrator shall be a lawyer with more than ten years experience or a retired or former judge. The rules and forms of the NAF and AAA may be obtained by writing to these organizations at the addresses listed under Further Information below. Our address for service of process under this provision is HSBC Card Services Inc., P.O. Box 98740, Las Vegas, NV 89193-8740.

Small Claims Exemption

We agree not to invoke our right to arbitrate an individual Claim you may bring in small claims court or an equivalent court, if any, so long as the Claim is pending only in that court.

Location of Arbitration and Fees

Any participatory arbitration hearing that you attend will take place in the city nearest to your residence where a federal district court is located or at such other location as agreed by the parties. On any Claim you file, you will pay the first \$50 of the filing fee. At your request we will pay the remainder of the filing fee and any administrative or hearing fees charged by the arbitration administrator on any Claim submitted by you in arbitration up to a maximum of \$1,500. If you are required to pay any additional fees to the arbitration administrator, we will consider a request by you to pay all or part of the additional fees; however, we shall not be obligated to pay any additional fees unless the arbitrator grants you an award. If the arbitrator grants an award in your favor, we will reimburse you for any additional fees paid or owed by you to the arbitration administrator up to the amount of the fees that would have been charged if the original Claim had been for the amount of the actual award in your favor. The parties shall bear the expense of their respective attorney's fees, except as otherwise provided by law. If a statute gives you the right to recover any of these fees, or the fees paid to the arbitration administrator, these statutory rights shall apply in the arbitration notwithstanding anything to the contrary contained herein. If the arbitrator issues an award in our favor, you will not be required to reimburse us for any fees we have previously paid to the arbitration administrator or for which we are responsible.

Covered Persons

This arbitration agreement covers Claims by or against (a) us, any corporate parent, subsidiary, or affiliate, any predecessor or successor of the foregoing, and any officer, director, employee, agent or representative of any of the aforementioned, (b) you and any authorized user, and any other person claiming through you or any authorized user, and (c) any other person assisting us in offering Cards, administering Accounts or providing Card-related benefits or services ("Covered Persons"). If a Claim that is within the scope of the first paragraph of the "Claims and Arbitration Administrators" paragraph above is advanced by or against any third person, and any of the persons mentioned in the previous sentence is involved as a party, then the entire Claim is subject to arbitration under this Agreement, including any Claim by or against any third person.

Protection of Information

The rules and procedures of the arbitration administration organization, which you may obtain from that organization, shall govern the arbitration unless they conflict with this arbitration agreement provision, in which case this arbitration agreement will control. The arbitrator will not be bound by judicial rules of procedure and evidence that would apply in a court, nor to state or local laws that relate to arbitration proceedings. If you or we request, the arbitrator will honor claims of privilege recognized under applicable law and will use best efforts to protect confidential information (including through use of protective orders).

Decision and Appeal

The arbitrator's decision will be final and binding after fifteen days unless you or we seek an appeal of the award by making a written request to the arbitration administration organization. In the event of such an appeal, an appeal panel consisting of three arbitrators will consider all factual and legal issues anew, will conduct the appeal in the same manner as the initial arbitration, and will make decisions based on the vote of the majority. The panel's decision will be final and binding. Any final decision of the arbitrator or of the appeal panel is subject to judicial review only as provided under the FAA. An award in arbitration will be enforceable under the FAA by any court having jurisdiction.

Parties to Arbitration

Arbitration shall be conducted in the name of individually named parties. Unless all parties consent, neither you nor we may join, consolidate, or otherwise bring claims regarding two or more accounts, individuals, or account holders in the same arbitration. There shall be no class action procedures, or other representative or collective actions, in an arbitration, even if the underlying dispute has been asserted in a court as a class action, private attorney general action, or other representative or collective action. No party may advance a claim in arbitration on behalf of or against a person in a representative or collective capacity, or on behalf of or against a person who is not an individually named party to the arbitration; nor may a party seek an award or benefit in arbitration on behalf of or against a person who is not an individually named party. The arbitrator shall not have authority to resolve any claim advanced by or on behalf of anyone who is not an individually named party, and shall not have the authority to make an award for the benefit of anyone who is not an individually named party; the arbitrator shall not have the power to make an award against anyone who is not an individually named party.

