

Design and Testing of Effective Truth in Lending Disclosures

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Federal Reserve System

Submitted by:



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EXECUTIVE SUMMARY

BACKGROUND AND DESCRIPTION OF PROJECT

The Truth in Lending Act (TILA) was enacted by Congress in 1968. The primary purpose of this act was to protect consumers by requiring that lenders disclose key pieces of information to consumers at various points in time. The Federal Reserve Board (the “Board”) was assigned by Congress the responsibility of implementing TILA, and currently does so through its Regulation Z.

In 2004 the Board began the process of revisiting some portions of Regulation Z to determine whether revisions were necessary. The rules being reviewed relate to open-end credit, of which the primary example is general-purpose credit cards. The goal of the review is to ensure that the regulations lead to disclosures that consumers would most likely to pay attention to, understand and comprehend, and be able to use in their decisionmaking.

In April 2006, the Board contracted with Macro International Inc. (“Macro”) to assist the Board in this effort. Macro is a research and evaluation company headquartered in Calverton, MD, that has 40 years of experience working with government and non-profit clients. Their role in the project is to work with the Board to conduct consumer testing and design improved credit card disclosures based on the results of that research.

This project thus far has consisted of two phases. In the first phase, Macro conducted four focus groups¹ (two at Macro’s headquarters in Calverton, MD and two in Birmingham, AL) and one round of cognitive interviews² in Baltimore, MD that focused on how consumers use credit card disclosures that they currently receive. The focus groups gathered information about the types of information that consumers currently use for financial decisionmaking, while the one-on-one cognitive interviews studied how they read and use specific credit card disclosure forms.

The second phase of the project, which took place between September 2006 and March 2007, was devoted to the development and testing of revised forms. This phase consisted of four additional rounds of one-on-one cognitive interviews with a total of 33 participants in Kansas City, MO; Denver, CO; Boston, MA; and Dallas, TX. A set of revised model forms was developed for each round. In the interviews, participants were asked to read and use these mock forms just as they normally would, and data was collected on which aspects of each form were most successful in providing information clearly and effectively. The findings from each round of interviews led to revisions to the models for the next round.

This consumer testing informed the Board’s proposed revisions to Regulation Z, which the Board will be releasing for public comment in May 2007. The revised disclosure forms that were developed through the testing will be included as model forms with the proposal.

¹ Each focus group consisted of between eight and thirteen people that discussed issues identified by the Board staff and raised by a moderator from Macro.

² The cognitive interviews consisted of one-on-one discussions with consumers.

SUMMARY OF FINDINGS

The testing conducted by Macro focused on six different types of disclosures related to credit card accounts:

- **Solicitation and Application Disclosures:** These disclosures (often referred to as the “Schumer Box” disclosures) are provided on or with direct-mail solicitations and applications for credit cards to help consumers compare and shop for credit cards. Of the disclosures addressed in this study, this is the only one for which a specific tabular layout is required by the Board.
- **Initial or Account-Opening Disclosures:** These disclosures are provided when the credit card account is opened to inform consumers about the terms of the account. These disclosures are mostly provided in cardholder agreements, along with other legal and contractual information that issuers opt to include.
- **Periodic Statements:** These disclosures are usually provided to consumers on a monthly basis to inform them about transactions, fees, and interest charges incurred in the previous billing cycle. These statements inform consumers of when they must make a payment in order to avoid additional charges, as well as how large their payment must be. Periodic statements also include the interest rates that apply to the account.
- **Change-in-Terms Notices:** These disclosures are given to consumers whenever a change is made to the terms of the account. They are either included as an insert with periodic statements or sent in a separate mailing.
- **“Convenience Checks”:** These checks (sometimes called “balance transfer checks”) are given to consumers as additional devices to access their credit card accounts. They are usually included with periodic statements or sent to cardholders in a separate mailing.
- **Solicitation Letters:** Credit card offers that are sent in the mail usually include a solicitation letter, along with a required Schumer Box. This letter is primarily for marketing the offer to consumers, but it usually includes a description of some of the account terms. Although these letters are not required disclosures, the Bankruptcy Act, which was passed in 2005, requires the solicitation letter to contain certain disclosures if the letter discloses a discounted introductory rate.

The following is a summary of key findings from consumer testing that informed the Board’s proposed revisions to the disclosures listed above.

Findings Related to the Schumer Box

Annual Percentage Rates

Separation of “Other APRs” into Different Lines

The current Schumer Box model form lists APRs in two rows—one for the APR for Purchases, and another for “Other APRs” (i.e., rates for other types of transactions and the Default APR). However, the first round of testing in Baltimore demonstrated that participants had difficulty

finding and distinguishing the rates in the Other APRs row. Subsequent interviews showed that disclosing these rates in separate rows helped participants distinguish between them. It also increased the likelihood that readers would notice and understand the significance of the Default APR. Therefore, this design was used in the proposed Schumer Box model.

Format of Annual Percentage Rates

A variety of different formats was tested for how APRs could best be displayed in separate rows. The format that made it easiest for consumers to quickly identify and compare APRs for different transactions was to present the rates first in each line in bolded text, and then to indent each subsequent line. This enabled quick scanning down the page, which is how most participants seemed to read the Schumer Box. A similar format was used in the fees section of the Schumer Box.

Selection of Initial APR Based on Creditworthiness

When shown a credit card offer that displayed a range of possible APRs for purchases, many participants in the focus groups were unaware that the rate they would be offered within that range would be determined by their credit history. To clarify this point, a notice was added indicating that the initial rate would be selected “based on your creditworthiness.” Testing showed that while participants did not see this disclosure when it was provided in a footnote, they both noticed and understood it when it was located immediately following the range of rates. Therefore, the proposed model form displays the information in this location.

Font Size of APR for Purchases

Current regulations require that the APR for purchases be printed in size 18 point font to ensure that it is conspicuous. In our models, we varied the size of this rate to test whether or not this larger type size is necessary. Findings showed that participants tended to identify the APR for purchases more quickly and accurately when it was in a larger font size than other rates on the form. However, a font size of 16 seemed to make this information sufficiently conspicuous; there was no evidence that this APR necessarily needed to be printed in size 18 point font.

Fixed and Variable Rates

Labeling of Fixed Rates

In the first three rounds of interviews, participants were asked to indicate what the phrase “fixed rate” meant to them. While some responded that a “fixed rate” could still change, a significant number indicated that these rates could not change regardless of what happened (similar to a “fixed-rate mortgage”). Because of this misconception, the word “fixed” was removed from Schumer Box models in relation to interest rates.

Labeling of Variable Rates

Currently, if a rate disclosed in the Schumer Box is a variable rate, issuers must indicate that the rate may vary, and disclose the index and margin used to calculate the rate. Participants in the first three rounds of testing interpreted the meaning of “variable rate” in different ways. Some interpreted it correctly as a rate that would vary based on changes to an index, such as a Prime Rate. Others, however, incorrectly assumed that a variable rate would primarily change based on cardholder behavior or creditworthiness. Other participants understood that the rate could

change, but did not know why or how. For this reason, following the Denver interviews the label “variable” in the Schumer Box was replaced with the phrase: “This rate will vary with the market based on the Prime Rate.” Testing showed that following this change, participants more clearly understood the principal reason that variable rates change over time.

Removal of Detailed Variable Rate Information from the Schumer Box

Focus groups and early rounds of interviews demonstrated that most participants do not find valuable the details about how variable rates are calculated, including the margins that are used in these calculations. In addition, interviews in Kansas City and Denver showed that this information was distracting for a significant percentage of participants, since they confused the margins with actual APRs. Therefore, detailed information about how variable rates are calculated was removed from subsequent models of the Schumer Box.

Penalty APR and Penalty Triggers

Label of Default/Penalty APR

Some participants in early rounds of interviews believed that the Default APR would only apply in extreme circumstances, such as when an account was closed due to delinquency. Some assumed, incorrectly, that this APR could not be triggered by one late payment. In the Denver interviews, the labels “Highest Possible APR” and “Penalty APR” were tested as alternatives to “Default APR.” Of the three possibilities, the label “Penalty APR” was best understood by participants as applying to events such as paying late or exceeding a credit limit, so in all future models this term was used.

Location of Penalty Triggers in the Schumer Box

Participants who looked at current credit card offers had a great deal of difficulty identifying the specific instances in which the Penalty APR would be applied. (Currently, the triggers for the Penalty APR must be included outside the Schumer Box.) As a result, models were tested that included these triggers in the Schumer Box. Testing in Kansas City and Denver showed that the significance of these triggers was best understood if they were located in close proximity to the Penalty APR itself so that readers could connect the two. The proposed model form includes the Penalty APR and triggers together in the same row of the Schumer Box.

Information About the Balances to Which the Penalty APR Would Apply and How Long the Penalty APR Would Apply

Some participants in later rounds of testing indicated that they thought that the Penalty APR would only be charged on the amount by which they went over their credit limit, rather than on their whole balance. Others thought that this rate would only apply during the month of their transgression (e.g., the month they paid late or went over the credit limit), and their rates would immediately return to the normal rate after that month. In actuality, however, some credit card issuers apply the Penalty APR to all existing and future balances, and reserve the right to apply this Penalty APR indefinitely. To correct these misconceptions, the proposed regulations would require in the Schumer Box information about the balances to which the Penalty APR will apply and how long the Penalty APR will apply.

References to the Penalty APR

A significant percentage of participants in early rounds of interviews knew that penalty fees could be charged, but did not notice in the forms tested that their APRs could also be raised in penalty situations. As a result, models for the Boston and Dallas interviews included a parenthetical reference next to information about penalty fees that alerted readers to the fact that the “Penalty APR may also apply.” (A cross-reference to the Penalty APR also was added to the models tested in the Dallas interviews.) The addition of this information increased the number of readers who noticed the Penalty APR.

Fees

Inclusion of Fees in the Schumer Box

Participants in the focus groups indicated that annual fees, transaction fees, and penalty fees are key factors that they consider when evaluating credit card offers. Interviews in Kansas City confirmed that consumers can find information about fees much more easily when it is provided inside the Schumer Box, rather than underneath the box. (Currently, card issuers are allowed to disclose transaction fees and penalty fees inside or outside the Schumer box.) Therefore, all subsequent models that were developed included annual fees, balance transfer fees, cash advance fees, and penalty fees in the Schumer Box. Participants in the interviews indicated that fees for foreign transactions were less important to them when shopping for a credit card, so these fees are not included in the proposed Schumer Box model.

Separate Section for Fees

In Kansas City and Denver, models were tested that integrated transaction fees with APRs (e.g., displaying the APR and fee for balance transfers in a single row). However, participants found it easier to find transaction fees when all fees were displayed together in a separate labeled section.

References to Transaction Fees

There were a number of participants in early rounds of testing who did not notice that fees could be charged for balance transfers and cash advances, even when these fees were included in the Schumer Box in the fees section. To address this problem, references were added to the “APR for Balance Transfers” and “APR for Cash Advances” lines of the Schumer Box that alerted consumers to these fees. Interviews in Boston and Dallas showed that these references were effective at increasing consumer awareness of these potential charges, so they were included in the proposed models.

Other Disclosure Notices

Disclosure of Balance Calculation Method

In the focus groups and first two rounds of interviews, participants indicated that the balance calculation method was the piece of information in current Schumer Boxes that they found least useful. In Denver, several models included language that attempted to explain the significance of balance calculation methods, including one that stated that, compared to other methods, “two-cycle” billing could lead to higher interest charges if a consumer pays his or her balance in full some months but does not in other months. Most participants did not understand this disclosure; they appeared to need more information about how balances are calculated. However, Macro

and Board staff had concerns that adding sufficient detail to explain the balance calculation methods would likely add too much text to the disclosures and detract from other information in the Schumer Box. In addition, respondents continued to indicate that balance calculation information was not important to them and that they would be unlikely to use it when making credit card decisions. Therefore, information on the balance calculation method was moved from inside the Schumer Box to directly underneath the Box.

Disclosure of Payment Allocation Method

In the first round of interviews in Baltimore, a significant portion of participants did not understand that credit card issuers usually allocate payments to lower-APR balances first, and that this practice leads to larger interest charges for cardholders who also carry balances at higher-APR rates. As a result, a disclosure was added to the Schumer Box explaining this practice. Further testing showed that this disclosure was most conspicuous when it was placed in the APR section of the Schumer Box, since payment allocation was based on rates for different balances. Testing in later rounds showed that after reading this disclosure, a significant percentage of participants still did not fully understand how payment allocation could affect their interest charges. Further testing may be needed to determine whether the payment allocation concept can be clearly and concisely explained to consumers in the Schumer Box.

Grace Period

Credit card issuers currently must disclose in the Schumer Box any “grace period” for purchases – which is the time period a consumer is given to pay off the entire balance each month to avoid paying interest on purchases. Some participants in early rounds misinterpreted the phrase “grace period” to mean the period of time after the payment due date that cardholders could make payments without being charged a penalty fee. To counter this misconception, various models were tested that attempted to define the grace period more clearly, with some models containing detailed descriptions. However, these longer descriptions tended to confuse participants. As a result, the proposed Schumer Box model uses a more concise description.

Minimum Interest Charge

Currently, credit card issuers must disclose in the Schumer Box the amount of any minimum or fixed finance charge that could be imposed during a billing cycle. Some participants in early rounds interpreted a “minimum finance charge” of \$0.50 to mean they would pay this charge every month. (In actuality, consumers would pay this charge only in those months where a consumer would otherwise incur an interest charge that is less than the minimum charge.) To address this misconception, the proposed model forms include a brief statement explaining the minimum interest charge. In addition, the proposed model forms refer to this charge as the “minimum interest charge” instead of the “minimum finance charge” because participants did not appear to understand the term “finance charge” in this context.

Reduction of Available Credit Due to Fees

Subprime consumers (i.e., those with low credit scores) are often charged “account set-up” fees at account opening that decrease the amount of credit that is available to them. When cardholders are unaware of these set-up fees they can unknowingly go over their credit limit, bringing about additional penalty fees. To address this concern, models tested in Boston and Dallas included a disclosure in the fees section that alerts consumers to the impact of set-up fees

on available credit. Nearly all participants noticed this disclosure, understood it and found it useful, so it was included in the proposed models.

Website for Additional Information

Models that were tested in later rounds included a reference to a Board website where consumers could get more information about what to consider when choosing a credit card. Based on initial testing, the wording of this reference was revised to clarify what kind of information would be available on the website and to emphasize that it was administered by the Board, not an individual credit card issuer. Although some participants indicated they were likely not to use the website, other participants indicated they might find the website helpful, so it was included in the proposed model forms.

Findings Related to Periodic Statements

Interest and Fees

Use of the Term “Finance Charge”

Findings from the first two rounds of interviews showed that consumers do not have a consistent understanding of the phrase “finance charge”—some equated it with interest, while others believed that transaction and/or penalty fees were also included. The more specific terms “interest” and “fees,” on the other hand, were generally understood by participants. As a result, subsequent models that were developed did not use the term “finance charge” on periodic statements, and instead referred specifically to “interest” and “fees.”

Inclusion of Interest in Transaction List

When shown a sample statement and asked to identify the charges to the account in the past month, most participants in the first two rounds of interviews did not mention interest charges. While many were aware that interest was being charged, the fact that it was not “top-of-mind” to cardholders indicated a need to make it more conspicuous on the statement. Because the transaction list was a portion of the statement that most participants reviewed carefully, models were developed for interviews in Denver that included interest charges in this list. Testing showed that this change increased respondents’ awareness of interest charges, so all subsequent models included interest charges in the transaction list.

Year-to-Date Totals for Interest and Fees

Early rounds of interviews led to concerns that some consumers may not appreciate the cumulative effect of paying a small amount of interest and fees each month. With this in mind, year-to-date totals for interest and fees were added to models tested in Boston. Participants reacted very positively to these year-to-date totals, and indicated that this information would help them review their spending habits and make financial decisions. Therefore, year-to-date totals were retained in the proposed model forms.

Annual and Periodic Interest Rates

Labeling of Annual Interest Rates

Because annual interest rates are typically called “Annual Percentage Rates” on credit card offers, participants in the first two rounds of interviews were confused when alternative labels (such as “corresponding annual percentage rate”) were used on periodic statements. Therefore, all forms in subsequent rounds of testing used the term “Annual Percentage Rate” to describe annual interest rates.

Removal of Periodic Rate from the Statement

All rounds of interviews tested statement models that displayed a periodic rate (i.e., a daily or monthly rate) in addition to the Annual Percentage Rate. However, findings consistently showed that some participants did not understand what periodic rates were. In addition, most of those who did understand them indicated that they did not find these rates useful. Therefore, the proposed model forms do not include a periodic rate.

Effective APR

Relabeling/Removal of Effective APR

The effective APR, a figure that issuers are currently required to disclose on periodic statements, is the rate that consumers paid in the previous month when certain fees, such as transaction fees, are included along with interest charges. However, participants in the testing had a great deal of difficulty interpreting this term. Regardless of the explanatory text that was provided, most participants did not understand that the effective APRs shown on the mock periodic statements included both interest and transaction fees, and many of those who did understand the rates indicated that they did not provide useful information. In addition, the presence of the effective APRs was often confusing to participants; in each round there were some who mistook these rates for the annual interest rate. In the final round of testing in Dallas, the effective APR was relabeled the “Fee-Inclusive APR.” There was some indication that this new label increased participants’ understanding that the term included both interest and transaction fees. Further testing is needed to determine whether the presentation of the “Fee-Inclusive APR” in the proposed model is successful in explaining the term to consumers, as well as whether they find this information useful.

Transaction List

Grouping of Transaction List by Transaction Type

Currently, most periodic statements display transactions in a single list chronologically. One of the early models that was tested, however, categorized the transaction list by type. Evidence from the Denver and Boston rounds of interviews showed that participants preferred this type of list, and that respondents who saw “grouped” transaction lists more easily identified fees that they had been charged. Therefore, this format was used in the proposed model forms.

Other Disclosures and Notices

Minimum Payment and Late Payment Disclosures

The Bankruptcy Act requires banks to include two disclosures on their periodic statements: a) a notice that indicates the consequences of only making minimum payments each month; and b) a warning that explicitly spells out what could happen if a consumer makes a late payment. In the early rounds of interviews, participants appeared to understand the wording of these two disclosures, so focus then shifted to their placement on the statement. Models were developed that had these notices in a variety of locations, including on the payment coupon and in a separate “Bank News” section. Testing eventually showed that the disclosures were most noticeable when located in close proximity to payment information such as the due date and minimum payment.

Inclusion of Summary of Key Changes to Account

Many participants in the focus groups indicated that they usually throw away any inserts that are included with their periodic statements without reading them, including any that describe changes to their account terms. Therefore, a summary of key changes was tested on the statement itself. Models were developed and tested that contained this summary in a variety of locations, but results from interviews showed that it was most noticeable when it was on the front page and appeared before the transaction list. Later rounds of interviews also showed that this disclosure was more noticeable when it contained a tabular summary of changes to key terms, such as a table showing the new rate for purchases and the new amount of the late fees. A general reference to the types of changes that were being made, such as a statement that some of the changes affect APRs on purchases and late fees with a reference to the insert for more details, was not as noticeable or useful to participants.

Time Payment Is Due

Testing in Baltimore found that many consumers assume that payment is due either at midnight or by the close of business on the payment due date. Most were not able to find information on the back of the statement that indicated that payment was due earlier in the day. Therefore, all models that were subsequently developed included a reference on the front of the statement to the time that payment was due. Participants who saw these models found this information extremely helpful, so this information is in the proposed forms.

Findings Related to Solicitation Letters

Placement of Go-To Rate and Expiration Date of Introductory Offer

When participants in the interviews were given a Schumer Box to review, they were also given a marketing solicitation letter that offered a 0% introductory rate on balance transfers. On these letters, the zero percent APR was first mentioned in a heading at the top of the page in large type. When the go-to rate (i.e., the APR after the introductory offer ends) and expiration date were located in the text of the letter or in a footnote, a large percentage of readers did not notice them in their first reading and had difficulty finding this information when asked. When this information was displayed in the heading along with the introductory rate, however, participants were much more likely to see it. This finding is consistent with the requirements in the

Bankruptcy Act that require the go-to rate and the expiration date to be in a “prominent location closely proximate” to the introductory rate.

Findings Related to Account-Opening Disclosures

Inclusion of Summary Insert with Account-Opening Disclosures

Most participants in the focus groups indicated they do not read the cardholder agreements that they receive when they open a new credit card account because these documents are often written with small print and dense prose. At the same time, they expressed a desire for some way to: a) check when they receive their card to make sure that the terms of their account are what they expected; and b) have a clear and easily readable summary of account terms to which they could refer at a later date. Participants in the Baltimore interviews responded very positively when shown a cardholder agreement that included a separate insert that summarized key terms such as APRs and fees. They indicated that they would be much more likely to read this insert than the agreement itself, and would also be more likely to save it for future reference. In Denver, a summary of key terms in a format very similar to the Schumer Box was tested as part of the account-opening disclosures. Participants in that round of interviews indicated that they found this summary to be clear and understandable, and that they would be much more likely to review it than their cardholder agreement when they received their card. For this reason, the proposed regulations would require that issuers provide a tabular summary of key terms at account opening similar to the Schumer Box.

Findings Related to Change-in-Terms Notices

Inclusion of Summary of Changes to Key Terms

Participants indicated in focus groups and interviews that they often do not carefully read change-in-terms notices that they receive from their bank in the mail. Many indicated that they are frustrated by the small type size in these notices, and that because the text is technical and complicated they have difficulty identifying the information in the document that they consider important. Testing showed that when a tabular summary of key changes is provided, either at the beginning of the notice or on a separate piece of paper, consumers are more likely to read the notice and to understand what terms are being changed. Proposed regulations, therefore, would require that such a summary be provided by issuers in most situations.

Findings Related to Convenience Checks

Inclusion of Key Disclosures on Front of Checks

In the last two rounds of interviews, participants were shown a set of convenience checks and asked a series of questions about the terms. Testing in Dallas showed that participants were more aware of applicable fees and the lack of a grace period when this information was on the front of the page containing the checks, rather than the back. The interviews also showed that participants often did not notice disclosure text stating that the interest rate on convenience checks would be “the current rate on cash advances” because they were looking for an APR written in numerical form. Therefore, proposed regulations would require that issuers disclose on the front of the page containing the check any transaction fees applicable to the checks, the type of rate that will apply to the checks (such as the cash advance rate) and the APR that will apply, and whether a grace period applies to use of the checks.

SECTION I: INTRODUCTION

BACKGROUND

In 1968, the Truth in Lending Act (TILA) was enacted by Congress to protect consumers by requiring that certain information be disclosed to them by lenders at various points in time. The Federal Reserve Board (the “Board”) was assigned by Congress the responsibility of implementing TILA, and currently does so through its Regulation Z.

In 2004, the Board began the process of revisiting some portions of Regulation Z to determine whether revisions were necessary. The rules being reviewed relate to open-end credit, of which the primary example is general-purpose credit cards. The goal of the review is to ensure that the regulations lead to disclosures that consumers would most likely pay attention to, understand and comprehend, and be able to use in their decisionmaking.

The Board contracted with Macro International Inc. (“Macro”) in April 2006 to assist the Board in this effort. Macro is a research and evaluation company headquartered in Calverton, MD that has 40 years of experience working with government and non-profit clients. For this project, the firm has three primary roles. The first is to conduct consumer testing through focus groups and one-on-one cognitive interviews to inform the development of the Board’s revisions to Regulation Z. The second is to design revised model disclosure forms based on findings from qualitative research. Macro’s third role will be to conduct quantitative testing of the revised forms to determine whether they are more effective than the current versions. The work conducted thus far has focused on the first two roles; the quantitative testing has not yet taken place.

As of May 2007, Macro had conducted four focus groups and five rounds of cognitive interviews in seven different locations in the United States. Representatives of the Board attended all of the consumer tests, and Macro has provided interim findings multiple times since the project began. The results of this research have had a strong influence on the proposed revisions to Regulation Z that the Board will be releasing for public comment in May 2007, and many of the revised disclosure forms that were developed through the testing will be included as model forms with the proposal.

OVERVIEW OF THE PROJECT

The project thus far has consisted of two phases. In the first phase (which is covered in more detail in Section II of this report), Macro conducted four focus groups and one preliminary set of cognitive interviews that were focused on gaining knowledge about how consumers use the credit card disclosures that they currently receive. The focus groups, which took place in Calverton, MD, and Birmingham, AL, gathered information about the types of information that consumers currently use for financial decisionmaking. The preliminary round of interviews (carried out in Baltimore, MD) studied how consumers read and use specific credit card disclosure forms.

The second phase of the project (described in Section III) was devoted to the development and testing of revised forms. This phase consisted of four additional rounds of one-on-one cognitive interviews in different locations: Kansas City, MO; Denver, CO; Boston, MA; and Dallas, TX. A set of revised models was developed for each round. Participants in the interviews were then asked to read and use these mock forms just as they normally would, and data were collected on which aspects of each form were most successful in providing information clearly. The findings of each round then informed revisions to the models for the next round. This iterative process continued until the final round, after which the proposed models to be released for public comment were finalized.

Six different types of disclosures related to credit card accounts were examined. The following is a list of these disclosures, along with some of the key research questions associated with each:

- **Solicitation and Application Disclosures:** These tabular disclosures (often referred to as the “Schumer Box” disclosures) are provided on or with direct-mail solicitations and applications for credit cards to help consumers compare and shop for credit cards. Of the disclosures addressed in this study, this is the only one for which a specific layout is currently required by the Board.
 - Key Research Questions:
 - What credit terms are important to consumers as they shop for credit cards?
 - What format is most effective in presenting these key credit terms to consumers?
 - Is there information that should be included in the Schumer Box because consumers would find it useful?
 - Is there information that should be removed from the current Schumer Box because consumers do not understand or use it?
 - Is there information in the Schumer Box that needs to be more clearly explained to consumers?
- **Initial or Account-Opening Disclosures:** These disclosures are provided when the credit card account is opened to inform consumers about the terms of the account. These disclosures are typically provided in cardholder agreements, along with other legal and contractual information that issuers opt to include.
 - Key Research Questions:
 - How do consumers currently use their cardholder agreements?
 - What information do consumers want to have when they receive their card?
 - What format is the most effective way to highlight key terms to make them more conspicuous for consumers?
- **Periodic Statements:** These disclosures typically are given on a monthly basis to inform the consumer about transactions, fees, and interest charges incurred in the previous billing cycle. These statements inform consumers of when they must make a payment in order to avoid additional charges, as well as how large their payment must be. Periodic statements also include the interest rates that apply to the account.
 - Key Research Questions:
 - What information on the periodic statement is most useful to consumers?

- Are there pieces of information that are not currently required on statements that consumers would find useful?
 - How can warnings and notices about late payments and minimum payments required by the Bankruptcy Act³, passed in 2005, be made conspicuous?
- **Change-in-Terms Notices:** These disclosures are provided to consumers when a change is made to key terms of the account. They are either included with monthly statements or sent in a separate mailing.
 - Key Research Questions:
 - How carefully do consumers read change-in-terms notices that they currently receive?
 - What format is most effective in presenting key changes to consumers so they notice and understand this information?
- **“Convenience Checks”:** These checks (sometimes called “balance transfer checks”) are given to consumers as additional devices to access their credit card accounts. They are usually included with monthly statements or sent to cardholders in a separate mailing.
 - Key Research Questions:
 - What terms do consumers consider most important when deciding whether or not to use convenience checks?
 - What format is most effective in presenting these terms to consumers so they notice and understand this information?
- **Solicitation Letters:** Credit card offers that are sent in the mail usually include a solicitation letter, along with a required Schumer Box. This letter is primarily for marketing the offer to consumers, but it usually includes a description of some of the account terms. Although these letters are not required disclosures, the Bankruptcy Act requires that the solicitation letter contain certain disclosures if the letter discloses a discounted introductory rate.
 - Key Research Questions:
 - How do consumers review solicitation letters that they get in the mail?
 - Where should information be placed to make it most conspicuous to consumers?

STRUCTURE OF THIS REPORT

This report provides a summary of the work that has been carried out this far, the methodologies that have been used, and the key findings that had a strong influence on the development of the proposed forms that are being released for public comment. Section II describes the initial research on how consumers use current credit card disclosures. Section III details how revised forms were developed and tested, and tracks their evolution through four rounds of cognitive interviews. Finally, Section IV addresses some general findings related to the need for consumer education, as well as next steps for this project.

³ The Bankruptcy Abuse Prevention and Consumer Protection Act of 2005. Public Law 109-8, 119 Stat. 23.

SECTION II: RESEARCH ON CURRENT DISCLOSURE FORMS

FOCUS GROUPS (MAY AND JUNE, 2006)

Objectives and Methodology

Before any testing was done with specific disclosure forms, it was necessary to gather more general information about a) what information credit card consumers use in making decisions regarding their accounts; and b) how they currently find and process this information. Macro gathered this information through a series of four focus groups in the spring of 2006. Two groups were held in Calverton, MD, on May 31, and two more groups were held in Birmingham, AL, on June 13.

Participants for the groups were recruited by telephone using a structured screening instrument (see Appendix A for a summary of participants' demographic information). In each location, Macro attempted to ensure that one of the two groups was made up of consumers with prime credit cards, and that the other was made up of consumers with low credit cards. For the purposes of recruiting, consumers with subprime credit cards were identified as consumers who either had a credit limit of less than \$1,500 on their primary credit card or had paid a set-up fee or security deposit to initiate that card. The groups were separated in this way because subprime consumers are frequently less knowledgeable about credit cards, so the researchers were concerned that they might participate less actively in a mixed group. In addition, the types of credit cards offered to prime and subprime consumers are often different; for example, subprime cards often charge additional account set-up fees. Therefore, some topics of discussion were only relevant for subprime cardholders.

For the most part, the focus group discussions proceeded chronologically through the life of an account. The questions focused on four points in time: solicitation, account opening, monthly statements, and other communication during the life of the account. At each of these four points, participants were first asked what credit card information they find most useful. Participants were then shown a sample of a current credit card disclosure to see if it stimulated any additional thoughts. The samples that were used are provided in Appendix B.

Although these focus groups represented the first phase in the redesign of disclosures for credit card accounts, participants were not shown any revised models. The goal was to get baseline information about how consumers use current forms so that new models could then be designed to meet their informational needs.

Key Focus Group Findings

Communication with Credit Card Companies and General Account Management

- Participants indicated that they communicate with their banks primarily by phone, rather than by e-mail or mail. In most cases they call when there is a problem with their account, not for routine account maintenance.
- Most participants said that they do not save the original solicitations for the credit cards for which they apply. However, most said that they do save other documentation (e.g., cardholder agreements), as well as their monthly statements.
- When asked whether the interest rate on their account had ever increased, only a few participants indicated that it had. Those that did say their rate had increased said that they noticed the change when looking at their monthly statements. However, a significant number of participants said that they do not track their interest rate carefully on their monthly statements, so it was possible that their rate changed and they did not know.

Solicitation Disclosures

- When asked to list the most important account terms that they considered when shopping for a credit card, participants mentioned the following terms most frequently:
 - Interest rate on purchases
 - Interest rate on balance transfers
 - Credit limit
 - Fees (i.e., annual fees, late fees, cash advance fees, over-the-credit limit fees)
 - Incentives such as frequent flier miles or cash back
- The sample solicitation disclosure that was shown to the groups displayed three different APRs for purchases, labeled “elite,” “premium,” and “standard.” Most participants in the group of prime consumers recognized that the issuer would select which rate an applicant received based on his or her credit score. Participants in the subprime group, however, did not understand how the issuer would choose a rate.
- When asked whether there was any information in current Schumer Boxes that they did not use and did not feel was important to include, most participants indicated that they did not find it valuable to know the method that their bank used to calculate account balances.
- When asked how they would compare the terms of their current account with those that were offered in a solicitation, most said that they would find the terms of their current account on their most recent monthly statement. Some said that they would call their credit card company to get this information, but admitted that they would not be sure what questions to ask.

- A very small percentage of participants indicated that when deciding whether to apply for a card they would call the credit card issuer or go online to get more information about the offer. Most, however, said that they would make the decision based solely on the information in the written solicitation.

Account-Opening Disclosures

- Participants were asked what information they would like to have included in the envelope when they first receive their cards. Most frequently, they indicated that they wanted to be able to confirm that they were receiving the same terms and conditions that they had been offered. Other pieces of information that were mentioned as important included:
 - Credit limit
 - Date first payment is due
 - What happens if the card is lost (i.e., what to do, and who is responsible for charges)
 - Whether or not a balance was successfully transferred
 - Contact information for the credit card issuer
- When shown a sample cardholder agreement, few of the participants said they would read the entire document if they received it. Others said that they would skim it and look for what they felt were the most important headings. In each group about half of participants said that they would not look at the cardholder agreement at all.

Periodic Statements

- Participants were asked which pieces of information they considered most important on their periodic statements. The most frequent responses were:
 - Minimum payment
 - Balance
 - Due date
 - Individual transactions
 - Finance charges
 - Available credit
 - Interest rate
- Those participants who said that they look at finance charges were asked whether they focused more on their interest rate or the dollar amount of interest that was being charged. Most said that the dollar amount was more important, since that was what they would have to pay.
- Nearly all participants said that they never look at the back of their periodic statements. A few said that they do look at the back when they have an issue with their card, because that is where information about problem resolution is listed.
- Participants indicated that they would be unlikely to read a change-in-terms insert that was included with their periodic statement, and would probably throw it away with other

marketing material. One suggested that changes to terms be explained on the monthly statement itself, since most cardholders read their statements relatively carefully.

Change-in-Terms Disclosures

- Few of the participants remembered ever having received a change-in-terms disclosure in the mail.
- When shown a sample of a change-in-terms disclosure, most participants said that they would be unlikely to read it at all because of its small font size and dense, complicated text. About half said that they would keep the document for future reference, while the others said they would throw it away.
- The most common complaint about the sample that was shown was that the font was too small. Participants also noted that the language was difficult to follow, and that there was no summary to which they could refer.

Convenience Checks

- Nearly all participants had received convenience checks from their banks in the past. However, only a few said that they had ever used them.
- Of those participants that had used convenience checks, some said that they had faced unexpected charges because they used the checks without fully understanding the terms. The most common misunderstanding was that participants did not realize that they would be charged the interest rate on cash advances.
- When asked what information they would want to know about convenience checks before they used them, participants said that they would primarily want to know the interest rate that they would be charged.

PRELIMINARY COGNITIVE INTERVIEWS IN BALTIMORE, MARYLAND (AUGUST 2006)

Objectives and Methodology

Following the focus groups, Macro conducted nine cognitive interviews in Baltimore, MD, on August 16 and 17, 2006. The goal of these interviews in Baltimore was to gather data on the usability of current credit card disclosures. While the focus groups provided valuable information about the kinds of information that consumers use when making credit card decisions, the focus group format did not allow for an in-depth study of how people interacted with specific documents. For this reason, one-on-one interviews were conducted to identify any usability problems that could be addressed through revised models.

Participants for this set of interviews were recruited by telephone using a structured screening instrument. The recruiting process was designed to ensure the selection of a range of participants in terms of gender, age, and ethnicity. Cardholders' credit limits were also included as a recruiting criterion, as a rough proxy for credit score. For a summary of participants' background information, see Appendix A.

Each interview session lasted 90 minutes, and was divided into four sections. In each section the participant was given an envelope containing one of the following:

1. A credit card solicitation letter, including a Schumer Box
2. An account-opening packet made up of a card carrier (holding a mock credit card) and cardholder agreement
3. A periodic statement, along with marketing materials that are often included with cardholders' statements
4. A change-in-terms notice.

The four documents were given to each participant in the same order that they would receive them in the life of an account: first solicitation, then account-opening disclosures, then periodic statement, then change-in-terms notice.

In each section of the interview, participants were first asked to open the envelope and read the contents just as they normally would. Participants were asked to "think aloud" as they did so—that is, to say aloud what they were thinking and doing as they looked at the documents. The interviewer did not ask any questions or provide any prompts during this section of the interview, so that participants' behavior was as much as possible an authentic reflection of what they do in the "real world."

After the participants had completed their initial review of what was in the envelope, the interviewer then asked a series of more targeted questions about that particular disclosure. In some cases, the interviewer asked about specific terms, to see whether the participants could find that information in the disclosures. In other cases, participants were asked to explain what a word or phrase meant to them.

After this series of questions was completed, the interviewer handed participants the next envelope and the interview proceeded.

Two different versions of each disclosure were used in the Baltimore interviews; each participant was shown one version of each disclosure type. The models that were used were actual disclosures, with information about the credit card issuer redacted. These models are provided in Appendix B.

Key Interview Findings

Solicitation Letters and Schumer Boxes

General Reading Patterns

- When opening a credit card offer, nearly all participants first reviewed the solicitation letter that was included in the envelope. Most looked first at the pieces of information that were most prominent on the letter (i.e., those in headings, graphics, and bullet points), and then went on to read the text of the letter itself. The pieces of information that they considered most closely were the zero percent introductory APR that was offered for balance transfers, the credit limit, the annual fee, and the length of the introductory period for any discounted rate.
- When reading credit card solicitations, a majority of participants specifically looked for the Schumer Box. Although they did not call it by this name, these participants understood that a summary box of account terms would be included with the solicitation. Several commented that they considered this box to be the most important part of a credit card offer.
- When reading Schumer Boxes, most participants focused primarily on the rate for purchases, and then skimmed down to the bottom of the box to read the information on fees. Other than information on fees, most did not read any smaller text that appeared underneath the box. In several cases participants had difficulty understanding information that was located in footnotes, either because they did not follow the footnote to the bottom of the page, or because they read the footnote first and did not understand to which part of the box it related.

Annual Percentage Rates

- Most participants understood that when a range of possible APRs was offered in the Schumer Box, the actual rate that an applicant received would be based on his or her creditworthiness. However, there were some who did not understand how their rate would be selected. These

participants did not notice that this information was provided in the solicitation (although not in the Schumer Box itself).

- Most of the participants were able to identify the APR on purchases by looking at the Schumer Box. However, less than half were able to identify the rate that would apply to balance transfers after the introductory rate expired (the so-called “go-to rate”). Several assumed that the APR would be the same for purchases and balance transfers.

Fixed and Variable Rates

- When asked to define what a “fixed” rate was, most participants said that it was a rate that would not change. While some indicated correctly that credit card issuers could still change these rates, others believed that this was not the case.
- Nearly all participants said that the word “variable” meant that a rate could change. A vast majority of participants said that variable rates could change based on changes in “prime” or “general interest rates.” A few participants said that banks could also change these rates for other reasons if they wished.

Default APR and Triggers

- While most participants understood that their APR would change if they “messed up” somehow (i.e., make a late payment, etc.), few were able to locate any information on the solicitation about the specific actions that could trigger this change. Most were also unable to identify what the new rate would be.

Fees

- Most participants were able to find information about transaction and penalty fees underneath the Schumer Box. In some cases, however, it took several minutes for them to do so.
- Participants indicated that they considered penalty fees to be an important factor when shopping for a card. Those that transfer balances and take out cash advances said the same of fees for those transactions. None, however, said that fees for foreign transactions would be important to them.
- When asked whether credit card issuers could charge additional fees that were not disclosed in the Schumer Box, almost all participants indicated that they could.

Other Disclosure Notices

- When asked about the balance calculation method that was described in the Schumer Box, all participants indicated that they did not understand what the “average daily balance” calculation method was. Reviewing additional information on the solicitation that described this method did not improve understanding because participants found both the text and mathematics involved to be too complex. In any case, nearly all said that this was not a piece of information that would be important to them when considering a credit card offer.

- Participants were asked whether the issuers represented in the offers would first allocate payments towards low-introductory APR balance transfers or higher-APR purchases. About half of participants understood that the banks would allocate any payments to balance transfers first, either because of prior knowledge or because they found the information in the disclosure that indicated as such. The other half either thought that banks would allocate payments to purchases or did not understand why payment allocation would make a difference in how much interest they paid.
- Several participants incorrectly thought that the “grace period” referred to the amount of time after the due date during which they could make a payment without being charged a late fee.
- A few participants believed that the presence of a “minimum finance charge” in the Schumer Box meant that they would have to pay that amount every month. (In actuality, this figure refers to the amount they would be charged in those months where they would otherwise incur a finance charge that is less than the minimum charge.)

Account-Opening Disclosures

- The second envelope that each participant was given contained a cardholder agreement and a “card carrier” that contained marketing and account information. After opening the envelope most participants skimmed the text on the card carrier quickly, but many did not notice key pieces of information (e.g., their APRs).
- Participants paid very little attention to the cardholder agreement; only a few participants looked at it at all, and these only skimmed it briefly. When asked, a vast majority of participants indicated that they generally do not look at their cardholder agreements. Most participants indicated that the reasons they do not read their agreements are that the type size is very small and they find them difficult to understand.
- When prompted, less than half of participants were able to find information in the account agreement that described what actions might trigger the default rate.
- One of the two models that were used in this round included an insert that summarized APRs and fees, while the other model only provided this information on the card carrier and in the cardholder agreement. When asked specific questions about their account APRs and fees, participants who received the insert responded much more quickly and accurately than those who did not. Those who were given a summary insert were also more likely to notice and review APRs and fees on their own, whereas those who did not receive an insert usually only did so after being prompted.

Periodic Statement

General Reading Patterns

- None of the participants looked at the back of the statement unless they were prompted to by the interviewer.

- Most of the participants did not read inserts that were included with the monthly statement, but instead set them aside.

Interest and Fees

- Participants had various interpretations of the phrase “finance charge.” Some thought it referred specifically to fees, some thought it was synonymous with interest charges, and some thought it included both. (In the mock periodic statements, the amount of the “finance charge” included interest and transaction fees.)
- Most participants understood that their interest charges were calculated through the multiplication of a percentage and an account balance. However, most could not correctly identify the percentage and balance that were multiplied. For example, several thought that the APR itself was multiplied against the balance, rather than the periodic rate.
- Participants who were asked to read the more detailed description provided on the back of the statement describing how interest was calculated found it very confusing, and said that they would not be able to do these calculations themselves. None indicated that they had ever attempted to calculate their own interest (e.g., to check the bank’s calculations), or that they would be likely to do so in the future. Most said that if the figures on their periodic statement looked incorrect, they would call their credit card issuer.
- Only half of participants were able to correctly identify all of the fees that were listed on the model statements; others missed at least one fee.

Annual and Periodic Interest Rates

- While most participants were able to identify the annual interest rate being charged on purchases, others misidentified one of the other rates on the form (e.g., “effective APR,” “periodic APR,” etc.) as the interest rate.
- Several participants were confused because what had been called the “APR” on solicitation and account-opening disclosures was called the “corresponding APR” on one of the statement models.

Effective APR

- The two models used in Baltimore provided the effective APR in two different ways; Model A listed it as a column labeled “Annual Percentage Rate” in the “Finance Charge” box, while Model B labeled it “Effective Annual Percentage Rate” and placed it underneath the box. In both cases, most participants indicated that these rates seemed high but did not understand what they signified. After reading the descriptive information provided on the forms, only one participant understood that the effective APR was higher than the corresponding APR because it included transaction fees in addition to interest.

Time Payment is Due

- When asked what time on the due date a payment was due, almost all participants assumed that it was due either at midnight or at 5:00 P.M. Only one participant was able to find a notice on the back of the statement that payment was due earlier on that day.

Change-in-Terms Notice

- All participants said that if they got an envelope from their credit card issuer that was labeled “Important Information about Your Account,” they would open it.
- Participants were shown two different change-in-terms notices—one which was printed in the form of a letter on one side of an 8 ½” x 11” paper, and another that was in the form of a folded booklet with smaller font. All indicated that they would be more likely to read the larger sheet, primarily because it had larger print.
- Most participants did not understand the changes described in the notices. Both notices were informing cardholders of an increase in the amount of penalty fees (e.g., late fees). However, some participants thought that the notices indicated that they were being charged those fees. Others thought the notice was simply a reminder that penalty fees existed on the account.

KEY IMPLICATIONS FOR DEVELOPMENT OF REVISED FORMS

As noted above, the purpose of the focus groups and preliminary interviews was to learn more about the types of information that consumers use when making credit card decisions, as well as how they review and use current credit card disclosures. This section describes some of the ways in which findings from this round of research were used to guide the development of revised disclosure forms in the next phase of the study.

Schumer Box

Annual Percentage Rates

- Because many participants (particularly those who have subprime credit cards) did not understand how a bank would select an initial APR from a range of possible rates, models were developed and tested that explained more explicitly that the applicant's initial APR would be based on his or her creditworthiness.
- Since participants had some difficulty distinguishing APRs for different transactions, models were developed for testing that separated the rates in the "Other APRs" row into separate rows.

Default APR and Triggers

- Participants were unable to find information about default triggers when it was provided in text outside of the Schumer Box. Therefore, models were developed for testing the disclosure of these triggers within the box itself.

Fees

- Because fees are one of the primary factors that participants consider when shopping for credit cards, future rounds of testing investigated the possibility of including fees in the Schumer Box itself.

Other Disclosure Notices

- Because participants in the focus groups and Baltimore interviews indicated that the balance calculation method is not important to them, some models were tested in later rounds that did not include this information in the Schumer Box.
- A significant percentage of participants did not seem to understand that banks would allocate their payments to lower-APR balances first—and in fact were not even aware that this practice could impact their interest payments. Therefore, models tested the inclusion of a disclosure on this topic in the Schumer Box.
- In subsequent models a description was added to the grace period disclosure in order to more clearly define this term.

Account-Opening Disclosures

- Both the focus groups and Baltimore interviews suggested that a summary page of key account terms and conditions would be very helpful to consumers, because most do not find other materials that are provided at account opening (e.g., the cardholder agreement) to be easily readable or useful. A summary table of this type was tested in subsequent rounds. This table was formatted much like the Schumer Box, since this box is familiar to consumers.

Periodic Statement

General Format of Statement

- Findings from the focus groups and Baltimore interviews suggest that most consumers do not look at the back of their periodic statements. Therefore, on subsequent models that were developed all essential account information (i.e., information that consumers need or find important to effectively manage their accounts) was located on the front of the statement.

Interest and Fees

- Because the phrase “finance charge” was unclear to participants and was interpreted in different ways, models were developed for the next round of interviews that used the terms “interest charges” and “fees” in place of “finance charges.”
- Because only half of participants were able to correctly identify all fees that were charged, in future rounds the researchers experimented with different ways of highlighting these fees (e.g., by providing a separate fees total, or by grouping fees together in the transaction list).

Changes to Account Terms

- The Baltimore testing confirmed what participants had said during the focus groups; most did not look at the inserts that were included with the sample periodic statements they were shown. Therefore, model forms were developed that included a summary of key changes on the statement itself.

Time Payment is Due

- Because participants were unable to find information easily on the back of statements indicating the time at which payment was due on the due date, model forms were developed that included this time on the front of the statement. Subsequent rounds tested whether this was effective in increasing cardholders’ awareness that payment was not due at the close of business on that day.

Change-in-Terms Notice

- Because participants’ understanding of the purpose of change-in-terms notices was poor, model forms were developed that included a summary of key changes at the beginning of these disclosures.

- The Baltimore testing provided evidence that consumers find change-in-terms notices more useful when they are printed on a single sheet of paper in larger font, rather than in a folded booklet. However, because of the potential challenges of requiring banks to use a particular size of paper for their disclosures, future testing focused on the development of an effective summary of key changes that could be used with any style of notice.

Convenience Checks

- Because some participants in the focus groups said that they had used convenience checks without fully understanding the terms, in later rounds of interviews models were tested that listed key terms (such as applicable rates and fees) on the front of a page of checks.

SECTION III: DEVELOPMENT AND TESTING OF REVISED DISCLOSURE FORMS

OBJECTIVES AND METHODOLOGY

After the interviews in Baltimore, the project entered its second phase—the development and testing of revised disclosure forms. Testing of these forms was carried out through a series of interviews in four locations: Kansas City, MO; Denver, CO; Boston, MA; and Dallas, TX.

Before each round of interviews, Macro developed model disclosures for testing. In most cases, multiple versions of each type of disclosure were developed so that the impact of varying language or format could be studied. After each round, the findings from that round of interviews were then used to develop new model forms to use at the next location. This process continued through the final set of interviews in Dallas, which produced the proposed models that are being released for public comment.

Participants in each of the four locations were recruited by telephone using a structured screening instrument in order to ensure the selection of a range of participants in terms of gender, age, and ethnicity. The screening criteria that were used were very similar, although there were small variations between locations. A summary of participants' background and demographic information can be found in Appendix A.

Interviews for each participant in each location were 90 minutes long. The structure of these interviews was very similar to that used in Baltimore. Participants were given envelopes containing mock credit card disclosures (e.g., a solicitation letter and Schumer Box). They were first asked to read the information in the envelope just as they normally would, and to “think aloud” while doing so. When they indicated that they were finished, the interviewer asked follow-up questions to test their understanding of the document. Each envelope contained one of the following:

1. A solicitation letter and Schumer Box
2. An account-opening packet, including a card carrier, cardholder agreement, and summary insert page
3. A monthly statement, along with marketing materials, a page of convenience checks, and an insert notifying the cardholder of change in terms
4. A change-in-terms notice.

Interviews in different locations focused on different disclosure forms; all four envelopes were not used in all cases.

GUIDING PRINCIPLES FOR DISCLOSURE DESIGN

As noted above, the primary goal of this phase of the study was to develop revised disclosure models that presented information to consumers in a more understandable and useful format than current forms. Many of the revisions that were eventually made to the proposed forms were in reaction to specific findings from consumer testing. However, the following is a list of general principles that guided the development and revision of these forms throughout the project.

- 1) **In cases where consumers expressed familiarity with current disclosures, significant revisions to structure or format were only made when absolutely necessary.** Because experienced credit card consumers have received disclosures in their current form for a long period of time, many have grown accustomed to finding information in a particular location or configuration. For example, findings from the focus group and first round of interviews in Baltimore indicated that many consumers recognize the Schumer Box and specifically look for it when evaluating a credit card offer. For these consumers, dramatically changing the appearance of this document would likely have a negative effect on comprehension. Therefore, most of the models that were tested preserved the basic two-column structure of the Schumer Box.

Early rounds of testing also showed that there are some types of credit card disclosures, such as those that are presented at account opening, that many consumers do not read carefully. In these cases, more latitude was taken in developing revised forms because consumers had less attachment to current versions.

- 2) **Information was provided as efficiently, and in as few words, as possible.** In the focus groups, most participants indicated that they do not spend very much time reading credit card disclosures. Many said that they never read their cardholder agreements or change-in-terms notices they receive in the mail, and one of the primary reasons was that they were so long. In cognitive interviews, even when notices were only two or three sentences long, participants often did not read to the last sentence. Therefore, unless adding text clearly increased comprehension of a particular term, form designers used as few words as possible to describe a particular concept.
- 3) **Whenever possible, consistency was preserved between disclosures.** In most cases, the content and purpose of the disclosures are directly related to each other. For any given card, for example, the Schumer Box displays the terms that are offered to consumers, the account-opening disclosure shows the actual terms on the account, and change-in-terms notices alert cardholders when these terms are changed. When information is provided in different formats for these disclosures (e.g., a tabular format in the Schumer Box vs. text in a cardholder agreement at account opening), consumers may find it difficult to track their account terms over time. As a result, the focus groups showed, many do not track their terms at all. For this reason, the structure of revised forms was made consistent so that consumers would find it easier to compare the information shown on different types of disclosures.