Consequences of Electing Arbitration

THE PARTIES ACKNOWLEDGE THAT THEY HAVE A RIGHT TO LITIGATE CLAIMS THROUGH A COURT BEFORE A JUDGE OR JURY, BUT WILL NOT HAVE THAT RIGHT IF EITHER PARTY ELECTS ARBITRATION. THE PARTIES HEREBY KNOWINGLY AND VOLUNTARILY WAIVE THEIR RIGHTS TO LITIGATE SUCH CLAIMS IN A COURT BEFORE A JUDGE OR JURY UPON ELECTION OF ARBITRATION BY EITHER PARTY.

Further Information

You may contact, obtain the arbitration rules of, or file a Claim with NAF or AAA as follows:

National Arbitration Forum, P.O. Box 50191, Minneapolis, MN 55405, www.arb-forum.com

American Arbitration Association, 1150 Connecticut Ave. NW, 6th floor, Washington, DC 20036-4104, www.adr.org

Miscellaneous

This arbitration agreement shall survive termination of your Account as well as the repayment of all amounts borrowed hereunder. If any portion of this arbitration agreement is deemed invalid or unenforceable under any law or statute consistent with the FAA, it shall not invalidate the remaining portions of this

arbitration agreement or the Agreement except that in no event shall the invalidation of any portion of this arbitration agreement have the effect of authorizing an arbitrator to arbitrate a class action or other matter involving joinder or consolidation of claims without the express written consent of you and us. In the event of a conflict or inconsistency between the rules and procedures of the arbitration administrator and this arbitration agreement, this arbitration agreement shall govern. No class actions or joinder or consolidation of any Claim with the claim of any other person are permitted in arbitration without the express written consent of you and us.

OTHER INFORMATION

Assignment of Account

We may sell, assign or transfer your Agreement and Account or any portion thereof without notice to you. You may not sell, assign or transfer your Account. If we assign your Account the assignee shall have the same rights as we do under this Agreement.

Waiver

We may choose to delay enforcing or waive any of our rights under this Agreement in certain situations. We can delay enforcing or waive any of our rights without affecting our other rights. If we waive a right, we do not thereby waive the same right in other situations.

Severability

If any provision of this Agreement is finally determined to be void or unenforceable under any law, rule or regulation, all other provisions of this Agreement will remain valid and enforceable.

Applicable Law

This Agreement and your Account will be governed by federal law and, to the extent state law is applicable, the laws of the state of Nevada, whether or not you live in Nevada and whether or not your Account is used outside Nevada. This Agreement is entered into in Nevada, your Account is maintained in Nevada, and all credit under this Agreement will be extended from Nevada.

YOUR BILLING RIGHTS

What To Do If There's An Error In Your Bill

YOUR BILLING RIGHTS – KEEP THIS NOTICE FOR FUTURE USE

This notice contains important information about your rights and our responsibilities under the Fair Credit Billing Act.

NOTIFY US IN CASE OF ERRORS OR QUESTIONS ABOUT YOUR BILL

If you think your bill is wrong, or if you need more information about a transaction on your bill, write to us (on a separate sheet) at the address listed on your bill. Write us as soon as possible. We must hear from you no later than 60 days after we sent you the first bill on which the error or problem appeared. You can telephone us, but doing so will not preserve your rights.

Please include the following information in your letter:

- Your name, account number and signature;
- The dollar amount of the suspected error; and
- Describe the error and explain, if you can, why you believe there is an error.

If you need more information, describe the item you are not sure about. If you have authorized us to pay your Account bill automatically from your savings or checking account, you can stop the payment on any amount you think is wrong. To stop the payment, your letter must reach us three business days before the automatic payment is scheduled to occur.

YOUR RIGHTS AND OUR RESPONSIBILITIES AFTER WE RECEIVE YOUR WRITTEN NOTICE:

We must acknowledge your letter within 30 days, unless we have corrected the error by then. Within 90 days, we must either correct the error or explain why we believe the bill was correct.

After we receive your letter, we cannot try to collect any amount you question, or report you as delinquent. We can continue to bill you for the amount you question, including Finance Charges, and we can apply any unpaid amount against your Credit Limit. You do not have to pay any questioned amount while we are investigating, but you are still obligated to pay the parts of your bill that are not in question.