- 4) **In most cases, the information that was emphasized on disclosures was that which consumers indicated that they find most useful.** Because the purpose of disclosures is to provide consumers with information that they need for financial decisionmaking, the terms that are displayed most conspicuously and clearly should be those that are most important to consumers. For example, because participants in the focus groups indicated that fees were one of the most important considerations to them when shopping for a card, the proposed Schumer Box model includes fees in a separately-labeled section. On the other hand, participants indicated that they do not review or consider margins that are used to calculate variable interest rates, which are now required in the Schumer Box. As a result, in the proposed form these margins have been removed from the Schumer Box.

Not all of these decisions were based solely on consumer preference in early focus groups, however. For example, in the focus groups none of the participants indicated that the default APR (i.e., the interest rate to which APRs can be increased if the cardholder breaks account rules) was important to them. However, through interviews it became clear that the reason many consumers were uninterested in the default APR was that they did not know what it was. Once they became familiar with the term, they indicated that it was an important piece of information that they would consider when shopping for a card. As a result it was not only retained in the Schumer Box, but also made more conspicuous.

- 5) **Plain “everyday” language was used whenever possible.** When shown current disclosures, one of the most common complaints from participants was about the complexity of the language and vocabulary that was used. Cognitive interviews showed when many participants encountered words or phrases that they did not understand, they simply ignored those sections of text, rather than trying to determine their meaning. For this reason, every attempt was made to use everyday vocabulary to explain information in the disclosures, rather than resorting to terms that consumers were less familiar with. For example, it became clear early in testing that many consumers did not understand the term “finance charge.” For this reason, subsequent models used in testing did not use this phrase, but instead referred to “fees” and “interest charges”—two terms with which consumers were more familiar.
- 6) **Decisions related to the placement of information on disclosures were driven by how consumers read the forms.** Early interviews showed that there were consistent patterns in how consumers interacted with different types of disclosures. When this was the case, these patterns were taken into consideration when revised models were developed. For example, cognitive interviews showed that participants did not usually follow footnotes when reading Schumer Boxes. Therefore, footnotes were removed and all subsequent forms displayed key information within the box itself. Interviews also showed that when reading periodic statements, participants tended to focus on only a few pieces of information—usually information about payments, a summary of account activity over the past period, and the list of specific transactions. This finding drove subsequent revisions—for example, the proposed model includes totals of fees and interest within the transaction list, and several disclosure notices are located in close proximity to information about payments in order to increase their conspicuousness.

STRUCTURE OF SECTION III

The remainder of this section of the report describes each of the four individual rounds of interviews. For each location, three different kinds of information are provided. The “Objectives and Methodology” section describes the specific goals for that set of interviews, as well as the specific types of forms that were tested. It also identifies the models that were used in testing, which can be found in Appendix B. The “Key Interview Findings” section summarizes the most important results of the cognitive interviews. The last section, labeled “Subsequent Design Decisions,” details the specific decisions that were made following that round of interviews regarding the development of forms for the next round. These three sections should allow the reader to follow the logic of form development over the course of the four rounds.

INTERVIEWS IN KANSAS CITY, MISSOURI (NOVEMBER 2006)

Objectives and Methodology

Nine cognitive interviews were conducted in Kansas City on November 28 and 29, 2006. These interviews represented the first opportunity to develop revised disclosure forms and test the extent to which they were clearer and more helpful to consumers. This round of testing focused on four types of forms: solicitation letters, Schumer Boxes, periodic statements, and change-in-terms notices. Because this was the first round of interviews, the variation between different versions of the forms was fairly wide; for example, on different forms the Schumer Box contained one, two, or three separate sections. With each subsequent round of interviews, the variation between forms decreased as it became clearer what types of language and formats worked best for consumers.

The following model forms were shown to participants in this round and can be found in Appendix B:

- Solicitation Letter: SL-1, SL-2, SL-3
- Schumer Box: SB-1, SB-2, SB-3, SB-4
- Periodic Statement: PS-1, PS-2, PS-3, PS-4
- Change-in-Terms Notice: CT-1, CT-2, CT-3, CT-4

Key Interview Findings

Credit Card Solicitation Letters and Schumer Boxes

Solicitation Letters

- As in Baltimore, most participants read the solicitation letter fairly carefully. Again, they focused first on information that was printed most prominently (e.g., in color and in the largest font size), and then often went back to read the text of the letter itself.
- Putting the go-to rate and introductory period for the balance transfer rate at the top of the letter next to the introductory balance transfer rate made it much more likely that participants would be able to find this information. When these terms were provided in the body of the solicitation letter, or in a footnote, participants were much less likely to notice them.

Schumer Boxes: Consumer Reading Patterns

- This round of interviews confirmed the finding in Baltimore that the Schumer Box does have recognition among consumers, and is seen by them as containing important information.
- Participants consistently read from the top of the Schumer Box to the bottom, but then stopped and did not continue to the text underneath.

- As in Baltimore, most participants did not read footnotes when they encountered them. In at least three cases, participants did not understand that a footnote meant they should look below for more information.

Annual Percentage Rates

- Almost all participants understood that their “APR” related to how much interest they would be charged. However, very few were able to correctly describe the calculation that would be used to determine their interest charges.
- Participants found it easier to identify the balance transfer and cash advance APRs when these percentages were provided on separate rows, rather than combined in a single “Other APRs” row. Creating a separate row for the default APR also made it more likely that participants would notice it when they initially reviewed the Schumer Box.
- When the purchase APR was displayed in the same font size as other APRs, participants had more difficulty correctly identifying this rate. This was particularly true when balance transfer, cash advance, and default APRs were provided on different rows.

Fixed and Variable Rates

- Most participants said that since the zero percent introductory rate was labeled “fixed,” the bank could not change it during the introductory period. Three of the nine correctly indicated that this rate could increase if the cardholder went into default, while the other six said that it could not change under any circumstances.
- While they understood that variable rates could change, most participants could not find information in the Schumer Boxes that indicated how or why these rates would change. This was true even for those who were shown a form that provided detailed variable rate information within the box (as is currently required by Regulation Z).
- Of the three participants who did find information in the Schumer Box about the margins that were used to determine variable APRs, two incorrectly thought that the margins themselves were the interest rates.

Understanding of Default Rates and Triggers

- The term “default rate” was misunderstood by some participants. A few said that the word “default” implied that either the account was being closed due to delinquency, or that the cardholder was no longer able to make payments. Others indicated that the word “default” sounded like the “normal” rate, not something that would be applied when the cardholder did something wrong.
- The Schumer Boxes that participants were shown in Kansas City all contained information about default triggers. Two contained this information in a separate section in the box labeled “How Your Actions May Affect Your Rates,” while two others provided the triggers underneath the box. Regardless of which form participants were shown, however, most were unable to find this information when asked.

Fees

- When fees were listed within the Schumer Box (as opposed to underneath it) participants were more likely to notice fees when they initially reviewed the document, and were able to find them more quickly and easily when asked.
- One of the Schumer Box models that was tested in Kansas City (SB-4) grouped account terms by transaction type, combining APRs and fees for a particular transaction in a single row. While a few participants seemed to prefer this format, more were confused by it because they assumed that all fees for the card would be listed together.
- As in Baltimore, participants indicated that penalty fees and fees for balance transfers and cash advances were important to them when shopping for a card, but that fees on foreign transactions were not.

Other Disclosure Notices

- As in the Baltimore round, participants did not consider the method that a bank used to calculate their balance to be an important piece of information in credit card offers. This was in part because they did not understand the “average daily balance” method, and also because they considered this term less significant than others in the Schumer Box when shopping for a card.
- Unlike in Baltimore, most participants in this round of testing were able to find a disclosure about the way in which their payments would be allocated to different balances—particularly when viewing models in which this disclosure was clearly labeled. However, the majority did not fully understand what this disclosure meant. For example, several indicated that their interest charges would not be affected by how their payment was allocated, and two did not realize that their balances for different transaction types were tracked separately.
- Some of the Schumer Box models that were used in this round of testing displayed the minimum and maximum credit limits that would be offered to consumers initially. The impact of this row on participants’ understanding was minimal; most learned the maximum credit limit from the solicitation letter, and did not feel that the minimum credit limit was a factor they would consider when shopping for a card.
- As in Baltimore, there were a few participants that incorrectly thought the term “grace period” referred to the period of time after the due date during which they would be allowed to pay without being charged a late fee.

Periodic Statements

General Reading Patterns

- After opening the statement, nearly all participants looked first at information in the Account Activity and Account Summary sections (i.e., payment due date, new balance, etc.), and then at the transaction list. Participants were less likely to look carefully at other portions of the statement, including the “Finance Charges” box that described how interest charges were calculated. Very few participants looked at the payment coupon portion of the statement.
- Only one of the nine participants noticed the change-in-terms insert that was included with the statement. The other participants indicated that they would throw that insert away along with the marketing material in the envelope.

Interest and Fees

- Some of the statement forms that were tested used the phrase “finance charges,” while others referred to “interest” and “fees.” As in the Baltimore interviews, participants often misunderstood the term “finance charge” (which most participants in this round assumed would always be synonymous with “interest.”)
- When asked to identify the “charges” shown on the statement, participants usually identified transactions and fees but not interest. This is an indication that while most consumers understand that they are charged interest, this cost is not “top-of-mind” when they are reviewing their statement.

Annual and Periodic Interest Rates

- Participants did not understand the term “% Periodic Rate,” which was used as a label for monthly interest rates in the Finance Charges section of one of the models. The term “Monthly Interest Rates” was clearer to most, although some participants still did not understand what this percentage represented. Most of the participants indicated that they would not find these rates valuable on their own statements.
- As in Baltimore, participants were confused when they were shown a model that identified the interest rate as the “corresponding APR.” Most assumed that the interest rate would be labeled the “Annual Percentage Rate,” as it is on credit card offers.

Effective APR

- Two of the statements used in Kansas City included the effective APR. Only two participants who read these statements were able to explain that the effective APR included both interest and transaction fees; others noticed that it was higher than the annual interest rate but did not understand why. Both participants who understood that the effective APR included both interest and transaction fees and was higher than the annual interest rate as a result indicated that they would not find this term useful; both thought it should not be included on the form because it could be misleading to consumers.

- Several participants thought the effective APR represented the annual interest rate on the account, particularly those who were shown a model in which the effective APR was labeled “Annual Percentage Rate.”

Transaction List

- When looking at the transaction list, most participants were able to correctly identify the fees that were charged, the credit for payment, and the cash advances on the statement. However, those who were given a form in which the list was grouped by transaction type were able to find this information more quickly and easily. All participants who were shown both a list grouped by transaction type and a chronological list found the former easier to read; one participant, for example, said that it looked “bolder” and “better spaced.”

Late Payment and Minimum Payment Disclosures

- The models used in Kansas City included two notices on the front—one about the impact of making only the minimum payment on the amount of time it would take to pay off a balance, and one about the consequences of late payment. When prompted to read these disclosures, nearly all participants understood them clearly. However, most did not notice the disclosures when first reading the statement, regardless of whether they were located at the top of the form, on the payment coupon, or in a section labeled “Bank News.”

Changes to Account Terms

- All four statement models included a notice that account terms were changing in a section of the statement labeled “Bank News.” However, the majority of participants neither noticed this section nor read the contents. When asked, some indicated that they rarely read similar sections on their own statements because they contain primarily marketing content.

Time Payment is Due

- As in Baltimore, participants did not notice information about the time that a payment was due when it was located on the back of the statement. When shown models that included the “time due” immediately next to the due date, they did see this time and understood its significance.

Change-in-Terms Notice

- Two of the three change-in-terms notices that were tested in this round contained a summary of key account changes—one in the form of a bulleted list, and the other in a tabular format similar to that of the Schumer Box. Regardless of whether or not a summary was included, however, few participants understood the changes that were being made to their account. The primary reason seemed to be that the changes described in the models related to default triggers and default rates, two topics with which they had little familiarity.

Subsequent Design Decisions

Solicitation Letter

- Because participants were unlikely to notice the end date of the period for an introductory rate and the go-to rate when they were provided in the text of a solicitation letter or in a footnote, the letters that were used in subsequent rounds of testing included this information at the top immediately following the introductory rate that was being offered.

Schumer Box

General Design

- Results from the Baltimore and Kansas City interviews showed that the Schumer Box is familiar to credit card consumers, and that many already see it as the most important piece of a credit card offer. As a result, subsequent forms that were tested retained the current structure of the table. For example, all Schumer Box models that were developed for later rounds used the same two-column format as current Boxes, in which headings are provided in the first column and account terms are listed in the second column.
- Interviews in the Baltimore and Kansas City rounds showed that most participants did not read footnotes, and that in some cases the presence of footnotes had the effect of distracting readers away from important information. Most participants also did not read text below the Schumer Box, particularly when this text was in a smaller font. For these reasons, subsequent models were designed such that the terms and conditions considered by consumers to be most important were located within the Schumer Box itself, rather than in footnotes or below the box.

Annual Percentage Rates

- Based on the results of this round, all subsequent forms listed the default APR in its own row so that consumers would be more likely to notice it.
- Findings from Kansas City showed that listing APRs for balance transfers and cash advances in separate rows helped participants distinguish between rates for different transactions. However, it was determined that this change should be tested further to ensure that increasing the number of rows containing APRs did not decrease the conspicuousness of the rate for purchases.

Fixed and Variable Rates

- Because variable rate margins were so frequently confused with interest rates, model forms were developed in which detailed information about how variable rates are calculated (including margins) was removed from the Schumer Box itself. Later rounds tested the effectiveness of providing this information as a footnote or as text underneath the box.

Default APR and Default Triggers

- Model forms were developed using the alternative label “penalty APR” instead of “default APR” to see whether this term might be more intuitive and might facilitate consumer understanding.
- Because participants in this round had difficulty finding information about default triggers, model forms were developed for the next round that displayed these triggers within the box in one of two ways—either in the same row as the default APR, or in a separate box clearly linked to the default APR.

Fees

- Because the inclusion of fees in the Schumer Box improved participants’ ability to quickly identify them, all subsequent models tested included fees within the box. Forms for the next round tested two different ways of presenting fees: a) providing all fees in their own, labeled section; and b) presenting transaction fees in the same row as their corresponding APRs.

Other Disclosure Notices

- Because many participants did not seem to understand how their issuers’ balance calculation method could affect the interest charges they might pay, some of the models for the next round provided more detail on this topic.
- Models were developed for the next round of interviews that explained more clearly how payment allocation could impact cardholders’ interest charges, since participants in Kansas City did not fully understand the language used in this round.
- Because participants did not have difficulty finding the credit limit being offered in the solicitation letter, and because all understood that if they were offered “up to” a certain amount they were not guaranteed to receive that amount, minimum and maximum credit limits were not included in the Schumer Box in subsequent rounds.
- Because some participants in the Baltimore and Kansas City rounds did not understand the phrase “grace period,” models were developed for the next set of interviews that explained the term in greater detail.

Periodic Statement

Interest and Fees

- Because interviews in Kansas City confirmed that consumers do not have a consistent understanding of the phrase “finance charge,” all subsequent models used the words “interest” and “fees” in place of “finance charge.”

Annual and Periodic Interest Rates

- Because participants clearly expected annual interest rates to be labeled “Annual Percentage Rates,” this term was used in all subsequent models.

- Because participants appeared to understand periodic rates better when the label used to describe them included the period to which they applied (e.g., “Monthly Interest Rates” or “Daily Interest Rates,” rather than “% Periodic Rate”), subsequent models used these labels.

Effective APR

- While labeling the rates that includes interest and transaction fees as the “effective APRs” did not improve consumer understanding of what that rate meant, it did decrease the number of participants that confused the effective APRs with the annual interest rates on the account. Therefore, models for the next two rounds used this label.

Transaction List

- Because interest charges did not appear to be “top-of-mind” to participants as they were reviewing their statements, models for the next round included interest charges in the transaction list to make them more conspicuous.

Late Payment and Minimum Payment Disclosures

- Participants did not notice disclosures about the consequences of late payments and of making only the minimum payment, regardless of where they were placed on the form. For this reason, subsequent models continued to test a variety of locations and formats for these notices to determine which made them most conspicuous.

Changes to Account Terms

- As with the late payment and minimum payment disclosures, participants did not notice text about changes to account terms that was located in “Bank News” section. Therefore, one of the goals of future rounds was to find a more conspicuous location for this disclosure on the statement.

Time Payment is Due

- As in the Baltimore round, in the absence of information to the contrary participants in the Kansas City rounds assumed that payment was due either at close of business or at midnight on the due date. For this reason, all subsequent models provided the time that payment was due in close proximity to every reference to the due date.

Change-in-Terms Notice

- Attempts to test whether summaries of account changes were effective were hindered by the fact that the changes impacted two account terms—default rates and default triggers—with which participants in this round were unfamiliar. Because participants had difficulty understanding default rates and triggers themselves, it was difficult to study whether they correctly interpreted changes in these terms. Therefore, the change-in-terms notices that were developed for the next round focused on terms that consumers were more likely to understand—annual fees and transaction fees.

INTERVIEWS IN DENVER, COLORADO (JANUARY 2007)

Objectives and Methodology

Following the Kansas City interviews, new disclosure models were developed that reflected the findings of that round. These models were then tested through 7 cognitive interviews in Denver on January 9 and 10, 2007. This round of testing focused on four types of forms: Schumer Boxes, summaries of key terms to be provided at account opening, periodic statements, and change-in-terms notices. Because findings related to the placement of information on the solicitation letter had been conclusive in Kansas City, this document was not a focus in this round and the same model was used with all participants.

This was the only round that tested a summary page of key terms similar to the Schumer Box that would be provided at account opening. Although multiple versions of the form were used in testing, the goal was not to determine which would be most effective, but to study the extent to which consumers would find a summary page helpful. The focus group and Baltimore interviews had shown that consumers rarely read their cardholder agreements, and the hope was that a summary would make it easier for them to review their terms when they first receive their card. These summary pages were formatted exactly like the Schumer Boxes being tested, with the thought that these two documents should mirror each other (see “Guiding Principles for Disclosure Design”).

The following model forms were shown to participants in this round and can be found in Appendix B:

- Solicitation Letter: SL-4
- Schumer Box: SB-5, SB-6, SB-7, SB-8
- Account-Opening Summary Pages: AO-1, AO-2, AO-3, AO-4
- Periodic Statement: PS-5, PS-6, PS-7, PS-8
- Change-in-Terms Notice: CT-5, CT-6, CT-7

Key Interview Findings

Schumer Box

Annual Percentage Rates

- As in Kansas City, participants who were shown models that displayed cash advance and balance transfer APRs in separate rows were better able to find and identify these rates.
- The models used in this round provided a range of possible APRs for purchases and indicated that the initial rate the applicant received would be selected from this range based on his or her creditworthiness. The placement of information about how the initial rate would be selected had a large impact on the conspicuousness of the disclosure; participants were much

more likely to notice it when it was provided in the APR for Purchases row, rather than in a footnote. Participants had no difficulty understanding the word “creditworthiness”; they associated it with the quality of their credit history or their credit score.

- Participants were less likely to confuse rates for different transactions (e.g., assume that the APRs for purchases and balance transfers were the same) when the rate for purchases was printed in larger font than other text.

Fixed and Variable Rates

- When asked what it meant if a rate was labeled “fixed,” most participants responded that these rates would not change for any reason.
- About half of participants understood that rates labeled as “variable” would change based on the Prime Rate; others assumed that these rates varied based on consumers’ creditworthiness, or on their credit card behavior. Although the forms directed readers to more information underneath the box about variable rates, few read the additional text. As in Kansas City, several of those participants who did notice the detailed information about variable rates initially confused the margins with actual APRs.

Default APR and Default Triggers

- As in previous rounds, several participants said that “default” sounded as if it would only apply when the account was closed due to delinquent payments. Most thought, incorrectly, that a “default APR” would not apply after a single late payment. Participants in this round were also shown two alternative labels for the default APR. The term “highest possible APR” was not effective; some participants misinterpreted it to mean the highest level to which variable rates could increase. The term “penalty APR,” however, was correctly understood by the majority of participants as applying to events such as paying late or exceeding a credit limit.
- Participants were much more likely to notice and understand the significance of the default APR when this rate was provided in the same row as the default triggers. When the default APR and triggers were listed in separate sections of the Schumer Box, participants were more likely to overlook both of them.

Fees

- Participants were able to identify transaction fees more quickly and accurately if they were listed in a separate section, rather than integrated with APRs (as was done in one of the models for this round). Participants who were shown both formats indicated that they found more useful having all the fees listed together in a single section.
- Because of concerns that consumers do not notice minimum transaction fees, two different wordings were tested for cash advance fees in these models: “3% of the amount of each cash advance, but not less than \$5” versus “Either \$5 or 3% of the amount of each cash advance, whichever is greater.” Participants who read the second version were significantly more likely to notice the \$5 minimum fee.

Other Disclosure Notices

- The models contained several different versions of a disclosure about how balances are calculated on the card, ranging from a very simple notice that simply named the method to a more detailed disclosure that explained that “two-cycle” billing might be more expensive than the “average daily balance” method under certain circumstances. Regardless of which wording they were shown, however, most participants did not understand how or why “two-cycle” billing would impact interest charges, and nearly all indicated that they did not find this information important or useful.
- The disclosure on payment allocation continued to be problematic for participants; when prompted, just under half were able to correctly identify the bank’s policy towards payment allocation. Less than half understood why interest charges would be higher if the issuer paid off balance transfers made on the card before purchases.
- Within the disclosure about grace periods, some of the models used in this round noted that there is no grace period for cash advances or balance transfers. However, most participants did not notice this information and could not find it when asked.
- Three participants were shown a notice that relabeled the grace period an “interest-free period”; they seemed to prefer the “interest-free” label by a small margin because they felt it was more descriptive. However, there was no evidence that this new label increased consumer comprehension.
- As in Baltimore, there were a few participants that incorrectly indicated that they would have to pay the “minimum finance charge” every month.

Account-Opening Disclosures

- Participants in this round of testing were given an envelope containing a card carrier (with a mock credit card), a cardholder agreement, and a summary insert of terms and conditions that was nearly identical to the Schumer Box. While very few looked at the cardholder agreement, all noticed and read the summary insert. Several participants specifically noted that they found this summary useful, and said that in its absence they would probably have activated the card without reviewing the terms.

Periodic Statement

Interest and Fees

- When asked how much interest they were charged, participants first looked to the transactions list. If their model did not provide information about interest in the transaction list, most then looked in the Account Summary box.
- When asked to identify the total amount of fees that they had been charged, nearly all participants calculated the total by adding up the fees in the transaction list—even when a figure for total fees was included in the Account Summary box on the statement.

Annual and Periodic Interest Rates

- Most participants were able to find the annual interest rates they were being charged on purchases and cash advances on the statement. Most participants also understood what the “Monthly Interest Rate” shown on the statement signified. However, most also indicated that this periodic rate would not be important to them.

Effective APR

- After reading the description provided on the statement, less than half of participants could explain why the effective APR for balance transfers was higher than the annual interest rate (i.e., because it included transaction fees). Of those that understood that the effective APR included transaction fees, only one indicated that he would find this information useful.
- As in Kansas City, some participants confused the effective APR with the annual interest rate. However, this seemed to be less of a problem when the effective APR was provided in its own separate table, rather than as a column in the table related to interest calculation.

Transaction List

- When shown two statements and asked whether they found it more useful to have the transactions listed chronologically or grouped by transaction, just over half indicated that they preferred the grouped list.

Late Payment and Minimum Payment Disclosures

- Just over half of participants noticed the disclosures about the impact of paying just the minimum payment and the consequences of late payment. The different forms for this round provided these disclosures in a variety of locations and in a variety of formats (e.g., with or without a surrounding box). However, there did not appear to be any patterns as to which locations or formats were most effective.
- Most participants indicated that the minimum payment warning was important information to have on the disclosure, and that including this statement on the form would increase the percentage of consumers that pay more than the minimum amount. However, they felt that the warning would be more effective if it listed information about the cardholder’s own account, rather than a hypothetical example.

Changes to Account Terms

- None of the participants noticed the change-in-terms notice that was included with the periodic statement; all immediately set this notice aside along with promotional inserts. This behavior was consistent with findings from previous rounds of interviews.
- Most participants noticed the change-in-terms summary on the statement, although only one saw it in his first reading of the statement. Participants were significantly more likely to find the notice when it was printed on the first page, rather than the second page.

Change-in-Terms Notice

- Of those participants who were shown a change-in-terms notice that contained a summary of key changes, all but one noticed the summary and read it carefully. The tabular format of the summary appeared to make it more conspicuous, since the rest of the notice consisted primarily of dense text.
- Participants who were given notices with summaries were more likely to correctly identify the changes being made to their account. When no summary was given participants attempted to scan the notices to determine which changes in terms were most important to them, but had great difficulty doing so.
- There was no clear evidence that providing the summary on a separate page was more effective than displaying it on the first page of the notice itself.

Subsequent Design Decisions

Schumer Box

Annual Percentage Rates

- Based on findings from the Kansas City and Denver interviews, models tested in future rounds provided APRs for different types of transactions in different rows.
- Because participants were much less likely to notice the disclosure of how initial APRs were selected if it was in a footnote, all subsequent models provided this information in the “APR for Purchases” row immediately following the range itself.
- Because findings from Kansas City and Denver showed that consumers were less likely to confuse the APR for purchases with rates for other transactions when it was displayed in a larger font size, all subsequent models disclosed the purchase APR in larger font type than the rest of the information in the Schumer Box.

Fixed and Variable Rates

- Because findings from the first three rounds of interviews showed that participants frequently assume that a rate that is labeled “fixed” cannot be changed for any reason, this label was removed from models in later rounds.
- Like those in earlier rounds, participants in Denver confused variable rate margins with APRs. Participants also indicated that detailed information about how variable rates are calculated is not important to them. For these reasons, all subsequent models of the Schumer Box did not include variable rate margins.

- To improve consumer awareness of how variable rates change over time, models tested in the next round replaced the term “variable rate” in the APR rows with the phrase “This rate will vary with the market based on the Prime Rate.”

Default APR and Default Triggers

- Since most participants were more likely to read information about penalty fees than information about the default APR, for the next round references were added next to each penalty fee informing the reader that the default APR might also apply.
- Results from this round led to the use of the phrase “penalty APR” rather than “default APR” in later models, because the label appeared to be clearer and more descriptive to participants as applying to events such as paying late or exceeding a credit limit. The remainder of the report reflects this change, and refers to the “penalty APR” and “penalty triggers.”
- Participants were most likely to find and understand both the penalty APR and the actions that triggered this rate when they were located in the same row. Therefore, all subsequent models displayed both pieces of information in a row labeled “Penalty APR and When It Applies.”

Fees

- Because participants were able to identify fees much more easily when they were located in a separate labeled section, rather than integrated into the APR rows, all subsequent models included a separate section labeled “Fees.”
- Because participants generally were better able to find the APRs for balance transfers and cash advances than the fees for these transactions, models for the next round included a reference to transaction fees in the transaction APR rows (e.g., “Balance transfer fees will apply.”). The goal of these references was to increase consumers’ awareness of the existence of these fees by directing their attention to this section of the Schumer Box.
- Because participants were more likely to notice a minimum fee if it were listed first, all subsequent models did so (e.g., the cash advance fee is “Either \$5 or 3% of the amount of each cash advance, whichever is greater.”)

Other Disclosure Notices

- When detailed information was provided in the Schumer Box about the potential impact of the balance calculation method on interest charges, most participants neither understood these disclosures nor indicated that they would use the information when deciding whether or not to apply for the card. As a result, information on balance calculation was moved from inside the Schumer Box to directly below the box.
- Some participants continued to be confused by the concept of payment allocation, in part because they didn’t understand that balances for different transactions are calculated separately. Therefore, the models for the next round re-worded this disclosure to explain payment allocation more clearly. The disclosure was also moved into the APR for Balance

Transfers row to improve its conspicuousness, since one of the contexts in which payment allocation is most important is how it relates to low introductory rate balance transfers.

- Including text in the grace period disclosure that no grace period exists for balance transfers or cash advances did not appear to improve consumer understanding, primarily because few participants noticed this information. Therefore, this text was removed for the next round.
- Because some consumers in Baltimore and Denver incorrectly indicated that they would have to pay the “minimum finance charge” every month (when in fact it would only apply in months where they would otherwise incur a finance charge that was less than the minimum charge), explanatory text was added to this row of the Schumer Box in models for the next round.

Account-Opening Disclosures

- Participants in the focus groups and Baltimore interviews indicated that they would be unlikely to read their cardholder agreements. However, participants in this round who received a summary insert in addition to their agreement did look at it and review the terms of their card. These findings support the idea that the inclusion of a summary table along with other account-opening disclosures would make it easier for consumers to understand the terms of their new card.
- Based on this round of interviews, the Schumer Box format appears to be appropriate for an account-opening summary as well, particularly since consumers are already familiar with this format.

Periodic Statement

Transaction List

- When asked about interest charges, the tendency of most participants was to look for these charges in the transaction list. As a result, those who were given models that included these charges in the list found it easier to find them when asked. Therefore, all subsequent models included interest charges in the transaction list.
- Although most participants in this round were able to identify the total amount they were charged in fees by adding up the individual charges in the transaction list, there was a concern that this would be difficult for consumers who were charged a larger number of fees. In order to test whether this was true, model forms were developed for the next round that included a larger number of fees. Some of these models also included a total of fees in the transaction list.

Effective APR

- Because the separation of the effective APR into its own table decreased the likelihood that participants would confuse it with other rates (such as the annual interest rates on the account), all models for later rounds used this format.

- The description of the effective APR used in this round of testing was not effective in communicating to participants that the effective APR included both interest and transaction fees. In addition, those that did understand the term indicated that they did not find it useful. Subsequent rounds of interviews continued to test whether alternative descriptions of the term might make it more understandable to consumers.

Changes to Account Terms

- Because participants in this round were more likely to notice a disclosure of changes to account terms if it was on the first page of the statement, all subsequent forms located this information on the first page.

Change-in-Terms Notice

- Based on findings from the focus groups and the first three rounds of interviews, all subsequent change-in-terms notices that were tested included a tabular summary of changes to key terms. Key terms were defined as any that were required in the account-opening table.

INTERVIEWS IN BOSTON, MASSACHUSETTS (FEBRUARY 2007)

Objectives and Methodology

In early rounds of testing a wider range of possible formats for disclosures was considered. As a result, in most cases three or four models of each type were developed for each round, and these models differed substantially. As the project progressed, however, it became clearer what formats and language were clearest to consumers. The objectives of later rounds, therefore, were to a) gather data on a limited number of specific design questions that remained, and b) confirm the effectiveness of changes that had been made based on findings from earlier rounds.

As a result, fewer model variations were needed for testing in Boston, where Macro conducted 8 interviews on February 7 and 8, 2007. For example, the two basic versions of the Schumer Box that were used in this round (SB-10P and SB-10SP) differed only in content, not format. Model SB-10SP included set-up and maintenance fees that are often charged to subprime cardholders, as well as a notice that these fees might impact the amount of available credit at account opening. Model SB-10P, on the other hand, included a charge for a “Required Payment Suspension Plan” in the Fees section, which was intended to refer to a plan that would suspend the requirement for minimum payments in certain situations. Other than this one difference, these two models were identical.

All previous periodic statement models used up to this point had included an Account Activity section in the top-left corner of the first page that provided the previous month’s and new balances, payments received, and periodic totals for purchases, balance transfers, cash advances, fees, and interest. Although the Board does not require that banks provide a separate section like this on their statements, most issuers currently do. In the models used for this round, the Account Activity section was moved from the top of the first page to the bottom of the second page. This was not done because it was considered an improvement in formatting. The change was made because this section was referred to most often by participants when they were asked by the interviewer to find information on the form. By making this section more difficult to find (and recognizing that some issuers do provide the account summary in this location), the researchers were able to test the effectiveness of other pieces of the statement (e.g., the inclusion of fee totals within the transaction list).

In addition to the typical procedure in which participants were handed an envelope and asked to read it just as they would if they received it in the mail, this round also included some direct comparisons between forms. In this portion of the interview, participants were handed a pair of Schumer Boxes, both of which were in the same format but reflected different terms.⁴ Participants were asked to review the documents and identify what they considered the most important differences. Finally, they were asked to decide which of the two sets of terms they

⁴ Within each pair there were small variations in the formatting of the Schumer Boxes; for example, they were printed in different fonts, and column widths in the table were varied. Since Regulation Z does not require that all Schumer Boxes be identical, this was done to simulate variation between disclosures from different issuers.

would prefer if they were applying for a card. Five different pairs of Schumer Boxes were used in this segment of the interview. The goal was to determine how easy it was for potential cardholders to quickly and accurately compare cards using the revised Schumer Boxes, since one of the primary purposes of this disclosure is to allow consumers to shop for cards more efficiently and knowledgeably. The primary difference within each pair was as follows:

- Pair A: Model A1 offered a Purchase APR of 8.99% to 19.99%, based on creditworthiness, and indicated that the rate would “vary with the market.” Model A2 offered a flat purchase APR of 14.99% and did not indicate that this rate would vary.
- Pair B: Model B1 had a substantially lower penalty APR than Model B2.
- Pair C: Model C2 included a number of set-up and maintenance fees that did not appear on Model C1.
- Pair D: The two forms differed in the actions that would trigger the penalty APR. Model D1 indicated that actions would trigger the penalty APR if they occurred “two times in six months,” while in Model D2 a single action could trigger the penalty rate. Model D1 also did not include exceeding the credit line as a trigger, while Model D2 did.

This round of interviews was also the first round that addressed convenience checks. Two versions of the checks were used in the testing; the primary difference between the two was that one disclosed key terms such as APR and fees on the front, while the other displayed this information on the back.

The following model forms were shown to participants in this round and can be found in Appendix B:

- Solicitation Letter: SL-5
- Schumer Box: SB-10, SB-10SP, SB-10A (pair), SB-10B (pair), SB-10C (pair), SB-10D (pair)
- Periodic Statement: PS-9, PS-10⁵
- Convenience Checks: CC-1, CC-2

Key Interview Findings

Schumer Box

Annual Percentage Rates

- Most participants noticed the information in the “APR for Purchases” row that indicated that their initial rate would be selected based on their creditworthiness, and understood what it meant.

⁵ Several different versions of both PS-9 and PS-10 were used for testing in Boston. However, the only difference between these versions was a reversal of the placement of the minimum payment and late payment disclosures.

- In the models for this round, the Annual Percentage Rates section was re-formatted so that in each row the APR or fee was bolded and appeared first. The intent was that this would make it easier for readers to identify these rates quickly and accurately. This change appeared to be effective; participants in this round tended to identify APRs more easily than in previous rounds.
- When asked to compare different credit card offers, participants were easily able to distinguish differences in APRs for different types of transactions.

Fixed and Variable Rates

- The more explicit explanation of variable APRs that was used this round (i.e., “This rate will vary with the market based on the Prime Rate”) was more effective in communicating that the rate moved with an index than simply indicating that a rate was “variable” and requiring that readers go elsewhere for more information. In the “APR for Purchases” row, however, some participants had difficulty distinguishing between how the initial rate would be determined (i.e., based on creditworthiness) and how it would subsequently vary (i.e., based on the market).

Penalty APR and Penalty Triggers

- Unlike in previous rounds, most participants noticed that their interest rates would be increased for paying late or going over the credit limit. Half were able to identify the highest rate to which their APRs would increase, in some cases because they followed the references to the penalty APR in the penalty fees section.
- Among participants that were able to identify the penalty APR, some expressed misconceptions about how this rate would be applied. Some thought that the penalty rate would only be charged on the amount by which they went over their credit limit, rather than on their whole balance. Others thought that this rate would only apply during the month of their transgression, and would immediately thereafter return to normal.
- When comparing credit card offers, participants easily identified differences in the penalty APR. However, they did not notice differences in the penalty triggers—primarily because this required a careful reading of text, rather than a simple numerical comparison.

Fees

- Most participants were able to correctly identify transaction fees for balance transfers and cash advances. In several cases participants noticed the references to transaction fees that had been added to the APR rows.
- When asked to compare two credit card offers, participants did not have any difficulty identifying differences between the two cards in amounts or types of fees.

Other Disclosure Notices

- In the models for this round, information about the balance calculation method was moved below the box. Most participants were able to find this information without a problem, but

none knew what a “two-cycle average daily balance method” was. However, only one person indicated that this information would be important to them when shopping for a card.

- More participants in this round noticed the disclosure about payment allocation method, primarily because it had been moved to the APR for Balance Transfers row. As in previous rounds, however, about half of the participants had difficulty understanding what the notice was saying; some continued to believe that payment allocation would not have an impact on their interest charges.
- While almost all participants understood the grace period disclosure used in this round, some were confused by text that warned the grace period would be lost if the cardholder did not pay the balance in full in each. Several participants incorrectly stated that this meant they would lose their introductory APR if they did not make payments on time.
- Some participants were shown a Schumer Box model that used the phrase “Interest-Free Period” instead of “Grace Period.” As in the previous round, this difference did not have a significant difference on consumer understanding or on the usability of the disclosure.
- One of the models included a “Required Payment Suspension Plan” in the fees section. This label was intended to refer to a plan that would suspend the requirement for minimum payments if one of several qualifying events occurred (e.g., the cardholder lost his or her job). However, none of the participants interpreted the label in this way. For example, one thought that the plan would allow you to return things that you purchased, while another thought you would be charged this amount if the bank closed your account.
- One of the models included a notice that because of fees that would be charged, the amount of available credit at account opening would be lower than the actual credit limit. Most participants noticed this text in their initial reading of the Schumer Box, and all who read it understood it and found it useful.

Periodic Statement

Interest and Fees

- The models used in this round included “year-to-date” interest and fee totals. Participants reacted positively towards the inclusion of these totals, and indicated that they would be helpful to have on their statements. However, there were some cases in which participants confused the year-to-date totals with the monthly totals.

Annual and Periodic Interest Rates

- Most participants who were given models that included a “Daily Periodic Rate” indicated that they would not find this information valuable. None indicated that they would use this rate for checking interest calculations.

Transaction List

- Participants who were shown statements with transaction lists that were grouped by transaction type found it easier to identify the number of fees that were charged, as well as the total amount. Those who were given “ungrouped” transaction lists had much more difficulty with these tasks. Participants who were shown both types of lists expressed a strong preference for the “grouped” lists.

Effective APR

- Information about the effective APR was formatted differently in this round, and new text was added that highlighted the difference between the APR and effective APR. However, as in previous rounds of testing a large majority of participants (in this case, all but one) were unable to effectively explain that the effective APR was higher than the annual interest rate because the effective APR included interest and transaction fees.

Late Payment and Minimum Payment Warnings

- In the models for this round the notice about the consequences of paying only the minimum payment was located near the top of the statement, under the Account Summary section. Most participants noticed this text while reviewing the statement.
- A warning about the consequences of paying late was included on the payment coupon. Less than half of participants noticed this warning, primarily because people did not tend to look at the payment coupon.

Changes to Account Terms

- Half of participants were shown a statement that had a notice on the first page indicating that the terms of their account were being changed. Two different versions of this notice were tested—one that included a table that summarized key account changes, and one that simply stated that changes would be made and referred cardholders to an insert for more details. Participants that were given the version that included the table were better able to understand the changes that were being made to their account.

Convenience Check

- Most participants reported having received checks from their bank similar to the ones shown in the testing, but only one said that he had ever used these checks.
- While almost all participants were able to identify the introductory APR that would be applied, less than half were able to describe what would happen to the rate when the introductory period ended (the “go-to” rate). The primary reason was that when answering this question, participants scanned the text for a numeric percentage figure, but there was none—the disclosures simply indicated that the go-to rate would be equal to “the APR on cash advances.” Whether this disclosure was on the front or back of the document that contained the checks did not seem to impact participants’ ability to locate this information.

- About half of the participants were able to correctly indicate that there was no way to avoid paying interest on payments they made with convenience checks (i.e., that there was no grace period). Again, whether this disclosure was on the front or back of the document that contained the checks did not seem to impact participants' ability to locate this information.
- Information that was provided on payment allocation was not useful to participants; most were unable to find this information, and some of those that found it did not understand what this disclosure was saying. Whether this disclosure was on the front or back of the document that contained the checks did not seem to impact participants' ability to locate this information.

Subsequent Design Decisions

Schumer Box

Annual Percentage Rates

- The disclosure that applicants' initial rates would be based on their creditworthiness was much more conspicuous in the APR for Purchases row than it had been in a footnote in earlier models. Because some participants had difficulty distinguishing how their initial rate was selected from how it would vary thereafter, the wording of this disclosure was revised slightly for the next round of testing.
- Because the format of the models for this round appeared to increase participants' ability to quickly identify interest rates for different transactions, all subsequent models tested included the rates and fees in bold type and generally listed them first in their respective rows.

Fixed and Variable Rates

- The more explicit explanation of variable rates that was used in this round did improve participants' understanding of why these rates would change. Therefore, this wording was used in subsequent models.

Penalty APR and Penalty Triggers

- The addition of a reference to the penalty APR in the penalty fees section improved participants' understanding that their rates might increase. Because some had difficulty finding the penalty APR in the Schumer Box, the wording "see above" was added to this reference.
- Because some participants expressed misconceptions about how the penalty APR would be applied, following this round, the wording of the Penalty APR row was revised to make it clearer that this rate would be applied to the entire balance on the account, rather than just the amount of any transgression. In addition, an explanation was added describing how long the penalty APR would apply.

Fees

- Because references to transaction fees in the APR rows (e.g., “Balance transfer fees will also apply”) improved participants’ awareness of these fees, this reference was retained in future models. In subsequent models that were developed, the words “(see below)” were added to the reference to make it easier for consumers to find the applicable fees in the Schumer Box.
- The phrase “Required Payment Suspension Plan” was not meaningful to participants, and there was no alternative label that seemed to effectively describe this type of account protection plans. Therefore, subsequent models used the names of specific plans in the Schumer Box.
- Because participants consistently indicated through multiple rounds of interviews that they did not consider foreign transaction fees to be an important factor when shopping for a card, these fees were removed from all subsequent models.

Other Disclosure Notices

- The notice about payment allocation was retained in the APR for Balance Transfers row, because it was much more noticeable in that location than it had been at the bottom of the Schumer Box. The wording was revised slightly for the next round to emphasize the fact that the introductory APR applied only to balance transfers—a fact that several participants in this round did not understand.
- The wording of the grace period disclosure that was used in this round tended to confuse participants. Therefore, a simpler version of this disclosure was used in the next round. Since the term “interest-free period” did not seem to be any more effective than “grace period,” all future models retained the original term because of its familiarity to some consumers.
- Because testing in Boston showed that participants tended to notice and understand the notice about the impact of fees on available credit, the notice was retained in future models.
- The explanatory text that was added to the “minimum interest charge” row was effective; all participants in this round correctly understood the circumstances under which they would be charged this amount. Therefore, this text was included in all subsequent models.

Periodic Statement

Interest and Fees

- Participants reacted positively towards the year-to-date totals of interest and fees that were included on models for this round, so these totals were retained in the final round. Because some confused the year-to-date totals with monthly totals, the format for this information was revised in future models.

Transaction Lists

- Interviews in Denver and Boston showed that participants who were given transaction lists that were broken down by transaction type were able to identify information more quickly and accurately. For this reason, transaction lists in all subsequent models were broken down in this way.

Effective APR

- As in previous rounds, the text used to describe the effective APR was not effective at communicating to participants that the effective APR includes both interest and transaction fees. Again, some believed that the effective APR was the annual interest rate. The effective APR was included on models for the final round to see whether any final revisions could make it clearer and more understandable.

Late Payment and Minimum Payment Disclosures

- Results from the Boston interviews showed that disclosures that are located near the top of the statement are much more likely to be noticed than those on the payment coupon. Therefore, for the final round warnings relating to late payment and minimum payment were placed at the top of the first page, just under the information about payments.

Charges to Account Terms

- Because participants that were shown change-in-terms notices without a summary table were less likely to understand what was changing about their account, all subsequent models included a summary table describing changes to key terms on the front page of the periodic statement.

Convenience Checks

- This round of testing confirmed that information about how payments will be allocated is very difficult for consumers to understand in the context of convenience checks—just as it is in the context of the Schumer Box. Therefore, the next round of testing did not address disclosures for payment allocation and focused instead on fees, APRs, and grace period. Because some participants were unable to find these disclosures in this round, the models used in the next round provided them in different formats—one used a clearly labeled bulleted list, while the other used a tabular format similar to the Schumer Box.

INTERVIEWS IN DALLAS, TEXAS (MARCH 2007)

Objectives and Methodology

The last round of nine interviews was conducted in Dallas on March 12 and 13, 2007. Variation between models in this round was fairly minimal; for example, the two periodic statement forms that were used in the testing only differed in the wording of several notices and the placement of year-to-date totals of interest and fees.

As in Boston, participants in Dallas were asked to compare two Schumer Boxes, identify the most important differences in terms, and choose which card they would prefer. Again, the goal of this portion of the interview was to study how easily the revised format allowed consumers to compare and shop for credit cards. Two pairs of models were used:

- Pair F: Model F1 noted that the purchase APR of 14.99% would “vary with the market based on the Prime Rate.” Model F2 offered the same APR, but did not indicate that this rate would vary.
- Pair G: Model G1 displayed a larger number of penalty triggers than model G2. In addition, model G2 stated that if rates were increased to the penalty APR, the issuer reserved the right to keep them at that level “indefinitely.” Model G1, on the other hand, indicated that if the cardholder made six minimum payments when due and did not exceed his or her credit limit for six consecutive months, the rates would return to normal.

Two different Schumer Box models were used in Dallas. SB-11 reflected all revisions that had been made over the course of the testing. SB-12, on the other hand, was designed to simulate current Schumer Box disclosures. Each participant was shown a version of both of these models so that the researchers could gather information on which format—current or revised—they found easier to understand. Just as in Boston, two different versions of both SB-11 and SB-12 were created—one that included set-up and maintenance fees (SB-11SP/SB-12SP) and one that listed a “required account protector plan” in the fees section (SB-11P/SB-12P).

The most noticeable difference between the Schumer Box and periodic statement models used in Dallas and those used in previous rounds was their general appearance. Up to this point, the layout of forms had been kept very generic, with minimal use of graphic elements like highlighting and shading. The reason for this was that these types of graphic features are largely not regulated by the Board, so by keeping the models generic the researchers were able to focus more specifically on aspects of the forms that are covered in Regulation Z (such as the tabular format of the Schumer Box).

However, since these documents were going to be released as model forms there was a desire to have them reflect best design practices, which the generic versions used in prior testing did not. Therefore, before the Dallas tests Macro’s design team revised the forms from a graphic

perspective and added features such as shaded bars and the use of reverse (i.e., white-on-black) text in the headings of disclosures. These “best practice” forms were used in the Dallas testing to determine if these graphic elements negatively impacted the usability of the forms.

The following model forms were shown to participants in this round and can be found in Appendix B:

- Solicitation Letter⁶: SL-6, SL-7
- Schumer Box: SB-11P, SB-11SP, SB-12P, SB-12SP, SB-10F (pair), SB-10G (pair)
- Periodic Statement: PS-11, PS-12
- Convenience Checks: CC-3, CC-4, CC-5

Key Interview Findings

Schumer Box

General Comments

- Several participants commented that the revised Schumer Box was “clearer,” “easier to understand,” or “more spaced out” than the current version.

Annual Percentage Rates

- Participants were more likely to be able to identify the APRs they would be charged on balance transfers and cash advances when looking at revised Schumer Box models, compared to current models. They also found it easier to identify the fees that they would be charged for these transactions.
- Participants were more likely to be able to identify the interest rate on purchases on a Schumer Box using the revised format, compared to the current format. They were also more likely to understand how the initial rate was determined, as well as how it would then vary.

Penalty APR and Penalty Triggers

- While looking at a current Schumer Box model, none of the participants could find any indication that their APRs could increase to the penalty APR. When looking at the revised model, however, all found and understood this information.
- When asked to compare two Schumer Boxes representing different offers that differed in penalty triggers and how long the penalty APR would apply, participants did not notice these differences. After being prompted to re-read that section of the Schumer Box, most did see the difference in how long the rate would apply—but still very few noticed the difference in triggers.

⁶ Participants were shown either SL-6 or SL-7 based on whether they were given SB-11 or SB-12, so that the terms matched between the solicitation letter and the Schumer Box.

Fees

- Participants were able to identify the fee that they would be charged if they went over their credit limit when looking at either model. However, they were able to find this fee more quickly when using the revised model.

Other Disclosure Notices

- Participants were significantly more likely to be able to find information about payment allocation when looking at a revised model. However, about half had difficulty understanding what this disclosure was saying, as well as why payment allocation would impact their interest charges.
- Almost all participants noticed the reference on the revised Schumer Box about a website to go to “for additional information.” However, several misunderstood the type of information that they would find there—they indicated that the website would likely provide a comparison of terms for specific cards. A few also assumed that the website would be run by the credit card issuer itself, and that therefore the information it contained would not be neutral. Participants were divided on whether they would be likely to use this website; about two thirds said that they might, while the remainder said that they would not.

Periodic Statement

Interest and Fees

- When asked whether the interest rates on their account were shown on the statement, all but one were able to find them in the Interest Charge Calculation section.
- All but one of the participants were able to locate year-to-date totals of interest and fees charged. Whether these totals were displayed at the end of the transaction list or in the Summary of Account Activity box did not seem to impact the ease with which participants found this information. Most indicated that this information would be useful to them, and that they would like to have it on their statement.

Annual and Periodic Interest Rates

- While nearly all participants understood what the Daily Periodic Rates that were displayed represented, a majority indicated that they would not find these rates valuable.

Effective APR

- In the models for this round the effective APRs were renamed the “Fee-Inclusive APRs,” to see whether this label might be more descriptive to consumers. There was some evidence that this label might be more effective—after reading the statement about half of the participants understood that the effective APR included both interest and fees. Half of those who understood this term (or about a quarter of all participants) thought that this was important information that should be included on periodic statements.
- As in previous rounds, there were a few participants that misidentified the effective APR as the annual interest rate on their account.

Late Payment and Minimum Payment Disclosures

- Nearly all of the participants were able to find information on the statement about what would happen if they paid late on the statement, and most noticed the late payment warning before being prompted.
- All but one of the participants were able to identify information on the statement about the potential consequences of paying only the minimum amount each month. About half noticed this warning on their first reading of the statement—significantly more than in previous rounds.

Changes to Account Terms

- Participants had no difficulty finding information on the statement about changes to their account terms, and all understood these changes after reading the text provided.
- Models for this round included additional text in the change-in-terms notices indicating that if consumers were already being charged the penalty APR, the changes to their transaction APRs would not immediately impact their account. When asked to read this text, participants understood it.