If we find that we made a mistake on your bill, you will not have to pay any Finance Charges related to any questioned amount. If we didn't make a mistake, you may have to pay Finance Charges, and you will have to make up any missed payments on the questioned amount. In either case, we will send you a statement of the amount you owe and the date it is due.

If you fail to pay the amount we think you owe, we may report you as delinquent. However, if our explanation does not satisfy you, and you write to us within ten days telling us you still refuse to pay, we must tell anyone we report you to that you have a question about your bill. And, we must tell you the name of anyone we reported you to. Upon settlement of the dispute, we must tell everyone we report you to that the matter has been settled.

If we don't follow these rules, we can't collect the first \$50 of the questioned amount, even if your bill was correct.

SPECIAL RULES FOR CREDIT CARD PURCHASES

If you have a problem with the quality of property or services you purchased with a credit card, and you have tried in good faith to correct the problem with the merchant, you may have the right not to pay the remaining amount due on the property or services. There are two limitations on this right:

- (a) You must have made the purchase in your home state or if not, within 100 miles of your current mailing address.
- (b) The purchase price must have been more than \$50.

These limitations do not apply if we own or operate the merchant, or if we mailed you the advertisement for the property or services. HSBC Card Services Inc. and/or HSBC Card Services (II) Inc. provide processing services for HSBC Bank Nevada, N.A.

You may write to us at the address shown on your billing statement or HSBC Bank Nevada, N.A., 1111 North Town Center Drive, Las Vegas, Nevada 89144.

Patrick Burke
Senior Executive Vice President and Chief Executive Officer
HSBC Finance Corporation.
August 1, 2009

This is part of your Cardmember Agreement and Disclosure Statement ("Agreement") for your credit card Account. Please keep this with your important papers.

ADDITIONAL DISCLOSURE STATEMENT

The Default APR section in the enclosed Agreement is replaced with the following:

All your APRs may automatically increase to your Default APR if you default under this Cardmember Agreement because you 1) fail to make a payment to us when due or 2) exceed your credit limit.

In setting your Default APR, we may consider the following factors: how long your Account has been open, the existence, seriousness or timing of the defaults on your Account or any other account you have with us; other indications of your Account usage and performance; information about your other relationship(s) with us or any of our related companies; and information we obtain from consumer credit reports obtained from credit reporting agencies.

Your Default APR takes effect as of the first day of the billing cycle in which the default occurs. Your Default APR will remain in effect until you make each Minimum Payment Due by the Payment Due Date and do not exceed your credit limit for 6 consecutive billing cycles. At that time, your APR(s) will return to the non-default APR(s), (excluding Introductory or Promotional APRs), applicable to your Account.

INTEREST RATES AND FINANCE CHARGES

Index for Variable Rate Accounts

Monthly Index applies to your Account.

Annual Percentage Rate ("APR")

Specific Rates and Fees may be determined based on your creditworthiness.

	Daily Periodic Rate ("DPR") and APR	Minimum DPR and APR	Spread
Customary Purchase APR	Applies to credit card purchases and balance transfers.		
	.04107% - .06025% DPR (corresponding 14.99% - 21.99% APR)	.04107% - .06025% DPR (corresponding 14.99% - 21.99% APR)	11.74% - 18.74%
Cash APR	Applies to cash advances, including cash advances made by credit card check.		
	.06299% - .07942% DPR (corresponding 22.99% - 28.99% APR)	.06299% - .07942% DPR (corresponding 22.99% - 28.99% APR)	19.74% - 25.74%
Default Purchase APR	.07463% DPR (corresponding 27.24% APR)	.06573% DPR (corresponding 23.99% APR)	up to 23.99%
Default Cash APR	.07463% - .07942% DPR (corresponding 27.24% - 28.99% APR)	.06573% - .07942% DPR (corresponding 23.99% - 28.99% APR)	up to 23.99%

Finance Charges

a) Minimum Finance Charge	\$1.00
b) Periodic Finance Charges (1) Grace Period	At least 20-days after the close of the previous billing cycle on new credit card purchases, provided you paid your previous balance in full.
c) Cash Advance Fee Finance Charge	For each ATM Transaction, non-promotional Balance Transfer or Convenience Check Transaction, when the transaction is for \$100 or less: \$5. All other Cash Transactions: The greater of 4% of the amount of Cash Transactions or \$15.
d) Foreign Transaction Fee Finance Charge	3% of the U.S. dollar amount on transactions made in foreign currency.