Convenience Checks

- All of the participants indicated that they had received convenience checks previously from their credit card issuer, but only a third said that they had used them.
- Regardless of which model they were shown, all participants were able to identify the fee that they would be charged for using the checks. However, those who were given models with this disclosure on the back only saw the fee after being prompted to look for it, while about half whose form had it on the front noticed it during their initial reading.
- Two models used for this round had a disclosure on the front indicating that there was no grace period for purchases made with convenience checks; the third model had this information on the back. Participants who were shown models with the disclosure on the front were more likely to understand that there was no grace period; in fact, no one noticed this information when it was on the back.
- Only a third of participants were able to find the disclosure text that indicated that after the introductory rate expired they would be charged the APR on cash advances. No one was able to find this information when it was provided on the back of the form. As in Boston, the primary reason was that participants were looking for a numeric percentage for the go-to rate, when in fact this rate was only stated in the form of text (i.e., “your regular APR for cash advances.”)
- There was no evidence in these tests that the specific format of the disclosures (i.e., text vs. tabular) had an impact on participants’ ability to locate the information.

Subsequent Design Decisions

Schumer Box

Annual Percentage Rates

- The text used in this round for the “APR for Purchases” row was more succinct and seemed to be clearer regarding how an initial rate would be determined and how it would then vary. As a result, this wording was retained in the proposed model form.
- In order to help consumers distinguish between transaction fees and APRs, references were added in this round in the transaction fees section that directed readers’ attention back up to the APRs. However, there was no evidence that this reference improved consumer understanding, so these references were not included in the proposed form.

Penalty APR and Penalty Triggers

- This set of models included a reference in the “Penalty APR” row telling consumers that they might also be charged a fee, and directing their attention to the penalty fees section. However, this reference did not seem to impact consumer understanding—most participants already understood that penalty fees could be charged. In addition, the reference distracted them away from the penalty APR row, which was less familiar to them. Therefore, this text was removed from the proposed form.
- Because several participants did not initially notice information in the penalty APR row indicating how long the rate would apply, the proposed form was revised to include the heading, “How Long Will the Penalty APR Apply?”

Other Disclosure Notices

- In order to make it more noticeable to consumers, in the proposed form the heading for the payment allocation disclosure was put in bold text and changed from “NOTICE” to “Notice Regarding Interest Charges.”
- Because some participants misunderstood the type of information that would be found at the website referenced in the Schumer Box, the wording for this disclosure was revised. The text used in the proposed form also explicitly notes that this website is run by the Federal Reserve Board, to reassure readers that the information they find will be unbiased.

Periodic Statement

General Formatting

- The new appearance of the periodic statements used in this round (i.e., black bars with white text identifying each section; increased use of shading, etc.) seemed to make the statement clearer and more navigable to participants.

Interest and Fees

- Providing the year-to-date totals of interest and fees at the end of the transaction list proved effective, since this list is one of the few pieces of the statement that participants consistently read carefully. Therefore, the proposed periodic statement model provides year-to-date totals in that location.

Annual and Periodic Interest Rates

- Because participants in Dallas and in previous rounds consistently indicated that they do not find the periodic rate that is provided on statements to be useful, and because displaying fewer percentages would likely make it easier for consumers to identify the interest rates on their account, the proposed statement model does not include periodic rates.

Effective APR

- There was some indication in this round that re-labeling the effective APR as the “Fee-Inclusive APR” increased consumer comprehension of this term. However, previous rounds had provided a great deal of evidence that this rate is not useful to consumers and might even be counter-productive to include, given their potential confusion between the effective APR and annual interest rates. Further testing may be needed to determine whether this change in terminology has in fact made this term understandable and useful.

Late Payment and Minimum Payment Disclosures

- The models for this round included the notices about late payment and minimum payment immediately following information about payment. Results from Dallas showed that participants were much more likely to notice these disclosures in that location. Therefore, the proposed model forms include these two disclosures in close proximity to payment information.

Changes to Account Terms

- The text that was added to the change-in-terms summary regarding how to interpret the changes if the cardholder was already being charged the penalty APR was clearly understood by participants. Therefore, this text was included in proposed forms.

Convenience Checks

- Because participants found information regarding fees, the go-to rate, and the absence of a grace period more easily when it was on the front of the checks, the Board’s proposal would require that issuers include these disclosures on the front of the page of checks. The two formats used in this round—a clearly labeled bulleted list and a tabular format similar to the Schumer Box—both seemed to be effective in making these disclosures clear and conspicuous.
- When looking for the interest rate that would be charged after the introductory period ended participants consistently scanned the text for a numeric percentage, and when they did not see a percentage assumed that the information was not there. Therefore, the Board’s proposed regulations would require that issuers provide a numeric percentage on the front of

the page of checks, rather than simply stating that the percentage will be, for example, the APR on cash advances.

SECTION IV: CONCLUSION AND DISCUSSION OF NEED FOR CONSUMER EDUCATION

PROPOSED REVISIONS TO REGULATION Z

Following each round of interviews, the Board reviewed findings from the consumer testing. These results were a key source of information as the Board developed proposed revisions to the rules affecting open-end credit in Regulation Z. As noted above, this proposal is scheduled to be released for public comment in May 2007; the revised disclosure forms that were developed through the testing will be included as model forms.

NOTE ON NEED FOR CONSUMER EDUCATION

The proposed models that have been developed through this project were designed to explain credit card terms as simply and clearly as possible so that a wide range of consumers could understand them. However, one important finding has been that there are a number of consumers who lack fundamental understanding of how credit card accounts work. These participants tended to be those with lower educational levels, and were likely subprime consumers (i.e., those with low credit scores). Unfortunately, this population is generally charged higher fees and interest rates than other consumers, and thus has the most at stake in understanding how these charges are calculated and how they can be avoided.

Some of the specific concepts that were misunderstood by a large number of participants included the following:

- **Calculation of Interest Charges:** Most participants understood that the Annual Percentage Rate was associated with the calculation of their interest charges, and that a lower APR generally corresponded to lower charges. However, very few participants could accurately describe how interest charges were actually calculated. Many did not understand the balance that would be used in the calculation each period; some thought it was the new balance on the card, while others thought it was the sum of new purchases. Others thought that the APR itself was used in the monthly calculation of interest, rather than a periodic rate. Most participants who could not describe how interest was calculated were not concerned by their lack of understanding. They indicated that they trusted that their issuers would perform the calculations correctly, and that they would call them if the amount looked incorrect. However, in many cases it was unclear that these participants would be able to identify a mistake if it appeared on their statement.
- **Fees Versus Interest Rates:** When shown a credit card offer and asked to consider the potential costs of the account, there were some participants who had difficulty distinguishing between fees and interest rates (for example, a 5% APR on balance transfers versus a 5% fee on balance transfers). In some cases, there was a lack of understanding that fees were tied into a specific action or occurrence, while interest rates would be applied to a balance each

period. Internal references were added to the Schumer Box to try to direct consumers' attention to both fees and APRs to help them distinguish between the two. However, testing showed that while these references helped some consumers, there were others who were still unaware of the difference between the two.

- **Balances from Different Types of Transactions:** Most participants understood that they could be charged different interest rates on purchases, balance transfers, and cash advances. However, testing showed that while they were aware of this at a conceptual level, many were unable to apply this knowledge when making decisions. For example, while looking at Schumer Boxes interview participants were asked to imagine a scenario in which they transferred a balance to their card at a 0% introductory rate, then made purchases on the same card at a higher rate, and then made a payment. They were asked whether they thought this issuer would use their payment to pay off their balance transfer or their purchases. Although the Schumer Box indicated that lower-APR balances would be paid off first, less than half of participants were able to answer correctly—some, for example, thought the issuer would pay off transactions in the order that they occurred. In order to alleviate these misunderstandings, the proposed model includes text in the Schumer Box describing how payments will be allocated.

This particular interview question was complex, and it is unsurprising that many consumers were unable to answer it correctly. However, a surprising number of participants indicated that the bank's decision regarding payment allocation would have no impact on the amount of interest they were charged. Others did not understand what was being asked, because they did not realize that balances were calculated separately for purchases and balance transfers—they assumed that all transactions were aggregated into a single balance. For participants with these fundamental misunderstandings, even the disclosure included in the proposed model is unlikely to be helpful.

Other misunderstandings were also revealed through the interviews, many of which led to revisions to the formatting and language used in the disclosures. However, fundamental gaps in consumer knowledge, such as those listed above, are difficult to address through disclosures. Effectively explaining the difference between a 5% fee on balance transfers and a 5% APR on balance transfers, for example, would require a great deal of text—so much, in fact, that the consumers for whom it was intended would be unlikely to read it. In addition, adding this text would make the disclosure much less useful to other consumers who did not need this explanation.

To address these misunderstandings, therefore, more basic consumer education is necessary about how credit cards work. The Board has proposed using its website to conduct some of this work. This is a promising strategy, because a website would allow more targeted education—users could focus on specific areas of interest, while skipping topics that they already understand. However, a website is likely to be only part of the solution, because its effectiveness depends on the extent to which people proactively decide to use it—and many of the participants who were interviewed for this project were unaware of their own misconceptions. A more effective long-term strategy might be to expand coverage of these topics in K–12 school curricula, so that people would have a more thorough understanding of how credit cards work by the time that

they became consumers. Obviously, addressing the problem of consumer understanding at this level is far outside the scope of this particular project. However, the need for such a solution was very apparent during the course of this work.

APPENDIX A:

**DEMOGRAPHIC AND
BACKGROUND INFORMATION ON
FOCUS GROUP AND INTERVIEW
PARTICIPANTS**

APPENDIX A: DEMOGRAPHIC AND BACKGROUND INFORMATION ABOUT PARTICIPANTS

As noted in Sections II and III of this report, participants in focus groups and cognitive interviews were recruited by telephone using a structured screening instrument. This instrument was designed to ensure the selection of a range of participants in terms of gender, age, ethnicity, and level of education. Prospective participants were also asked questions about their credit card history and credit card behavior, such as how often they paid the full balance on their card or whether they had opened a new account in the last 12 months. These questions made it possible to ensure that the study encompassed a variety of credit card user populations (for example, new versus experienced credit card users).

Other screening criteria that were used included:

- Consumers were only invited to participate in focus groups or interviews if they had one or more general-purpose credit cards.
- Consumers were only invited to participate if they were the person in their household who was responsible for making credit card decisions, such as choosing a new credit card or deciding how much to pay each month.⁷
- To avoid potential conflicts of interest, consumers who worked for a bank or credit card company were excluded from participation.

While minor changes were made to the screening instrument between locations, the majority of questions remained unchanged for all phases of the study.

On the following page, Table 1 provides some of the information collected about participants in each location during the screening process.

⁷ Consumers were also invited to participate if they made these decisions in cooperation with a spouse or other partner.

Table 1: Demographic and Background Data for Focus Group and Interview Participants

NOTE: The numbers at the top of each column refer to the number of participants. Because some data were collected through a survey, and some participants did not respond to all questions, the sum of numbers in the table does not always equal the number of participants.

	Focus Groups		Preliminary Interviews	Cognitive Interviews for Testing of Revised Forms				TOTAL ⁸ (n=86)
	Calverton (n=21)	Birmingham (n=23)	Baltimore (n=9)	Kansas City (n=9)	Denver (n=7)	Boston (n=8)	Dallas (n=9)	
Gender								
Male	9	12	5	3	2	5	5	41 (48%)
Female	12	11	4	6	5	3	4	45 (52%)
Age								
18 to 25	3	1	2	2	0	1	2	11 (13%)
26 to 35	2	7	1	2	2	3	1	18 (21%)
36 to 45	5	12	3	4	4	2	4	33 (39%)
46 to 60	9	3	3	1	1	2	2	21 (25%)
61+	2	0	0	0	0	0	0	2 (2%)
Race/Ethnicity								
White	11	4	5	4	4	4	5	37 (43%)
African-American	10	19	3	3	2	4	1	42 (49%)
Hispanic/Latino	0	0	0	2	1	0	3	6 (7%)
Asian-American	0	0	1	0	0	0	0	1 (1%)
Education Level								
Some high school	1	0	0	0	0	0	0	1 (1%)
Graduated from high school	6	8	3	4	3	4	5	33 (39%)
Some college	8	13	2	4	2	1	1	31 (36%)
Graduated from college	5	2	4	1	2	3	3	20 (24%)
How long ago did you get your first credit card?⁹								
Less than 5 years	-	-	1	2	0	2	3	8 (19%)
5 to 10 years	-	-	2	3	1	3	1	10 (24%)
More than 10 years	-	-	6	4	6	3	5	24 (57%)

⁸ When calculating the percentages in this column, the denominator that was used was the number of respondents to each question, not the total number of participants. These percentages may not total 100 percent due to rounding.

⁹ This question was not asked of prospective participants for the focus groups.

	Focus Groups		Preliminary Interviews	Cognitive Interviews for Testing of Revised Forms				TOTAL ⁸ (n=86)
	Calverton (n=21)	Birmingham (n=23)	Baltimore (n=9)	Kansas City (n=9)	Denver (n=7)	Boston (n=8)	Dallas (n=9)	
Have you opened a new general-purpose credit card account in the past 12 months?								
Yes	6	9	4	3	3	4	7	36 (42%)
No	14	14	5	6	4	4	2	49 (58%)
How often do you pay the full balance on your primary credit card?								
Always or almost always	6	1	0	2	2	1	2	14 (17%)
Sometimes	12	8	6	4	3	4	4	41 (49%)
Hardly ever	2	13	3	3	2	3	3	29 (35%)

APPENDIX B:

**DISCLOSURE FORMS USED IN
TESTING**

Focus Groups:
Calverton, MD (May 2006)
Birmingham, AL (June 2006)

Contents:

- Sample Credit Card Solicitation (front and back)
- Sample Cardholder Agreement (4 pages)
- Sample Periodic Statement (front and back)
- Sample Change-in-Terms Notice (front and back)

*****AUTO** 5-DIGIT 20854



Visa® Platinum

0% Fixed Introductory APR on Purchases and Balance Transfers through May 2006
7.99% Fixed APR Thereafter
No Annual Fee

**RESPOND TO THIS OFFER BY:
MARCH 30, 2005**

PLACE STICKER ON YOUR REPLY ENVELOPE

Three EASY ways to apply for your Visa® Platinum

Follow one of these easy steps to get a low 0% introductory APR on purchases and balance transfers. We have made it simple – so act now.

- 1. APPLY BY MAIL**
Complete and return your signed Invitation Certificate today.
- 2. APPLY BY PHONE**
Call _____ and use your Invitation Code _____
- 3. APPLY ONLINE**
You can apply online at _____ and use your Invitation Code _____

Whichever method you choose, you must respond by March 30, 2005 to take advantage of our offer!

Dear

For a limited time, we are extending you an invitation to carry the Visa® Platinum. It has never been easier – simply respond by **March 30, 2005** and you could be enjoying a wide range of outstanding benefits and features including:*

- **0% introductory APR on purchases and balance transfers**
- **Save through May 2006**
- **A low fixed APR of 7.99%, thereafter**
- **No Annual Fee**

The Visa® Platinum also gives you more security and flexibility:

- **\$0 Fraud Liability** if your account is used without your authorization
- **Merchant Dispute Resolution**
- **Free Online Account Management**
- **24/7 Customer Service**

To receive this low APR, your account must be in good standing. Your account will not be in good standing if any loan or account with us or any other creditor is past due, your account is overlimit, you make a payment to your account that is returned unpaid, or your account is closed for any reason. This 0% introductory APR could be yours – but you must act now!

Sincerely,

Chief Marketing Officer

P.S. Time is limited. This very special offer will expire on March 30, 2005. To respond, complete and sign your Invitation Certificate today, call _____ or visit our website at _____

*See reverse for Disclosures regarding rates, fees, additional costs, and other information for this offer.

L4T650776370

FILL OUT, DETACH PART BELOW, AND MAIL IT BACK IN THE ENCLOSED ENVELOPE

LTC12581

CALL TOLL FREE AND USE YOUR INVITATION CODE OR COMPLETE THE INVITATION CERTIFICATE

* See reverse for Disclosures regarding rates, fees, additional costs, and other information for this offer.

Visa Platinum
Offer Expires: March 30, 2005
The following information is necessary prior to opening your account.
PLEASE USE A BLUE OR BLACK BALLPOINT PEN AND PRINT IN CAPITAL LETTERS.

If the printed address below is a P.O. box, you must write in your street address.

Social Security Number _____

Date of Birth _____ Mother's Maiden Name _____ Home Phone _____

Employer's Name _____ Business Phone _____

Yearly Total Income* \$ _____

If you would like an additional card in another name, print name below.

First _____ M.I. Last _____

*You need not include alimony, child support, or separate maintenance income if you do not want such income to be considered.

Provide your e-mail address and we will keep you informed of important account information and cardmember services.

Please also keep me informed via e-mail about exclusive offers from _____

BALANCE TRANSFER REQUEST (in order of preference)
Complete this Balance Transfer Request today to pay off your outstanding balances at a low fixed introductory APR of just 0%.*

1) Account Number _____
Exact Amount to Be Paid and Transferred \$ _____

2) Account Number _____
Exact Amount to Be Paid and Transferred \$ _____

PAYMENT PROTECTOR PLAN
Yes, I want to help protect my credit rating. Please enroll me in the Payment Protector Plan. I have read and understand the offer as described on the reverse side. I acknowledge that the purchase of the Payment Protector Plan is optional, not required to obtain credit, my decision whether to purchase it is not a factor in my credit approval, and I may cancel at any time.

INITIAL HERE FOR OPTIONAL PAYMENT PROTECTOR PLAN _____ DATE _____

Signature (Required, not transferable) _____ DATE _____

DISCLOSURE

In these disclosures, "we," "our" or "us" means

Bank USA, National Association.

NOTICE: To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account. What this means to you: When you open an account, we will ask for your name, address, date of birth, and other information that will allow us to identify you. We may also ask to see your driver's license or other identifying documents. You agree that we may obtain and use consumer credit reports and exchange credit information in connection with this offer and any update, renewal or extension of credit we may extend to you or for any other legitimate business purpose. If you request, we will inform you whether any credit report was requested and, if so, the name and address of the consumer reporting agency which furnished the report. If we are unable to open an account for you at this time, you request that we reconsider your application from time to time over the next 3 months and open an account for you if you subsequently qualify. You agree that we may obtain future, additional credit reports on you in order to do this. You agree that we may share personal and account information about you with our affiliates for the purpose of marketing to you their products and services, including banking, insurance and investment products. You agree that we will consider your response for a Platinum credit card with Elite Pricing account. You agree that we reserve the right, based upon our evaluation of information furnished by you or others, to open a Platinum credit card with Premium Pricing account or a Platinum credit card with Standard Pricing account, with the pricing terms stated below, with a credit line that may be as low as \$200, if you do not qualify for the Platinum credit card with Elite Pricing, or not to open any account. We may exclude existing cardmembers from this offer. You must be at least 18 years old to qualify (19 in AL and NE). You must name and supply a valid permanent home address within the 50 United States or the District of Columbia. Responses with addresses outside this market area, including addresses in U.S. territories, commonwealths and possessions, will not be approved. This offer and any resulting account are subject to Delaware and federal law. You agree that the use of any card or account issued in connection with this offer is subject to the terms specified in, and such terms are subject to change as provided in, the Cardmember Agreement mailed with your card. The Cardmember Agreement contains a binding arbitration provision which may affect your rights to go to court, including your right to a jury trial or your right to participate in a class action or similar proceeding. Payments will be applied, by us in our sole discretion, to promotional rate balances (like reduced rate Balance Transfers or other reduced rate offers) before regular rate balances. State laws require the following notices: **California Residents:** Married applicants may apply for separate credit. **New York Residents:** May contact the New York State Banking Department at 1-800-518-8866 to obtain a comparative listing of credit card rates, fees and grace periods. **Ohio Residents:** The Ohio law against discrimination requires that all creditors make credit equally available to all creditworthy customers, and that credit reporting agencies maintain separate credit histories on each individual upon request. The Ohio Civil Rights Commission administers compliance with this law. **Married Wisconsin Residents:** No provision of any marital property agreement, unilateral statement or court order applying to marital property will adversely affect a creditor's interests unless prior to the time credit is granted, the creditor is furnished with a copy of the agreement, statement or court order, or has actual knowledge of the provision. In addition, you must send us the name and address of your spouse within 15 days to disclose required under Wisconsin law. Bank USA, National Association, Wilmington, Delaware 19850-5066, so that we can provide your spouse with a disclosure required under Wisconsin law.

FEATURES AND SERVICES SUMMARY: Some card features and services are provided by independent suppliers who assume full responsibility for their programs. The availability, scope, underwriters and suppliers of these services are subject to change. Card features and services have some restrictions, exclusions and limitations. Full details will be provided when you become a cardmember.

If applicable, complete Reward Program Terms and Conditions will be provided upon establishing an account. Certain restrictions and limitations apply. Daily and transaction limits apply to ATMs.

BALANCE TRANSFER DISCLOSURES: You agree to allow approximately 30 days for us to process your response and transfer the balance(s) to your new account. Please continue to make at least the minimum payments on your other credit cards until we notify you that the balances have been transferred. We are not responsible for fees and finance charges incurred by you prior to your balance being transferred to this account. Payment of the amount(s) authorized by you may or may not satisfy any outstanding balance(s) on the designated account(s). You will continue to be responsible for any balances on your other credit cards. In the event that your request(s) exceed the amount of your credit line, the bank will fulfill your requests in numeric order as listed in your response, may decline to process one or more requests and/or may complete one request in a partial amount. We will limit total transfer amounts to \$200 less than your total credit line in order to leave part of your line available. The payment and transfer of balances are contingent upon approval by the bank and receipt of complete, legible balance transfer requests. Your balance transfer request may not be used to make payments toward amounts you owe. Transfer requests to cash or to yourself cannot be processed. Balance transfers do not earn rewards, if applicable.

ITA-PLARAPPBALL-10-04

SUMMARY OF TERMS:

Annual Percentage Rate (APR) for Purchases¹	Preferred Pricing: ¹ Fixed 0% introductory rate from account opening through May 2006 for Elite and Premium Pricing; ¹ Thereafter, Fixed 7.99% for Elite Pricing, or Fixed 12.99% for Premium Pricing. For Standard Pricing from account opening: Fixed 19.99%.		
Other APRs²	Preferred Pricing – Balance Transfers/Balance Transfer Checks: ¹ Fixed 0% introductory rate from account opening through May 2006 for Elite and Premium Pricing. ¹ Thereafter, Fixed 7.99% for Elite Pricing, or Fixed 12.99% for Premium Pricing. Fixed 0% introductory rate from account opening through May 2005 for Standard Pricing. ¹ Thereafter, Fixed 19.99%.		
	Cash Advances/Cash Advance Checks: 20.99% for Elite and Premium Pricing, or 23.99% for Standard Pricing. Non-Preferred Pricing/Default APR – For All Balances: Up to 28.99%. Overdraft Advances: Fixed 13.99% (not available in some states)		
Variable Rate Information³	Your APR may vary. Preferred Pricing – Cash Advances/Cash Advance Checks: The rate is determined monthly by adding 15.99% to the Prime Rate (not less than 19.99% for accounts with Elite and Premium Pricing, or not less than 23.99% for accounts with Standard Pricing). ³ Non-Preferred Pricing/Default APR – For All Balances: The rate is determined monthly and is up to the Prime Rate plus 23.99%. ³		
Grace Period for Repayment of the Balance for Purchases	Not less than 20 days	Annual Fee	None
Method of Computing the Balance for Purchases	For billing cycles ending on or before February 28, 2005: Average Daily Balance (including new purchases) For billing cycles ending on or after March 1, 2005: Two Cycle Average Daily Balance (including new purchases)	Minimum Finance Charge for Purchases	\$1.00 (if a finance charge is imposed)
		Transactions in Foreign Currency	For billing cycles ending on or before March 31, 2005: 2% of the converted transaction amount. For billing cycles ending on or after April 1, 2005: 3% of the converted transaction amount.

Any promotional rate may change to your regular Preferred Pricing rate if any minimum payment on your Account was past due or if your Account was closed for any reason. Any promotional rate or regular Preferred Pricing rate may change to your Non-Preferred/Default APR rate if any loan or account of yours with us or your other creditors was past due, your Account was overlimit, any payment on your Account was returned unpaid or if your Account was closed for any reason.

¹ You understand that the terms of your account, including the APRs, are subject to change. This means that the APRs for this offer are not guaranteed. APRs may change to higher APRs, fixed APRs may change to variable APRs, or variable APRs may change to fixed APRs. We reserve the right to change the terms (including the APRs) at any time for any reason, in addition to APR increases that may occur for failure to comply with the terms of your account. Any changes will be in accordance with your Cardmember Agreement.

³ For billing cycles ending on or before March 31, 2005: the Prime Rate used to determine your APR is highest rate published in *The Wall Street Journal* on the last business day of the prior month. For billing cycles ending on or after April 1, 2005: the Prime Rate used to determine your APR is highest rate published in *The Wall Street Journal* two business days before the Closing Date on the statement for each billing period.

Overlimit Fee: \$35

Transaction Fee for Cash Advances/Cash Advance Checks: 3% of each transaction (\$10 minimum)

Transaction Fee for Balance Transfers/Balance Transfer Checks: No fee for balance transfers made during the introductory period. Thereafter, 3%, \$5 minimum, \$75 maximum per transaction unless otherwise disclosed to you in writing.

Late Payment Fee/Late Fee: \$15 for a Balance up to, but not including, \$250.00; \$39 for a Balance of \$250.00 or greater ("Balance" means Previous Balance on statement that shows the late fee); and \$39 when Non-Preferred/Default APR rate in effect on monthly statement.

Other fees may apply.

credit cards are issued by Bank USA, National Association.

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ITA_BAP_F_DS_NBTF_ABF

PAYMENT PROTECTOR PLAN: Payment Protector Plan is an optional amendment to your Cardmember Agreement.

- If you, your Spouse or Domestic Partner, an Authorized User of your Account, or a Higher Wage Earner in your household, become involuntarily unemployed, hospitalized, disabled, take an unpaid leave of absence, experience a covered Life Event, or take a Payment Holiday, you will not be required to make your minimum monthly payment for up to 2 years*. In addition, if your Spouse or Domestic Partner, an Authorized User, or a Higher Wage Earner should die, you will not be required to make your minimum monthly payment for up to 3 months.
- You, the Primary Cardmember, may also be eligible for a one-time credit of your outstanding balance up to \$25,000, due to your Accidental Death.
- The cost is only 79¢ per \$100 of your monthly statement balance and will be conveniently billed to your credit card. When you do not have a balance there is no charge.
- Benefits are available 30 days after enrollment. During the benefit activation period, no finance charges will accrue and no fees will be billed to your Account. While your payments are suspended, for all benefits except the Payment Holiday, there may be no activity on your credit card.
- If you are not completely satisfied, you'll have 30 days after enrollment to cancel and receive a full refund of any Plan Fees paid. Of course you may cancel your enrollment in the Plan at any time and for any reason. We will cancel your enrollment if we close your account for any reason or if the Plan is ever discontinued.
- Once enrolled, you will receive an Amendment to Cardmember Agreement that fully explains the benefits of this Plan. There are eligibility requirements, conditions, and exclusions that could prevent you from receiving benefits; refer to Sections 3-13.

*Please note that only the Primary Cardmember can be enrolled in the Plan. Payments are deferred for 3 months for Unpaid Leave of Absence and Life Events, 1 month for a Payment Holiday, and up to 2 years for all other covered occurrences. To qualify for Involuntary Unemployment and Unpaid Leave of Absence benefits, Full Time Employment is required. You must continue making monthly payments when the benefit activation period has ended. This optional product is not required to obtain credit and your decision to purchase this product is not a factor in credit approval.

CPR-12-04

AGREEMENT BETWEEN AND

CARDMEMBER FSB

Welcome to Cardmembership

This document and the accompanying supplement(s) constitute your Agreement. Please read and keep this Agreement. Abide by its terms. When you keep, sign or use the Card issued to you (including any renewal or replacement Cards), or you use the account associated with this Agreement (your "Account"), you agree to the terms of this Agreement. The words "you," "your" and "yours" mean the person who applied for the Account and the person to whom we address billing statements, as well as any person who agrees to be liable on the Account. The "Basic Cardmember" is the person who opened the Account. You may request that we issue a Card to another person who shares your Costco membership, and if we do, that person will be called an "Additional Cardmember" on your Account. We may cancel such Additional Cardmember's use of your Account if he or she no longer shares your Costco membership. The term "Card" refers to the Card issued to you, all other Cards issued on your Account, and any other device (such as Account numbers and convenience checks) with which you may access your Account. "We," "our" and "us" refer to Bank, FSB, the issuer of your Account.

Using the Card

You may use the Card to obtain goods and services from any person who accepts the Card ("Purchase(s)"). You may also use the Card to obtain loans ("Cash Advance(s)") through various means we may make available (e.g., ATM machines) up to the applicable limits on your Account. At our discretion, we may permit you to transfer balances from other accounts to your Account ("Balance Transfer(s)"). At our discretion, we may issue convenience checks that you can use to access your Account. Each convenience check may be used only by you. You may not use convenience checks to pay any amount you owe under this Agreement or to pay any other account you have with us or our affiliates. Transactions you make in response to promotional offers from us will be subject to the terms of the promotion and this Agreement.

All amounts charged to your Account, including Purchases, Cash Advances, Balance Transfers, convenience checks, annual fee(s), if any, any amounts guaranteed by use of the Card, other fees, and any Finance Charges, are "Charges." A convenience check that we identify as having been made payable to cash, to you, or to a bank, brokerage or similar asset account will be treated as a Cash Advance. Any other convenience check and/or a Balance Transfer will be treated as a Purchase, except as otherwise noted. If you make a Purchase or a Balance Transfer, or use a convenience check, that is governed by a promotional offer from us, the Charge will be included in a Promotional Balance, unless we notify you otherwise. You agree to use the Account only for legitimate purchases of goods and services for personal, family or household purposes.

You agree not to let any person use a Card except a Cardmember whose name is on it. You agree to notify us if the Card is lost or stolen, or you suspect that it is being used without your permission. You agree to use the Account only for Purchases, Cash Advances, or Balance Transfers that are lawful and are permitted under this Agreement. We may issue you renewal or replacement Cards before a previously issued Card expires.

If you or an Additional Cardmember authorize a third party to bill Charges on a recurring basis to your Account ("Recurring Charge(s)"), we may (but are not required to) provide such third party with your current Account status, Card number and/or expiration date to permit that third 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 you or an Additional Cardmember. To withdraw authorization for a Recurring Charge, you must notify the third party.

Annual Fee

There is no annual fee for this Account.

Rebate

Each Eligible Purchase shall qualify for a Rebate of 1, 2, or 3 percent, as follows: 3% at restaurants, 2% for travel purchases from airline, lodging, car rental, cruise line, travel agency and tour operators; or 1% on all other Eligible Purchases posted to your account. Only the first 100,000 of Eligible Purchases are eligible for a Rebate in each Rebate period. The Rebate percentage applied to a Purchase is dependent upon the merchants submitting the charge under the appropriate merchant category code. "Eligible Purchases" include purchases of goods or services, which purchases have not been returned or otherwise rescinded, and are not subject to a credit; it does NOT include fees, Finance Charges, Cash Advances (including the use of checks, line activators,

automated teller machines, or other means of accessing your Account), Balance Transfers, or adjustments to your Account or the purchase of Gift Cheques.

Your Rebate is awarded annually in the form of an in-store coupon redeemable for cash or merchandise at any U.S. Costco Warehouse. The Rebate coupon will be issued with February billing statements. Coupons are non-transferable and are issued to you as part of a reward program only and have no value independent of the program. To receive the Rebate for a "Rebate Period" (billing periods from February through January of the following year), your Account must be active (not cancelled) in the month the Rebate coupon is scheduled to be issued and you must present the coupon at a U.S. Costco Warehouse prior to the expiration date stated on the coupon. You will not be eligible to receive a Rebate for any Rebate Period in which you fail to make a timely Minimum Payment for three consecutive billing periods. Each time you fail to make a timely Minimum Payment for two consecutive billing periods, the amount of the Purchases appearing on the billing statement for the first of these two periods will not be included in your Annual Purchases to calculate the Rebate. Annual Rebate reward coupons of less than \$1 will be forfeited.

Credit Line

A portion of your credit line may be available to you for Cash Advances up to your Cash Advance limit. We may, at any time and in our sole discretion, increase and/or decrease your credit line and Cash Advance limit. We may limit Charges at an automated teller machine ("ATM") to the lesser of (i) a total of \$1,000 in any seven-day period, or (ii) the remaining amount of the Cash Advance limit on your Account; and we may impose additional limits at our sole discretion (in addition to any limits imposed by the ATM's owner). Your billing statements will show your credit line and Cash Advance limit and the unused portions of such line and limit as of the statement date. You agree to manage your Account so that your balance for Cash Advances (including fees and Finance Charges) will not exceed the Cash Advance limit and your overall balance (including fees and Finance Charges) will not exceed your credit line. You agree to pay us, immediately upon request, the amount of any balance on your Account in excess of any applicable credit line or limit. We reserve the right to decline any attempted Charge, even if the Charge would not cause you to exceed your credit line or limit.

We are not responsible for any losses or other consequences if a transaction on your Account is not approved for any reason, even if you have sufficient credit available. Except as otherwise required by applicable law, we will not be responsible if any merchant refuses to honor the Card or for any other problem you may have with a merchant.

Promise to Pay

You promise to pay all Charges, including Charges incurred by Additional Cardmembers, on your Account. This promise includes any Charge for which you or an Additional Cardmember indicated an intent to incur the Charge, even if you or the Additional Cardmember have not signed a charge form or presented the Card. You also promise to pay any Charge incurred by anyone that you or an Additional Cardmember let use the Card, even though you have agreed not to let anyone else use the Card.

Status of and Responsibility for Additional Cardmembers

Additional Cardmembers do not have accounts with us. Instead, they are authorized users on your Account, and the Cards issued to them may be cancelled by you or us at any time. You must notify us to revoke an Additional Cardmember's permission to use your Account. You are responsible under this Agreement for all use of your Account by the Additional Cardmembers, and by anyone else you or an Additional Cardmember lets use the Card, and the Charges they incur will be billed to you. You have this responsibility even if you did not intend for an Additional Cardmember, or other person, to use the Card for any transactions.

An Additional Cardmember is not liable for Charges incurred by the Basic Cardmember or by other Additional Cardmembers. However, by each use of the Additional Card to incur Charges, the Additional Cardmember indicates his or her agreement to pay us for the Charge if you fail to or refuse to pay it, and we may, at our discretion, pursue Additional Cardmembers for payment of Charges they incur or authorize. You authorize us to provide Account information to Additional Cardmembers and to discuss the Account with them.

You agree to notify each Additional Cardmember, at the time he or she becomes an Additional Cardmember, that we may receive, record, exchange and use information about him or her in the same manner we do with information about you, as described below in the CONSUMER REPORTS, TELEPHONE MONITORING/RECORDING, and SUSPENSION/CANCELLATION sections of this Agreement.

Billing Statements/Minimum Amount Due

You must notify us immediately of any change in the mailing or e-mail address to which we send billing statements or notices that a billing statement has been posted ("Billing Address"). If you wish a Billing Address change to apply to more than one account you maintain with us, you must tell us. You agree that we may also update your Billing Address if we receive information that your Billing Address has changed or is incorrect.

The "New Balance" appears on your billing statement. To determine the New Balance, we begin with the outstanding balance on your Account at the beginning of each billing period, called the "Previous Balance" on the billing statement. We add any Charges, subtract any credits or payments credited as of that billing period, and make other applicable adjustments.

Each billing statement will reflect a Minimum Amount Due. Payment is due by the time and date shown and in the manner prescribed on the statement. To calculate the Minimum Amount Due we will add together the following:

- (1) any amount past due;
- (2) the greatest of:
 - a) 1/50th of the New Balance on the Closing Date of the billing statement (the calculation of which is rounded to the nearest whole dollar) (for purposes of this calculation we exclude from the New Balance any over-limit fee added to your Account during the billing period),
 - b) the current billed Finance Charges, or
 - c) \$15 (or the New Balance if it is less than \$15); and
- (3) any over-limit fee added to your Account during the billing period.

If the greatest of the three calculations in section (2) above is the current billed Finance Charges, then we will add \$15 to the calculation of the Minimum Amount Due. At our option, we may also include in the Minimum Amount Due all or part of other fees incurred during the billing period and any part of the New Balance in excess of your credit line.

The Minimum Amount Due will not exceed the New Balance. You may pay more than the Minimum Amount Due, up to the entire outstanding balance, at any time.

Payments

All payments must be sent to the payment address shown on your billing statement and must include the remittance coupon from your billing statement. You must pay us in U.S. currency, with a single draft or check drawn on a U.S. bank and payable in U.S. dollars, or with a negotiable instrument payable in U.S. dollars and clearable through the U.S. banking system, or through an electronic payment method clearable through the U.S. banking system. Your Account number must be included on or with all payments. If we decide to accept a payment made in a foreign currency, you authorize us to choose a conversion rate that is acceptable to us to convert your remittance into U.S. currency, unless a particular rate is required by law.

Payments conforming to the above requirements that we receive no later than the hour specified on your billing statement will be credited to your Account as of the day received; payments conforming to the above requirements that we receive after the hour specified on your billing statement will be credited to your Account as of the following day.

If payment does not conform to the requirements stated above, crediting may be delayed. If this happens, additional Charges may be imposed. We may accept late payments, partial payments or any payments marked as being payment in full or as being settlement of any dispute without losing any of our rights under this Agreement or under the law. Our acceptance of any such payments does not mean we agree to change this Agreement in any way. You agree that an acceptance of such payments will not operate as an accord and satisfaction without our prior express written approval.

Subject to applicable law, we will apply and allocate payments and credits among balances and Charges on your Account in any order and manner determined by us in our sole discretion. In most cases, we will apply and allocate payments first to balances at lower Annual Percentage Rates ("APRs") and then to higher APR balances, and apply Purchase credits first to the balance from which the

responding debit originated. However, for servicing, administrative, items or other business reasons, we may apply and allocate payments to credits among balances and to Charges on your Account in some order or manner that we may determine in our sole discretion. We agree that we have the unconditional right to exercise this discretion in a way that is most favorable or convenient to us.

Authorization for Electronic Debit to Your Checking Account

We reserve the right to process checks electronically by transmitting the amount of the check, the routing number, account number and check serial number to your financial institution. By submitting a check for payment, you authorize us to initiate an electronic debit from your bank or asset account. If we process your check electronically, your payment may be debited to your bank or asset account the same day we receive your check. Also, if we process your check electronically, you will not receive that cancelled check with your bank or asset account statement. If we cannot collect the funds electronically, we may issue a draft against your bank or asset account for the amount of the check.

Finance Charges

Finance Charges begin to accrue for each Charge as of the date it is added to the daily balance, as described below. For Purchases (excluding Balance Transfers or convenience checks), however, no Finance Charges will accrue in any billing period in which the Previous Balance on the statement covering that billing period is zero or a credit balance.

The Daily Periodic Rate ("DPR") for Purchases and the DPR for Cash Advances are each based on an APR, which may vary. The APR for Cash Advances is the Prime Rate plus 14.99%. A DPR is 1/365th of the APR. Your DPRs and APRs for Purchases appear on the accompanying supplement(s). When an APR changes, we apply it to any existing balance subject to that rate.

The "Prime Rate" is determined once with respect to each billing period, and applies to the entire billing period. The Prime Rate for billing periods ending in any calendar month is the highest Prime Rate published in the Money Rates section (or successor section) of *The Wall Street Journal* on the 1st or 25th day (or, in each case, if such date is not a business day, the next business day) of the prior calendar month. If *The Wall Street Journal* ceases publication or does not publish the Prime Rate on either of those dates, we may refer to the Prime Rate published in any other newspaper of general circulation in New York, New York, or we may substitute a similar reference rate at our sole discretion.

Notwithstanding the foregoing, the DPR (and corresponding APR) on all balances will increase to the Default Rate if during the Review Period (i) payment of your Minimum Amount Due is not credited to your Account by the Payment Due Date in any two billing periods or (ii) a payment on your Account is not honored by your bank or other financial institution. The "Review Period" is the period, constituting approximately one year, of twelve consecutive billing periods ending with the Closing Date of the current billing period, whether or not you received a statement for each such billing period. If the Default Rate is applied, it will apply to your Account for a minimum of twelve consecutive billing periods, beginning with the current billing period. The Default Rate is a DPR which corresponds to an APR equal to the Prime Rate plus 21.99%.

Average Daily Balance Method for Calculation of Finance Charges

We use the Average Daily Balance method to calculate Finance Charges on your Account. Under this method, we calculate the Finance Charges on your Account by applying the DPR to the Average Daily Balance (as described below) separately for each balance subject to Finance Charges. Different periodic rates may be used for different balances. For example, different DPRs may be applied to separate balances, such as Purchase, Cash Advance, and Promotional Balances. To get the Average Daily Balance for each balance, we (1) take the beginning balance for each day (including unpaid Finance Charges from previous billing periods), (2) add any new transactions, debits, or fees, (3) subtract any payments or credits credited as of that day, and (4) make any appropriate adjustments. For each day after the first day of the billing period, we also add an amount of interest equal to the previous day's daily balance multiplied by the DPR for the balance. This gives us the daily balance for the particular balance for that day and the beginning balance for that balance for the next day. If this balance is negative, it is considered to be zero. Then, we add up all the daily balances for each balance for the billing period and divide the total by the number of days in the billing period. This gives us the Average Daily Balance for that balance.

For balances except Cash Advances, the Average Daily Balance for a billing period will be considered to be zero if you paid the New Balance, any, shown on your previous billing period's statement by the Payment Due Date shown on that statement. If you multiply the Average Daily Balance for each balance by the number of days in the billing period

and the DPR for that balance, the result will be the Finance Charge assessed on that balance, except for variations caused by rounding. The total Finance Charge for the billing period is calculated by adding the Finance Charges assessed on all balances of the Account. This method of calculating the Average Daily Balance and Finance Charge results in daily compounding of Finance Charges. We may use mathematical formulas which produce equivalent results 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.

At our discretion, we may exclude certain categories of debit transactions or fees from the calculation of the daily balances. Unless we elect to use a later date, we add a Charge to the daily balance as follows: We add a Cash Advance or Purchase to the appropriate daily balance as of the date of request or the transaction date on the billing statement. We add a convenience check to the appropriate daily balance as of the date of first deposit. We add a Balance Transfer other than through a convenience check to the appropriate daily balance as of the date of the request. We add periodic Finance Charges to the daily balance as described above. We add any other Charge to the appropriate daily balance as of the date of the transaction.

Periodic Finance Charges are added to the outstanding balance at the end of the billing period for which Finance Charges are calculated. In any such billing period, we will impose a minimum Finance Charge of \$0.50, which will be added to the balance with the highest APR unless, for our convenience and in our sole discretion, we choose to add it to a balance with a lower APR.

Late Fees

You will be assessed a Late Fee if you fail to pay us at least the Minimum Amount Due by the Payment Due Date shown on each billing statement. The Late Fee will vary based upon the amount of your Previous Balance. The Previous Balance that we use to determine the Late Fee is the Closing balance of your prior statement for which we did not receive timely payment of the Minimum Amount Due:

Previous Balance	Late Fee
Less than \$100	\$15
\$100 to \$1000	\$25
Greater than \$1000	\$30

Other Fees

We may charge the following fees to your Account, subject to applicable law. Except as otherwise noted, these fees will be added to the Purchase Balance.

- Dishonored Payments**—We may charge a fee of \$38 whenever any check, similar instrument, or electronic payment order that we receive as payment on your Account is not honored upon first presentment. If a Card is presented in connection with cashing a check at an Travel Service Office or other authorized location and the check is not honored, we may charge a fee of \$38. (We will also add a Charge to the Cash Advance balance of your Account in the amount of the check that was not honored.)
- Copies of Statements**—We may charge a fee of \$5 for each billing period for which a copy of a billing statement is requested. We will not charge this fee for any request for a copy of any of the billing statements for the three billing periods immediately prior to the request.
- Account Re-opening Fee**—We may charge a re-opening fee of \$25 if your Account is cancelled for any reason and you request reinstatement and such request is honored.
- Wire Transfers**—We may charge a fee of \$15 each time a wire transfer from your Account is initiated and authorized.
- Stop Payment Orders**—We may charge a fee of \$29 each time we receive a request to stop payment on a convenience check drawn on your Account.
- Over-limit Fee**—We may charge a fee of \$29 in each billing period the New Balance on your statement exceeds your credit line.
- Convenience Check Usage/Balance Transfer Transaction Fee**—Unless otherwise disclosed in a Promotional Offer, we will charge a transaction fee for each Balance Transfer and each convenience check drawn on your Account. This fee, a Finance Charge, will be 3% of the amount of the convenience check or Balance Transfer, with a minimum of \$5 and a maximum of \$50. However, no maximum will apply to the fee for Balance Transfer or convenience checks made payable to cash or to you, a bank, brokerage or similar asset account. This fee will be added to the same Purchase or Cash Advance balance as the convenience check transaction or Balance Transfer.
- ATM Fee**—We will impose a fee each time a Card is used to obtain cash or any other services from an ATM. This fee will be 3% of the amount of the cash withdrawn or other services obtained (including

any additional fee imposed for use of the ATM by its operator), with a minimum of \$5. This fee will be added to the Cash Advance balance.

Suspension/Cancellation

In addition to any of the actions we may take under this Agreement, we may suspend or cancel your Account privileges at our sole option, subject to applicable law, at any time with or without cause and without giving you notice, including but not limited to situations in which (1) you cease to be an Account holder in good standing with respect to any other Accounts you may have with (2) you are in default or (3) you are no longer a Costco member. Any such action on our part will not cancel your obligation to pay us the outstanding balance, Finance Charges and other charges due on your Account under the terms of the Agreement in effect at the time of the cancellation or suspension of your Account or as subsequently amended. You agree to pay us all such obligations despite any suspension or cancellation of your Account.

Default

We may consider your Account to be in default at any time if you fail to pay us any amount when it is due, or if you breach any other promise or obligation under this Agreement.

Subject to applicable law, we may also consider your Account to be in default at any time if any statement made by you to us in connection with this Account or any other credit program was false or misleading; if you breach any promise or obligation under any other agreement that you may have with us or with any of our affiliates; if we receive information indicating that you are bankrupt, intend to file bankruptcy, or are unable to pay your debts as they become due; or we receive information leading us to conclude that you are otherwise not credit-worthy. In evaluating your creditworthiness, you agree that we may rely on information contained in consumer reports, and in our discretion we may consider the amount of debt you are carrying compared to your resources or any other of your credit characteristics, regardless of your performance on this Account. We may also consider your Account in default in the event of your death.

In the event of your default, and subject to any limitations or requirements of applicable law, we may require payment of a portion of your outstanding balance greater than the Minimum Amount Due, declare the entire amount of your obligations to us immediately due and payable, and/or suspend or cancel your Account and/or any feature that may be offered in connection with the Account. You agree to pay all reasonable costs, including reasonable attorneys' fees, incurred by us (1) in connection with the collection of any amount due on your Account, whether or not any arbitration, litigation, or similar proceedings are initiated; and (2) in reasonably protecting ourselves from any loss, harm, or risk relating to any default on your Account.

Transactions Made in Foreign Currencies

If you incur a Charge in a foreign currency, it will be converted into U.S. dollars on the date it is processed by us or our agents. Unless a particular rate is required by applicable law, you authorize us to choose a conversion rate that is acceptable to us for that date. Currently, the conversion rate we use for a Charge in a foreign currency is no greater than (a) the highest official conversion rate published by a government agency, or (b) the highest interbank conversion rate identified by us from customary banking sources, on the conversion date or the prior business day, in each instance increased by 2%. This conversion rate may differ from rates in effect on the date of your Charge. Charges converted by establishments (such as airlines) will be billed at the rates such establishments use.

Benefits and Services

Subject to applicable law, we have the right to add, modify or delete any benefit, service, or feature that may accompany your Account at any time and without notice to you.

Arbitration

Purpose: This Arbitration Provision sets forth the circumstances and procedures under which Claims (as defined below) may be arbitrated instead of litigated in court.

Definitions: As used in this Arbitration Provision, the term "Claim" means any claim, dispute or controversy between you and us arising from or relating to your Account, this Agreement, the Electronic Funds Transfer Services Agreement, and any other related or prior agreement that you may have had with us, or the relationships resulting from any of the above agreements ("Agreements"), including the validity, enforceability or scope of this Arbitration Provision or the Agreements. For purposes of this Arbitration Provision, "you" and "us" also includes any corporate parent, or wholly or majority owned subsidiaries, affiliates, any licensees, predecessors, successors, assigns, any purchaser

any accounts, all agents, employees, directors and representatives of any of the foregoing, and other persons referred to below in the definition of "Claims." "Claim" includes claims of every kind and nature, including but not limited to, initial claims, counterclaims, cross-claims and third-party claims and claims based upon contract, tort, fraud and other intentional torts, statutes, regulations, common law and equity. "Claim" also includes claims by or against any third party using or providing any product, service or benefit in connection with any account (including, but not limited to, credit bureaus, third parties who accept the Card, third parties who use, provide or participate in fee-based or free benefit programs, enrollment services and rewards programs, credit insurance companies, debt collectors and all of their agents, employees, directors and representatives) if and only if, such third party is named as a co-party with you or us (or files a Claim with or against you or us) in connection with a Claim asserted by you or us against the other. The term "Claim" is to be given the broadest possible meaning that will be enforced and includes, by way of example and without limitation, any claim, dispute or controversy that arises from or relates to (a) any of the accounts created under any of the Agreements, or any balances on any such accounts, (b) advertisements, promotions or oral or written statements related to any such accounts, goods or services financed under any of the accounts or the terms of financing, (c) the benefits and services related to Cardmembership (including fee-based or free benefit programs, enrollment services and rewards programs), and (d) your application for any account. We shall not elect to use arbitration under the Arbitration Provision for any Claim that you properly file and pursue in a small claims court of your state or municipality so long as the Claim is Individual and pending only in that court.

Initiation of Arbitration/Proceeding/Selection of Administrator: Any claim shall be resolved, upon the election by you or us, by arbitration pursuant to this Arbitration Provision and the code of procedures of the national arbitration organization to which the Claim is referred in effect at the time the Claim is filed. Claims shall be referred to either the National Arbitration Forum ("NAF"), JAMS, or the American Arbitration Association ("AAA"), as selected by the party electing to use arbitration. A selection by us of one of these organizations is unacceptable to you, you shall have the right within 30 days after you receive notice of our election to select either of the other organizations listed to serve as arbitration administrator. For a copy of the procedures, to file a Claim or for other information about these organizations, contact them as follows:

The NAF at P.O. Box 50191, Minneapolis, MN 55404;

website at www.arbitration-forum.com.

JAMS at 1920 Main Street, Suite 300, Los Angeles, CA 92614;

website: www.jamsadr.com.