Account Fees

Annual Fee / Periodic Membership Fee	\$0 - \$59
Late Payment Fee	\$39
Overlimit Fee	\$39
Returned Payment Fee	\$35
Returned Check Fee	\$15
Stop Payment Fee	\$0
Research Fee	\$7

Pricing Addendum

INTEREST RATES AND FINANCE CHARGES

The Annual Percentage Rates ("APR"s) on your Account are either fixed or variable rates. The APR is divided by 365 and rounded to the next highest hundred thousandth of a percentage point to determine your Daily Periodic Rate. The Daily Periodic Rate is used to determine the amount of periodic Finance Charges. Variable rates are determined by adding a specified amount ("Spread") to an Index (described below).

Index for Variable Rate Accounts

Monthly Index Information. For each billing cycle, the Index is determined in the calendar month prior to the calendar month in which the billing cycle ends. In that prior calendar month, the highest (U.S.) "Prime Rate" published in the Money Rates table of *The Wall Street Journal* is selected (the "Index"). If the Index has changed, the new variable rates will take effect as of the first day of the first billing cycle that ends on or after the first day of the calendar month following the Index change. Specific Rates and Fees may be determined based on your creditworthiness.

Customary Purchase APR

Prime plus 11.74% – 18.74%
Minimum APR: 14.99% - 21.99%

Balance Transfer APR

Prime plus 11.74% - 18.74%, if offered
Minimum APR: 14.99% - 21.99%, if offered

Cash APR

Prime plus 19.74% - 25.74%
Minimum APR: 22.99% - 28.99%

Default Purchase APR

Prime plus up to 23.99%
Minimum APR: 23.99%

Default Cash APR

Prime plus up to 23.99%
Minimum APR: 23.99% - 28.99%

Default APR: All your APRs may automatically increase to your Default APR if you default under this Cardmember Agreement because you 1) fail to make a payment to us when due or 2) exceeds your credit limit. (For Promotional or Introductory balance transfer balances, default additionally includes closure of this Account for any reason.)

In setting your Default APR, we may consider the following factors: how long your Account has been open, the existence, seriousness or timing of the defaults on your Account or any other account you have with us; other indications of your Account usage and performance; information about your other relationship(s) with us or any of our related companies; and information we obtain from consumer credit reports obtained from consumer reporting agencies.

Your Default APR takes effect as of the first day of the billing cycle in which the default occurs. Your Default APR will remain in effect until you make each Minimum Payment Due by the Payment Due Date and do not exceed your credit limit for 6 consecutive billing cycles. At that

time, your APR(s) will return to the non-default APR(s), excluding Introductory or Promotional APRs, applicable to your Account.

FINANCE CHARGES

Minimum Finance Charge: A minimum **Finance Charge** of \$1.00 will be assessed for each billing cycle in which a Finance Charge is payable.

Grace Period: At least 20 days after the close of the previous billing cycle on new credit card purchases, provided you paid your previous balance in full. There is no grace period on cash advances or balance transfers.

Balance Transfer Fee: \$5 for if the transaction is \$100 or less or; \$15 or 4%, whichever is greater, if the transaction is greater than \$100.

Cash Advance Fee: \$5 for each ATM or Convenience Check transaction if the transaction is \$100 or less. For all other cash transactions, \$15 or 4%, whichever is greater.

Foreign Transaction Fee: 3% of the U.S. dollar amount on transactions made in a foreign currency, as of the transaction date.

ACCOUNT FEES

Annual Fee: \$0 - \$59

Late Payment Fee: \$39

Overlimit Fee: \$39

Returned Payment Fee: \$35

Required insurance, debt cancellation or debt suspension coverage: None

Balance Computation Method: Average Daily Balance (including new transactions).

To calculate the Daily Balances, we take the beginning balance for each category of transactions each day, add any new transactions, any previous day's periodic Finance Charges, any assessed fees and charges, and subtract any payments and/or credits and we make any necessary adjustments. Then, for each transaction category, we add the Daily Balances for the billing cycle together and divide the total by the number of days in the billing cycle. This is the Average Daily Balance for each transaction category.

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