AAA at 335 Madison Avenue, New York, NY 10017;

website: www.adr.org.

Significance of Arbitration: IF ARBITRATION IS CHOSEN BY ANY PARTY WITH RESPECT TO A CLAIM, NEITHER YOU NOR WE WILL HAVE THE RIGHT TO LITIGATE THAT CLAIM IN COURT OR HAVE A JURY TRIAL OF THAT CLAIM, OR TO HAVE THEIR CLAIMS RESOLVED EXCEPT AS PROVIDED FOR IN THE CODE OF PROCEDURES OF THE NAF, JAMS OR AAA, AS APPLICABLE (THE "CODE"). FURTHER, YOU AND WE WILL NOT HAVE THE RIGHT TO PARTICIPATE IN A REPRESENTATIVE CAPACITY OR AS A MEMBER OF ANY CLASS OF CLAIMANTS PERTAINING TO ANY CLAIM SUBJECT TO ARBITRATION. EXCEPT AS SET FORTH BELOW, THE ARBITRATOR'S DECISION WILL BE FINAL AND BINDING. NOTE THAT OTHER RIGHTS THAT YOU OR WE WOULD HAVE IF YOU GO TO COURT ALSO MAY NOT BE AVAILABLE IN ARBITRATION.

Restrictions on Arbitration: If either party elects to resolve a Claim by arbitration, that Claim shall be arbitrated on an individual basis. *There will be no right or authority for any Claims to be arbitrated on a class action basis or on bases involving Claims brought in a reported representative capacity on behalf of the general public, or Cardmembers or other persons similarly situated.* The arbitrator's authority to resolve Claims is limited to Claims between you and us alone, and the arbitrator's authority to make awards is limited to awards you and us alone. Furthermore, Claims brought by you against us, or us against you, may not be joined or consolidated in arbitration with Claims brought by or against someone other than you, unless agreed to writing by all parties.

Arbitration Procedures: This Arbitration Provision is made pursuant to a transaction involving interstate commerce, and shall be governed by Federal Arbitration Act, 9 U.S.C. Sections 1-16, as it may be amended ("FAA"). The arbitration shall be governed by the applicable Code, except that (to the extent enforceable under the FAA) this Arbitration Provision shall control if it is inconsistent with the applicable Code. The arbitrator shall apply applicable substantive law consistent with the FAA and applicable statutes of limitations and shall honor claims of privilege recognized at law and, at the timely request of either party, shall provide a brief written explanation of the basis for the decision. The arbitration proceeding shall not be governed by any Federal or state rules of civil

procedure or rules of evidence. Either party may submit a request to the arbitrator to expand the scope of discovery under the applicable Code. The party submitting such a request must provide a copy to the other party, who may submit objections to the arbitrator with a copy of the objections provided to the requesting party, within fifteen (15) days of receiving the requesting party's notice. The granting or denial of such a request will be in the sole discretion of the arbitrator, who shall notify the parties of his/her decision within twenty (20) days of the objecting party's submission. The arbitrator shall take reasonable steps to preserve the privacy of individuals, and of business matters. Judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction. The arbitrator's decision will be final and binding, except for any right of appeal provided by the FAA. However, any party can appeal that award to a three-arbitrator panel administered by the same arbitration organization, which shall consider anew any aspect of the initial award objected to by the appealing party. The appealing party shall have thirty (30) days from the date of entry of the written arbitration award to notify the arbitration organization that it is exercising the right of appeal. The appeal shall be filed with the arbitration organization in the form of a dated writing. The arbitration organization will then notify the other party that the award has been appealed. The arbitration organization will appoint a three-arbitrator panel that will conduct an arbitration pursuant to its Code and issue its decision within one hundred and twenty (120) days of the date of the appellant's written notice. The decision of the panel shall be by majority vote and shall be final and binding.

Location of Arbitration/Payment of Fees: Any arbitration hearing that you attend shall take place in the federal judicial district of your residence. You will be responsible for paying your share, if any, of the arbitration fees (including filing, administrative, hearing and/or other fees) provided by the Code, to the extent that such fees do not exceed the amount of the filing fees you would have incurred if the Claim had been brought in the state or federal court closest to your billing address that would have jurisdiction over the Claim. We will be responsible for paying the remainder of any arbitration fees. At your written request, we will consider in good faith making a temporary advance of all or part of your share of the arbitration fees for any Claim you initiate as to which you or we seek arbitration. You will not be assessed any arbitration fees in excess of your share if you do not prevail in any arbitration with us.

Continuation: This Arbitration Provision shall survive termination of your accounts as well as voluntary payment of the Account balance in full by you, any legal proceeding by you or us to collect a debt owed by the other, any bankruptcy by you or us, and any sale by us of your Account (and in the case of sale, its terms shall apply to the buyer of any of your Account). If any portion of this Arbitration Provision is deemed invalid or unenforceable under any principle or provision of law or equity, it shall not invalidate the remaining portions of this Arbitration Provision or the Agreement, each of which shall be enforceable regardless of such invalidity.

Waiver

Our failure to exercise any of our rights under this Agreement, our delay in enforcing any of our rights, or our waiver of our rights on any occasion, shall not constitute a waiver of such rights on any other occasion.

Consumer Reports

You authorize us to request consumer reports about you, to make whatever credit investigations we deem appropriate, to obtain and exchange any information we may receive from consumer reports and other sources, and to use such information for any purposes, subject to applicable law.

You authorize us to furnish information concerning your Account to consumer reporting agencies, or others, subject to applicable law. If you believe information we have furnished about your Account to a consumer reporting agency is inaccurate, you should write to us at:

Credit Bureau Unit, P.O. Box 7871, Ft. Lauderdale, FL 33329-7871

and identify the specific information you believe is inaccurate.

You are hereby notified that information about your Account that may have a negative impact on your credit record may be submitted to a credit reporting agency if you fail to fulfill the terms of your credit obligations.

Telephone Monitoring/Recording

You agree that from time to time we may monitor and/or record telephone calls between you or Additional Cardmembers and us to assure the quality of our customer service or as required by applicable law.

Use of Card at Federal Government Agencies

has entered into contracts that enable the Card to be accepted at certain federal government agencies and departments ("Agencies"). As with Card transactions at commercial establishments, when you choose to use your Card at an Agency, certain Charge information is necessarily collected by us. Charge information from Card transactions at Agencies may be used for processing Charges and payments,

billing and collections activities and may be aggregated for reporting, analysis and marketing activities. Additional "routine uses" of Charge information by Agencies are published periodically in the Federal Register.

Notices

Any notice given by us shall be deemed given when deposited in the U.S. mail, postage prepaid, addressed to you at the latest Billing Address shown on our records.

Changing this Agreement/Assignment of this Agreement

We may change the terms of or add new terms to this Agreement at any time, in accordance with applicable law. We may apply any changed or new terms to any then-existing balances on your Account as well as to future balances. We may also sell, transfer or assign this Agreement and the Account at any time without notice to you. You may not sell, assign or transfer your Account or any of your obligations under this Agreement.

Assignment of Claims

In the event you dispute a Charge and we credit your Account for all or part of such disputed Charge, we automatically succeed to, and you are automatically deemed to assign and transfer to us, any rights and claims (excluding tort claims) that you have, had or may have against any third party for an amount equal to the amount we credited to your Account. After we make such credit, you agree that without our consent you will not pursue any claim against or reimbursement from such third party for the amount that we credited to your Account, and that you will cooperate with us if we decide to pursue the third party for the amount credited.

Applicable Law

This Agreement and your Account, and all questions about their legality, enforceability and interpretation, are governed by the laws of the State of Utah (without regard to internal principles of conflicts of law), and by applicable federal law. We are located in Utah, hold your Account in Utah, and entered into this Agreement with you in Utah.

FSB

TO CARDMEMBERS IN THE UNITED STATES AND ITS TERRITORIES.

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 Account Statement

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

In your letter, give us the following information:

- Your name and Account number.
- The dollar amount of the suspected error.
- 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 statement automatically from your savings, checking or other 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 thirty (30) days, unless we have corrected the error by then. Within ninety (90) days, we must either correct the error or explain why we believe the statement 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 line. You do not have to pay any questioned amount while we are investigating, but you are still obligated to pay the parts of your statement that are not in question.

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

you fail to pay the amount that 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 (10) days telling us that you still refuse to pay, we must tell anyone we report you to that you have a question about your statement, and we must tell you the name of anyone we reported you to. We must tell anyone we report you to that the matter has been settled between us when it finally is.

If we do not follow these rules, we cannot collect the first \$50 of the questioned amount, even if your statement was correct.

Special Rule for Credit Card Purchases

If you have a problem with the quality of property or services that you purchased with the 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 to this right:

(a) You must have made the purchase in your home state or, if not within your home state, within 100 miles of your current mailing address; and

(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.

Note for Ohio Residents: The Ohio laws against discrimination require that all creditors make credit equally available to all credit-worthy customers, and that credit reporting agencies maintain separate credit histories on each individual upon request. The Ohio Civil Rights Commission administers compliance with this law.



ONCE YOU ENROLL IN PAY BY COMPUTER, PAY BY PHONE OR ANY OTHER ELECTRONIC FUNDS TRANSFER SERVICE (HEREAFTER THE "PROGRAM"), YOU WILL BE SUBJECT TO THIS ELECTRONIC FUNDS TRANSFER AGREEMENT (THE "EFT AGREEMENT").

Scope of Agreement

This EFT Agreement covers your participation in the Program. In this EFT Agreement, the words "you" and "your" refer to the Basic Cardmember and also include all Additional Cardmembers who have enrolled in the Program. The words "we," "our" and "us" refer to Travel Related Services Company, Inc. The words "your Accounts" refer to your card account governed by your Cardmember Agreement ("Card Account") or any other

Accounts that we permit you to enroll in the Program. The words "your Bank Account" refer to the account held by a bank, securities firm or other financial institution from which payment will be made when you make transactions under the Program. The words "your bank" mean the bank, securities firm or other financial institution that holds your Bank Account. The words "other options" refer to electronic payment transfer options and/or other cash access that American Express may make available from time to time, including the option to pay your Account bill electronically using a computer, phone or other device.

Your Account is governed by the Cardmember Agreement that is attached to this EFT Agreement. That agreement and the capitalized terms in it also apply here.

Payment for Cash Transactions

Each time you initiate a transaction under the Program, you instruct and authorize us or our agent to draw a check or initiate an automated clearing house ("ACH") debit in your name on your Bank Account, payable to us or to our agent, in the amount of the transaction. The amount of the transaction is the amount of the Account bill you paid or other funds transfer you authorized, plus any applicable fees or charges. We may charge a fee of \$38 for each check or ACH debit drawn by us or our agent in connection with the Program that is not honored upon first presentation, subject to applicable law. Your bank may also assess its customary charge for such items, if any.

Dishonored Requests for Payments

If any check or ACH debit drawn by us or our agent in connection with the Program is not honored by your bank, we have the right to charge the amount of any such transaction, and the dishonored payment fee referred to above, to the Card Account or to collect the amount from you. If this happens, we may cancel your right to participate in the Program. For certain Bank Accounts, you may have a separate agreement with us or with a participating bank, securities firm, or other financial institution that allows a line of credit to be accessed in the event that your Bank

Account contains insufficient funds to make payment to us. You should refer to the appropriate agreement relating to that line of credit for the terms and conditions that govern its use.

Liability for Unauthorized Transactions and Advisability of Prompt Reporting

You must tell us AT ONCE if you believe a transaction under the Program has been made without your authorization. Telephoning is the best way of minimizing possible losses. If a transaction was unauthorized, and within two days after you learn about it you notify us that the transaction was unauthorized, we will not hold you liable for that transaction. In any event, even if you fail to notify us, your liability for any unauthorized transaction or series of related unauthorized transactions shall not exceed \$50. If you believe that someone has transferred or may transfer money from your Bank Account without permission, call: 1-800-528-4800 (within U.S.) or 1-336-333-3211 (outside U.S.) anytime, or write:

Phoenix, Arizona

85072-3830.

Our Liability for Improper Transactions or Payments

If a transaction is not completed as you have directed or if we do not complete a transfer to or from your Bank Account on time in the correct amount, we will research and correct it as necessary, once you advise us. We will also reimburse you for your actual losses or damages, if any, caused by our error. However, there are some exceptions. We will not be liable to you in the following instances:

- if, through no fault of ours, your Bank Account does not or did not contain enough money to complete the transaction or the transfer would exceed an established credit limit;
- if the funds in your Bank Account are or were at the time of the attempted transaction subject to legal process or other encumbrance restricting the transaction;
- if circumstances beyond our control (such as fire or flood) prevent or prevented the transaction, despite reasonable precautions that we have taken;
- if a technical malfunction known to you prevented the transaction;
- or any other exceptions stated in this EFT Agreement.

Business Day

For purposes of this EFT Agreement, our business days are Monday through Friday. Holidays are not included.

Arbitration

The Card Account is governed by the Cardmember Agreement contained herein. The Arbitration provision contained within that agreement applies to this EFT Agreement. Please refer to that provision as you read this EFT Agreement.

Privacy

Electronic funds transfers you initiate pursuant to this EFT Agreement are covered by the Privacy Policy, a copy of which was given to you together with your American Express Card. To view our Privacy Policy online, please visit [www.americanexpress.com/privacy](#)

How to Contact Us

If for any reason you wish to contact us about the Program, about your participation in the Program, or about transactions relating to the Program, write or call us as follows:

Address:

In Case of Errors or Questions About Your Transactions

Write or call us at the number or address given above as soon as you can if you think your statement or receipt is wrong or if you need more information about a transaction listed on your statement or receipt. We must hear from you no later than 60 days after we sent you the FIRST statement on which the problem or error appeared.

1. Tell us your name and Account number.
 2. Describe the error or the transaction you are unsure about, and explain as clearly as you can why you believe it is an error or why you need more information.
 3. Tell us the dollar amount of the suspected error.
- If you tell us orally, we may require that you send us your complaint or question in writing within 10 business days* from the date you notified us.

We will tell you the results of our investigation within 10 business days* after we hear from you and we will correct any error promptly. If we need more time, however, we may take up to 45 calendar days to investigate your complaint or question. If we decide to do this we will assure that your bank recredits your Bank Account within 10 business days* for the amount you think is in error, so that you will have the use of the money during the time it takes us to complete our investigation. If we ask you to put your complaint or question in writing and we do not receive it within 10 business days* following your oral notification, we may not recredit your Bank Account.

If notification of an error is received within 30 calendar days after your Bank Account is opened, we will have 20 business days to provide you with the results of our investigation and correct any error, and 90 days to complete the investigation.

If we determine that there was no error, we will send you a written explanation within three business days after we finish our investigation. Upon your request we will provide you with copies of the documents that we used in our investigation. If we have provisionally recredited your Bank Account during the investigation and determine that there was no error, we will notify you of the date on which we will redebit your Bank Account, and the amount to be debited. You should make certain that your Bank Account contains sufficient funds to cover this debit. If it does not, we have the right to charge such amount to the Account or to collect the amount from you. If this happens, we may cancel your right to participate in the Program.

Termination

We, or any bank or financial institution participating in the Program, may add to or remove from the Program any or all ATMs or extend or limit the services provided at any location without notifying you beforehand. In addition, we may discontinue the Program at any time. Your right to participate in the Program will be terminated or suspended if the Card Account is cancelled or suspended, if you cancel the authorization you have given your bank to directly charge checks to your Bank Account, if the Bank Account from which payment will be made when you make transactions under the Program is closed to withdrawal transactions by us or our agents, if your participation in the Program is inactive for 18 consecutive months or more, or if the Card Account is no longer in good standing.

In addition to the foregoing, we may revoke your right to participate in the Program, at any time, at our sole discretion, with or without cause, subject to applicable law. If we do so, we will send you written notice, but we may not send you the notice until after the revocation. We also have the right to deny authorization for any requested transaction, at any time, at our sole discretion, with or without cause, and without giving you notice, subject to applicable law. You may terminate your participation in the Program but you must do so by writing to us at the address disclosed in the Section of this EFT Agreement entitled "HOW TO CONTACT US."

Prior Agreements and Assignments

This EFT Agreement supercedes all prior agreements you may have with us relating to the Program. We have the right to assign this EFT Agreement to a subsidiary or affiliate company at any time.

TRAVEL RELATED SERVICES COMPANY, INC.

President, Consumer Cardmember Since 1984

Note for Massachusetts Residents

General Disclosure Statement. Any documentation provided to you which indicates that an electronic funds transfer was made shall be admissible as evidence of such transfer and shall constitute prima facie proof that such transfer was made.

The initiation by you of certain electronic funds transfers from your Bank Account will, except as otherwise provided in this EFT Agreement, effectively eliminate your ability to stop payment of the transfer.

UNLESS OTHERWISE PROVIDED IN THIS EFT AGREEMENT, YOU MAY NOT STOP PAYMENT OF ELECTRONIC FUNDS TRANSFERS; THEREFORE, YOU SHOULD NOT EMPLOY ELECTRONIC ACCESS FOR PURCHASES OR SERVICES UNLESS YOU ARE SATISFIED THAT YOU WILL NOT NEED TO STOP PAYMENT.

Disclosure of Account Information to Third Parties. If you give us your written authorization to disclose information about you, your Account or the transactions that you make to any person, that authorization shall automatically expire 45 days after we receive it.

Optional Limit on Obtaining Cash. You have the option to request that we limit the total amount of cash that you may obtain from ATMs in a single day to \$50. If you elect this option we will take all reasonable steps to comply with your request.

*For Massachusetts residents: 10 calendar days instead of business days.

ACCOUNT NUMBER

BALANCE AS
OF 02/11/04PAYMENT
DUE DATEMINIMUM
PAYMENT

AMOUNT ENCLOSED

\$2,756.85

MAR. 09, 2004

\$120.00

\$



Indicate change of address on back

VISA PLATINUM

Make Checks Payable to
Processing Services

*PROCESSING SVCS.

Please be sure
this address appears
in the window.Page 1 of 1
P0001337Your account is issued by **National Bank, Tilton, NH.**

DETACH HERE

MESSAGES FROM VISA PLATINUM

YOUR ACCOUNT IS PAST DUE. Please pay the minimum payment listed above immediately or call us at

VISA PLATINUM TRANSACTIONS

Date	Description	Amount
01-10	THE BLACKHORSE INN WARRENTON VA	405.60
01-11	SHELL OIL 54502040014 AMISSVILLE VA	22.30
01-11	NAPOLEON'S RESTAURANT AIRLIE VA	30.42
01-16	OLD NAVY #5548 MOORESTOWN NJ	15.75 CR
01-15	EXXONMOBIL18 09675125 CHERRY H NJ	19.22
01-17	GIANT FOOD INC #117 BALTIMORE MD	62.68
01-17	EXXONMOBIL83 04700985 BALTIMOR MD	16.85
01-18	GIANT FOOD INC #117 BALTIMORE MD	13.79
01-21	SUNOCO ROCKVILLE MD	16.27
01-23	YORK PHOTO 304-4201243 WV	3.64
02-01	E-ZPASS MD REBILL01 OF 01888-3216824 MD	85.00
02-04	ESP*ESPN 888-549-3776 WA	1.05
02-09	LATE PAYMENT CHARGE	35.00

FOR BILLING ERRORS AND IMPORTANT INFORMATION, SEE REVERSE SIDE.

ACCOUNT SUMMARY		ACCOUNT NUMBER	
Previous Balance	\$2,034.83	Days in Billing Cycle	30
- Credits	15.75	Statement Date	02/11/04
- Payments	.00	Minimum Payment	\$120.00
Purchases		Payment Due Date	03/09/04
+ & Other Charges	715.72	Credit Line	\$5,000.00
+ Cash Advances	.00	Available Credit as of Statement Date	\$2,243.15
+ FINANCE CHARGE:	22.05	Available Credit for Cash Advances as of Statement Date	\$1,500.00
= NEW BALANCE	\$2,756.85		

BALANCE CATEGORY	Average Daily Balance	Annual Percentage Rate	Daily Periodic Rate	Finance Charges	Grace Terms
Standard Purchase	\$2,682.42	9.99%	.0274%	\$22.05	Term A
Standard Cash	\$.00	19.99%	.0548%	\$.00	Term B
Balance Tran/Promo Offer	\$.00	0.00%	.0000%	\$.00	Term B

ANNUAL PERCENTAGE RATE this billing cycle: 9.99%

For 24-hour Automated Account Information, call or visit us at www.com.

Payments received at the address on the payment coupon by 1:00 P.M. Monday through Friday (except legal holidays) will be credited to your account as of the date received. Your payment must be by check or money order drawn on a U.S. bank in U.S. dollars, and must be received with the payment coupon in the enclosed return envelope. If we accept a payment in any other manner, crediting may be delayed up to 5 days. Please see your Account Agreement for information about Overlimit and Late Payment Fees.

Change your contact information? Enter below or at www.com

Address _____ Apt. No. _____

City _____ State _____ Zip _____

Home Phone _____ Work Phone _____

E-mail (optional) _____

Please use black or blue ink

▼ Detach here and return above portion with your remittance. Please retain lower portion. ▼

BILLING RIGHTS SUMMARY
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 us as soon as possible on a separate sheet at:
BILLING DISPUTES, Pleasanton, CA 94566-9016.
 We must hear from you no later than 60 days after we sent you the first bill in which the error or problem appeared. You can telephone us, but doing so will not preserve your rights.
 In your letter, give us the following information: • Your name and account number, • The dollar amount of the suspected error, • 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.
 You do not have to pay any amount in question while we are investigating, but you are still obligated to pay the parts of your bill that are not in question. While we investigate your question, we cannot report you as delinquent or take any action to collect the amount you question.
SPECIAL RULE FOR CREDIT CARD PURCHASES
 If you have a problem with the quality of goods or services that you purchased with a credit card, and you have tried in good faith to correct the problem with the merchant, you may not have to pay the remaining amount due on the goods or services. You have this protection only when the purchase price was more than \$50 and the purchase was made in your home state or within 100 miles of your mailing address. (If we own or operate the merchant, or if we mailed you the advertisement for the property or services, all purchases are covered regardless of amount or location of purchase.)

For questions or concerns, call the Customer Service number on your statement, write to TX 75266-0509, or visit us at www.com.

For TTY/TDD (Telecommunication for Deaf and Disabled persons) customers only, please call _____

New York residents may contact the New York State Banking Department at 1-800-518-8866 to obtain a comparative listing of credit card rates, fees, and grace periods.

Notice required by law: If you fail to fulfill the terms of your credit obligation, a negative credit report reflecting on your credit record may be submitted to a credit reporting agency. In order to dispute any information we are reporting about your account, you must write to us at: _____, Arlington, TX 76096-9607.

AUTHORIZATION AGREEMENT FOR DIRECT PAYMENT & CHECK TRUNCATION
 You may call to ask us to pay this Account by debiting your checking account. We will first verify your identity and eligibility for this service. You may revoke your authorization by calling the Customer Service number, or writing to: _____, Dallas, TX 75266-9581. Receipt of your check(s) will constitute your authorization for us, at our option, to initiate an Automated Clearinghouse ("ACH") debit entry to your checking account for the amount of the check, as an alternative to the paper-based check clearing system. If an ACH debit from your Account is returned or otherwise cannot be processed, we may present an image or a paper draft as a replacement for your original check.

BALANCE INFORMATION FOR CREDIT CARD ACCOUNTS
 Your Account has various Balance types, which are explained in your Account Agreement. This billing statement shows all Balance types in which you had an outstanding balance as of the Statement Date. Finance Charges begin to accrue on a debit when it is included in the daily balance of the applicable Balance type and continue until that debit is paid. Any Balance type designated as "Term A" has a grace period of at least 25 days for new transactions. To avoid finance charges on new transactions for Term A balances in the next billing cycle, pay the entire New Balance shown on this billing statement by the Payment Due Date; otherwise, you will be assessed finance charges on these transactions starting from the date the transactions were made. There is no grace period for any Balance type designated as "Term B." Finance charges are added to the applicable Balance types each day and are then posted on the last day of the billing cycle. Fees are included in the Standard Purchase Balance (except for Cash Advance fees, which are included in the Standard Cash Balance) as of the date posted. Payments will be applied in accordance with the terms of your Account Agreement.

Average Daily Balances (including new transactions): To figure the daily finance charge for each Balance type, we start with your previous day's balance, add all debits and subtract all credits for the current day and multiply the net amount by the applicable daily periodic rate. The finance charge for each Balance type is then added to and included in that day's balance. We treat a credit balance for any day as zero. We determine the total finance charges on balances for the billing cycle by adding together the finance charge for each Balance type for each day within the billing cycle.

Your billing statement shows the average daily balance for each Balance type. You can multiply each average daily balance that is not zero by the number of days in the billing cycle, and then by periodic rate, to obtain subtotals; and then add the subtotals together to determine your total finance charges on balances for the billing cycle. If a cash advance fee, balance transfer fee, or other special fee is charged, that amount may also be listed as a finance charge.

If the **Two-Cycle Average Daily Balance (including new transactions)** method applies to your Account and if you did not pay the New Balance from your previous billing statement in full: In addition to the finance charges calculated for the current billing cycle (described above), you may be charged finance charges on transactions from the previous billing cycle for which you were provisionally granted a grace period. The front of your statement will show the amount of any previous-cycle finance charges being assessed, as well as the rates and balances on which they were calculated. When calculating the daily balances for the previous billing cycle, the "previous day's daily balance" for the first day of the previous billing period is considered to be zero.

Your periodic rates and APRs may vary, either with changes in the Prime Rate (for rates marked with an asterisk on the front); or as provided in your Account Agreement, in the event of certain Account defaults, for example if your payments are late.

IMPORTANT INFORMATION
 If an annual or monthly account fee is billed on this statement you may avoid paying the fee by closing the account within 30 days from the date your statement was mailed. To close your account please call the Customer Service number on your statement. You may continue using your account up to the date you tell us to close your account.

ENDORSE HERE

X

DO NOT WRITE, STAMP OR SIGN BELOW THIS LINE
 RESERVED FOR FINANCIAL INSTITUTION USE

about AAA and how to initiate an AAA arbitration from AAA at 335 Madison Avenue, Floor 10, New York, NY 10017-5905, www.adr.org (phone 1-800-778-7879). You can obtain comparable information concerning NAF from NAF at PO Box 50191, Minneapolis, MN 55405, www.arb-forum.com (phone 1-800-474-2371).

We are also revising this section to state that without the consent of all parties, no arbitration may be administered by any Administrator that has any formal or informal policy, rule or procedure that is inconsistent with or purports to override the terms of this section.

The changes to this section will become effective as of April 1, 2005 and will not affect arbitrations that are pending before that date.

* * *

**AMENDMENT TO THE BONUS PLUS PROGRAM,
GOLD REWARDS AND MILES CARD REWARDS
PROGRAM TERMS AND CONDITIONS**

We are adding a new provision to inform you that, from time to time, we may offer checks with which you can make purchases. These purchases will not accrue Bonus awards, Gold Rewards or Miles, unless otherwise specified in the terms of the offer.

* * *

If you would like to receive a copy of the most current version of the Cardmember Agreement, please call 1-800-

CARD

**NOTICE OF AMENDMENT TO
CARDMEMBER AGREEMENT**

This notice informs you of changes to the Cardmember Agreement that will be effective and will apply to your Account for billing periods ending after April 1, 2005. These changes include revisions to the Arbitration of Disputes section. You have the right to reject the changes in Section A, as explained below. Please read this notice carefully and retain it with your records.

* * *

SECTION A

The following changes will apply to your Account unless you notify us in writing that you reject them by March 25, 2005. Send your notice to

Your notice should include your name, address, telephone number and Account number(s) and should not be sent with any other correspondence. Calling us to indicate you reject these changes is insufficient notice. In order to process your notice, we require that the notice be provided by you directly and not through a third party. If you reject these changes, we will close your Account and you will pay us the balance that you owe us under the current terms of the Agreement, as amended by the changes described in Section B below. Note that the changes in Section A will not apply to your Account if your Account is closed by March 25, 2005. Use of your Account on or after March 26, 2005, means that you accept these changes even if you previously notified us that you did not agree to these changes.

Use Of Your Account

This section explains that you may use your Account to obtain cash advances. We are revising it to clarify that, in addition to obtaining cash from ATMs, financial institutions and other locations, the following transactions are also considered to be cash advances: the purchase of lottery tickets, racetrack

CARD

wagers, vouchers redeemable for cash or for casino chips, money orders, traveler's checks, savings bonds, foreign currency and wire transfers.

Credit Limit-Available Credit

This section states that we may apply a credit limit on cash advances that is lower than your Account credit limit, and that we may increase or decrease your cash advance credit limit without notice. We are adding that we may also limit the amount of credit that can be used for balance transfers to an amount that is lower than your Account credit limit, and that we may increase or decrease the amount of credit available for a balance transfer without notice.

Minimum Monthly Payment

Under the current terms of the Agreement, your Minimum Payment Due each month will be the sum of any amount past due and the minimum monthly payment. Your minimum monthly payment each month will be the greater of \$10 or 1/50th of the New Balance. If any ANNUAL PERCENTAGE RATE applicable to your Account is greater than 22.99%, your minimum monthly payment will be the greater of \$10 or 1/45th of the New Balance.

We are changing the minimum monthly payment so that if any ANNUAL PERCENTAGE RATE applicable to your Account is greater than 22.99% but less than 26.00%, your minimum monthly payment will be the greater of \$10 or 1/45th of the New Balance. If any ANNUAL PERCENTAGE RATE applicable to your Account is 26.00% or greater, your minimum monthly payment will be the greater of \$10 or 1/40th of the New Balance.

In all cases, both currently and as revised, the minimum monthly payment will be rounded to the next higher whole dollar amount.

Default Rate Plan

Currently, if you fail to make a required payment when due, any initial special rate on balance transfers and any introductory or promotional rate on purchases will terminate and the standard Annual Percentage Rate for purchases will apply. If you fail twice in a twelve month period to make a required payment when due or if you exceed your Account credit limit twice, your ANNUAL PERCENTAGE RATE for purchases, balance transfers, and cash advances will be increased to 19.99%. If you fail three times in a twelve month period to make a required payment when due or if you exceed your Account credit limit three times in a twelve month period, then your ANNUAL PERCENTAGE RATE for purchases, balance transfers and cash advances will be increased to 24.99%.

We are revising this section to provide that the rates under the Default Rate Plan are variable rates, calculated as follows:

If you fail to make a required payment when due, any existing or offered initial special rate on balance transfers and any existing or offered introductory or promotional rate on purchases will terminate, and the standard Annual Percentage Rate for purchases will apply. If the standard Annual Percentage Rate for purchases is less than the Prime Rate + 10.99%, we will increase your ANNUAL PERCENTAGE RATE for purchases, balance transfers and cash advances to a variable rate not to exceed the Prime Rate + 10.99% (currently 15.99%, a Daily Periodic Rate of .04381%).

If you fail twice in a twelve month period to make a required payment when due or if you exceed your Account credit limit twice in a twelve month period, we will increase your ANNUAL PERCENTAGE RATE for purchases, balance transfers and cash advances to a variable rate not to exceed the Prime Rate + 15.99% (currently 20.99%, a Daily Periodic Rate of .05751%).

If you fail three or more times in a twelve month period to make a required payment when due or if you exceed your Account credit limit three or more times in a twelve month period, we will increase your ANNUAL PERCENTAGE RATE for purchases, balance transfers and cash advances to a variable rate not to exceed the Prime Rate + 19.99% (currently 24.99%, a Daily Periodic Rate of .06847%).

Please note that if you exceed your Account credit limit for two or more consecutive months, each month you remain overlimit is considered a separate occurrence.

The Prime Rate is the highest rate of interest listed as the "prime rate" in the Money Rates section of the *Wall Street Journal* on the last business day of the month. Rates are as of November 30, 2004 and will increase or decrease when the Prime Rate changes. Any increased Annual Percentage Rates will take effect on the first day of the billing period in which we review your Account.

Because we look at the current billing period as well as the previous eleven billing periods in reviewing your Account, we may review your Account history as far back as May 2004.

Late Fee

We charge you a Late Fee each time that you do not make the Minimum Payment Due that was required to be paid by the Payment Due Date. The amount of the Late Fee is based on the sum of all outstanding purchases, cash

advances, balance transfers, other charges, other fees and Finance Charges at the end of the billing period. We are changing this section so that if the sum is equal to or greater than \$1,000, the Late fee is \$39, rather than \$35.

Change in Terms

This section states that you will receive notice of any changes we are making to the Agreement and that if you reject the changes, you must notify us, and your Account will be closed. We are revising this section to state that we will notify you of changes that we are making to the Agreement, if we are required to do so by law, and that you may be offered the opportunity to reject some of those changes. If you reject those changes, you must notify us, and your Account will be closed.



SECTION B

The following changes will automatically apply to your Account.

Use Of Your Account

This section states that you may use your Account to purchase or lease goods or services by presenting your Card or Account number. We are adding that, from time to time, we may offer promotional checks with which you can purchase or lease goods or services. Our standard Stop Payment Fee of \$15 and Returned Card Check Fee of \$29 will apply to these checks. The special rule for credit card transactions under the Fair Credit Billing Act does not apply to purchases made with these checks. Therefore, if you have a problem with the quality of goods or services that you purchased with one of these checks, you do not have the right to withhold payment of the amount due.

Default-Acceleration-Collection Costs

We are deleting the provision stating that you will be deemed to be in default if you fail to make a payment when due on an account you have with another creditor.

Arbitration Of Disputes

We are revising the Arbitration of Disputes section as follows:

We are replacing JAMS with the American Arbitration Association (AAA) as one of the two companies authorized to serve as the arbitration administrator (Administrator). The other permitted Administrator is the National Arbitration Forum (NAF). You can obtain information

Preliminary Cognitive Interviews:
Baltimore, MD (August 2006)

Solicitation Letters and Solicitation and Application Disclosures (“Schumer Boxes”) Used in Baltimore Interviews

Contents:

- Solicitation Letter Sample A (front and back)
- Schumer Box Sample A (front and back)
- Solicitation Letter Sample B (front and back)

Note: Each interview participant was either given Letter Sample A and Schumer Box Sample A together, or Letter Sample B (which includes a Schumer Box on the back).


0% Fixed Introductory APR
for balance transfer

You're Invited to Apply

Dear

If your "To Do" list is out of control, maybe it's time to simplify your finances. You've been a valued customer, and we'd like to say thanks by offering you a **introductory APR** until July 2007. **0% fixed** Visa® Platinum Card with a **0% fixed**

Just go to [www.visa.com](#) and enter your personal secure code: [www.visa.com](#) or call us at [1-800-870-8373](#)

- ✓ **0% fixed introductory APR** for balance transfers (not cash advances) until **July 2007**
- ✓ **No Annual Fee**
- ✓ **Credit Line** up to \$25,000
- ✓ **Overdraft Protection**² — Use your card as ODP on your [checking account](#)
- ✓ **Total Security Protection**³ package —  zero liability for unauthorized card transactions that are reported promptly³, fraud monitoring, and privacy features

Reply by August 14, 2006 to accept this great introductory rate offer. Put it on your "To Do" list and call or go online today! Please remember that in order to keep your low introductory APR you must keep your account open, continue to make all payments on time, and stay within your credit limit. Otherwise, you will lose your introductory offer. Also, know that all payments are applied to the lowest APR first. With this offer, there are NO balance transfer fees with your introductory transfers. Once your low introductory APR expires, you'll receive a variable APR for purchases and balance transfers, currently as low as 11.74%. **Reply by August 14, 2006 to accept this offer. Your new Platinum Card is waiting for You!**

Sincerely,

Senior Vice President

P.S. Get an instant response in as little as 10 seconds. Log on to our secure website at [www.visa.com](#) and enter your personal secure code: [www.visa.com](#). If you'd prefer, call [1-800-870-8373](#) or return the attached certificate by August 14, 2006 to accept this offer.

***We have the right to change your terms, rates and fees at any time, for any reason, in accordance with the cardholder agreement and applicable law. Please see the enclosed insert for important information concerning this offer.**

²All standard cash advance fees and finance charges are imposed whenever an overdraft protection advance takes place. Please see the Terms and Conditions on the enclosed insert for more information about Overdraft Protection.

³Claims may be filed against posted and settled transactions subject to dollar limits and verifications, and must be reported within 60 days of the statement.

A7869649827
LZ-00A-0606

Detach here and mail back the bottom half.

ITA-POX-1NO-0606



Acceptance Certificate

No Annual Fee

Initial Credit: up to \$25,000
Reply by: August 14, 2006

*****AUTO**SCH 5-DIGIT 20813
A7869649827 C0A-V70
CN0606-008-709-659

Phone: [1-800-870-8373](#)
Web: [www.visa.com](#)



Step 1 <input type="checkbox"/> YES! I'd like to receive the Complimentary Companion Mini Card.			
Step 2 SOCIAL SECURITY NUMBER		DATE OF BIRTH	
MM DD YY		HOME TELEPHONE	
GROSS YEARLY HOUSEHOLD INCOME		MOTHER'S MAIDEN NAME	
SELF-EMPLOYED <input type="checkbox"/> \$ 0 0 0 0 0		EMAIL ADDRESS (OPTIONAL)	
Step 3 <input type="checkbox"/> Please check here if you would like overdraft protection.		Overdraft protection is only available if you provide a valid checking account.	
Step 4 *Income from alimony, child support, or separate maintenance payment need not be revealed if you do not wish us to consider it as a basis for repayment. Minimum annual income of \$9,000 (\$14,000 in California).		Optional Cardholder Security Plan* (CSP)*	
By signing below, you agree to the authorizations, terms and conditions on the enclosed insert.		REQUEST AN ADDITIONAL CARD (Print the name of the person who is authorized to use your account.)	
X SIGN HERE		FRONT NAME OF AUTHORIZED USER (FIRST NAME, MIDDLE INITIAL, LAST NAME)	
APPLICANT SIGNATURE		Initial here to accept CSP. Initial here to decline CSP.	
Save Today on Balance Transfers with a 0% Fixed Introductory APR			
1	ACCOUNT NUMBER	PAYEE	EXACT AMOUNT TO BE TRANSFERRED
2	ACCOUNT NUMBER	PAYEE	EXACT AMOUNT TO BE TRANSFERRED

Balance transfer requests will be processed in the order listed above. Each balance transfer request must be at least \$100. Allow 3-4 weeks to process. Please see the enclosed insert for Fee and Rate Information.

To help process your request without delay, please provide complete account information with your signature above.

Visa® Platinum comes with everything you expect in a premium credit card:

Great Savings

- **Great Low Introductory Rate**
- **No Annual Fee**
- **No Balance Transfer Fee**

Platinum Services

- **Zero Liability** for unauthorized card transactions that are reported promptly.*
- **Verified by Visa** for secure online shopping using a personal password.
- **Free Extra Cards** for members of your family.
- **Full Platinum Benefits**, including Emergency Card Replacement, Travel and Emergency Assistance Services, Rental Car Insurance, Fraud Protection and much more.**
- **Worldwide Acceptance**, use your Visa card everywhere Visa credit cards are accepted.
- **Instant Cash Around the Globe at Over 800,000 ATM Locations.**

* Claims may be filed against posted and settled transactions subject to dollar limits and verification, and must be reported within 60 days of the statement.

** Certain conditions and exclusions apply to the above features. Details will be provided when you become a cardmember.

Helpful Hints

- Shred statements, receipts and bills before you throw them away.
- Be discreet when providing confidential data in a public setting.
- Always take your ATM receipts with you.
- Never give account numbers or personal information over the phone to unknown callers.
- Don't carry your birth certificate or Social Security card in your wallet or purse.
- Get more helpful information on how to guard against identity theft with Visa's [Protect Your Identity](#) guide.

To request your  Visa® Platinum Card:



Mail Your

Acceptance Certificate



Visit



Call

number printed on front of the letter

IMPORTANT DISCLOSURES

IAT-R-8-0606

Important Information About Your

Credit Card Account

Fee and Rate Information

The terms of your Account, including any of the APRs or Fees set forth below, are subject to change by us in our discretion for any reason.

Annual Percentage Rate (APR) for Purchases	a variable APR, currently either 11.74%, 14.74% or 16.74% .
Other APRs	Non-Check Balance Transfers: 0.0% fixed introductory rate until your statement closing date in July 2007; thereafter, a variable APR, currently either 11.74%, 14.74% or 16.74%. Cash Advances and Convenience Checks: A variable APR, currently 23.74%. Penalty APR: A variable APR, currently up to 31.74%.
Variable Rate Information	All APRs (other than your introductory APRs) may vary. They are determined by adding the following margins to the Prime Rate: 3.99%, 6.99% or 8.99% for Purchases and Non-Check Balance Transfers; 15.99% for Cash Advances and Convenience Checks; and up to 23.99% for Penalty APRs.
Balance Calculation Method for Purchases	Average Daily Balance (including new purchases)
Annual Fee	None
Grace Period for Purchases	At least 20 days from the statement Billing Date (provided you fully paid your New Balance from the previous statement by its Payment Due Date)
Minimum Finance Charge for Purchases	\$1.50 (unless purchase Average Daily Balance is zero)

Late Payment Fees: Based on Account balance on the fee assessment date – \$15 for balances less than or equal to \$100, \$29 for balances \$100.01 to \$250, \$39 for balances greater than \$250. **Over the Credit Limit Fee:** Based on the highest Account balance during the Billing Cycle – \$15 for balances less than or equal to \$500, \$29 for balances \$500.01 to \$1000, \$39 for balances greater than \$1000. **Cash Advance and Balance Transfer Fees** (including Overdraft Protection advances): 3% of each advance (min \$10). **International Transaction Fee:** 3% of each foreign transaction.

Changes to the terms of your Account may be based upon information in your credit report that changes your credit rating, competitive or market-related factors, and your performance with

We apply payments to low APR balances before higher APR balances, which means your finance charges will increase if you make transactions that are subject to higher APRs.

If at any time during any rolling consecutive twelve billing cycle period we do not receive two Minimum Payments by your payment due date or you exceed your credit limit twice, we may elect to automatically increase any and all of your standard APRs to the Penalty APRs. Your Penalty APRs on all existing and future unpaid balances will automatically revert to the standard APRs disclosed above if you make six consecutive minimum payments when due and you do not exceed your credit limit within that same time period.

The Prime Rate used in the APR calculations associated with your Account is determined on the last day of each month by taking the highest Prime Rate published in the Money Rates section of *The Wall Street Journal* in effect within the prior three months (the "Index Date(s)"). All Prime Rate changes will take effect on the first day of your billing cycle that ends in the calendar month following the Index Date. All disclosed variable rates are based on the Prime Rate of 7.75% in effect on May 1, 2006.

The information listed above is correct as of May 1, 2006 and is subject to change at any time without prior notice. To receive the most recent information, please write to

Phoenix, AZ 85072-3137.

Authorizations, Terms and Conditions

By applying for a credit card with _____ (USA) ("We," "Us," or "Our"), you agree to the following:

- You authorize us to obtain credit reports in connection with (a) your request for and our issuance of an account; (b) the collection, review or renewal of your account; and (c) any change to your credit limit or terms of your account. We may report our credit experience with you to others.
- You are a U.S. Citizen or a permanent resident of the U.S.
- You will receive a Cardholder Agreement with your credit card(s). The Cardholder Agreement becomes effective and you agree to its terms by either using your account or by not closing your account within three days of receipt of your Cardholder Agreement.
- You certify that you are of legal contracting age and that you have read all of the terms, authorizations and disclosures contained herein. You understand that the information that you provide is given to obtain credit from us and represent and warrant that it is true and complete.

- Delaware and applicable Federal law will govern your agreement with us. Disputes, claims or controversies shall, upon election by you or us, be resolved by binding arbitration.
- Your initial credit line and your initial margin on purchases will be based on information contained in your current credit report and information you provide on your Acceptance Certificate. The minimum credit line is \$500.
- If you are not the person to whom this offer was addressed, then you understand, in connection with your response to our original offer, we reserve the right, in our sole discretion, to either: (1) decline your response because the original offer was not intended for you, or (2) treat your response as an application for an account with the same terms described in this offer. In all instances, you agree that we may review your credit and, if we issue credit to you, you will be subject to all the terms contained in the offer extended to you.

USA PATRIOT Act

To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify and record information that identifies each person who opens an account. What this means for you: When you apply for an account, we will ask for your name, address, date of birth and other information that will allow us to identify you. We may ask you to provide us with other identifying documents.

Overdraft Protection

If you link your checking account to your credit card for Overdraft Protection, we will automatically transfer funds in multiples of \$100 (\$25 if you opened your checking account in Washington or Idaho) from your credit card account to cover any overdraft on your checking account, as long as your credit card account has sufficient available credit and you are not in default under your Cardholder Agreement. A fee of 3% of the amount transferred (\$10 minimum) will apply and the cash advance will accrue interest at the APR stated in your Cardholder

Agreement. If the available balance on your credit card account is insufficient to cover the amount required by the overdraft (in the multiple of funds stated above), we may advance the funds even if it causes your credit card account to exceed your credit limit. In that event, an over credit limit fee will be applied. Linking Overdraft Protection from your Bank of America checking account to your credit card will end any Overdraft Protection connections to your Bank of America savings account. Please see your Cardholder Agreement for additional details.

State Law Disclosures

Notice to New York State Residents: Consumer reports may be requested in connection with the processing of your application and any resulting account. Upon request, we will inform you of the names and addresses of any consumer reporting agencies which have provided us with such reports. **Notice to Ohio Residents:** Ohio laws against discrimination require that all creditors make credit equally available to all creditworthy customers, and that credit reporting agencies maintain separate credit histories on each individual upon request. The Ohio Civil

Rights Commission administers compliance with this law. **Notice to Married Wisconsin Residents:** No agreement, individual statement, or court order applying to marital property will adversely affect the creditor's interest unless the creditor, prior to the time credit is extended, is furnished with a copy of the agreement, statement, or order, or has actual knowledge of the adverse provision when the obligation to the creditor is incurred. **Notice to California Residents:** Regardless of your marital status, you may apply for credit in your name alone.

Billing Rights Summary

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 us in a separate letter at the "Billing Inquiries" address on your billing statement. Write us as soon as possible. We must hear from you no later than 60 days after we send you the first bill on which the error or problem appeared. You can telephone us, but doing so will not preserve your rights.

In your letter, give us the following information:

- Your name and account number.
- The dollar amount of the suspected error.
- 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 credit card 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 Notices

We must acknowledge your letter within 30 days, unless we 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 any missed payments on the questioned amount. In either case, we will send you a statement of the amount you owe and the date that it is due.

If you fail to pay the amount that 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 that 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. We must tell anyone we report you to that the matter has been settled between us when it finally is.

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 Rule for Credit Card Purchases

If you have a problem with the quality of property or services that you purchased with a credit card, and you have tried in good faith to correct the problem with the merchant, you may not have 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 your home state, within 100 miles of your current mailing address; and
- 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.

Periodic Finance Charge Calculation

For each day in the Billing Cycle, we take your beginning balance, add any new transactions or other debits, and subtract any payments or other credits. This gives us that day's Daily Balance. We multiply this Daily Balance by the Daily Periodic Rate to get your Periodic Finance Charges for that day. We add these Periodic Finance Charges to your Daily Balance to get the beginning balance for the next day. To get your total Periodic Finance Charges for that Billing Cycle, we add all the Daily Periodic

Finance Charges and round the sum to the next highest cent. This amount is also equal to the Average Daily Balance multiplied by the Daily Periodic Rate and then multiplied by the number of days in the Billing Cycle. To determine the Average Daily Balance, we add all your Daily Balances and divide by the number of days in the Billing Cycle. Periodic Finance Charges begin to accrue from the later of the transaction date or the first day of the Billing Cycle in which the transaction appears.

Balance Transfer

reserves the right to decline to process any balance transfer for any reason. If you have a dispute with a creditor and pay that balance by transferring it to your new Visa® Platinum Card account, you may lose certain dispute rights. By making a balance transfer, you understand that future payments will be applied to promotional offers (which are normally at a lower interest rate) prior to any existing or new regular balances on the account. It will take 3-4

weeks to process your request. Therefore, you will still need to make payments on your other accounts to keep them current until your request is complete. Your Balance Transfer requests will be processed in the order listed on the Balance Transfer form. We will make the maximum possible partial payment. Partial payment will not be made on more than one account. Finance charges (if and where applicable) will begin on the date that the balance transfer posts to your account.

◆ Cardholder Security Plan® Terms and Conditions

The Cardholder Security Plan ("CSP" or "the Plan") is an optional product available on your Bank of America credit card account.

Whether or not you purchase CSP will not affect your application for credit or the terms of any existing credit agreement you have with

• **Benefits:** In return for a Monthly Program Fee, the Plan can credit up to twelve (12) Monthly Benefit Amounts per unrelated Protected Event to your credit card account if you or one (1) Authorized User become Hospitalized, Totally Disabled, Involuntarily Unemployed, or take an Unpaid Family Leave of Absence. In the event of your Death, the Plan can credit a lump sum benefit amount equal to the Outstanding Balance on the Date of Loss or \$10,000, whichever is less.

◆ **The Monthly Benefit Amount** is designed to make the Minimum Monthly Payment on your credit card account, but may not be sufficient in all cases. Please refer to the Addendum to the Cardholder Agreement for additional details.

• **Cost:** The Monthly Program Fee is 79¢ per \$100 of your Monthly Outstanding Balance up to \$10,000. For your convenience, the fee is automatically billed to your credit card account. During months when you have no outstanding balance on your statement, there is no charge for the Plan.

• **Eligibility Exclusions:** There are eligibility requirements, conditions and exclusions that could prevent you from receiving benefits under the Plan. Please refer to the Addendum to the Cardholder Agreement for a full explanation of all requirements, conditions and exclusions.

• **Termination:** If, at any time during the first thirty (30) days after the date your protection begins, you cancel the optional Plan, all CSP fees billed to your account will be refunded. You have the right to cancel CSP at any time by making a written or telephonic request to the Plan Administrator. The Plan will automatically terminate under the following circumstances: you no longer have your credit card account with Bank of America; your Protected Account is closed due to account charge-off; or you owe four (4) or more previous Minimum Payments due on the Protected Account.

• **The Plan Administrator is CSI Processing, LLC at 10000 N. 10th Street, Omaha, NE 68134-0888; Monday - Friday, 7:00 a.m. - 10:00 p.m. Central Time.**



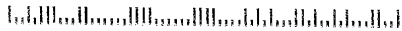
Send for your
 Visa Platinum card today!

Your Personal Invitation



0

% FIXED APR
 until August 1, 2007
 on balances
 transferred **NOW!**
No Annual Fee
Credit Line
up to \$30,000*



Dear

Now there's a credit card designed for supporters of the [Organization]. You can now send for a Visa Platinum credit card with a 0% FIXED APR until August 1, 2007 on balances transferred now and a credit line of up to \$30,000.* Plus, every time you make a purchase you'll help support [Organization].

Lead the way and earn rewards with Premium PointsSM*

A portion of every purchase you make with your card will be used to support [Organization]. In addition, for every \$1 you spend on purchases, you'll automatically collect 1 point good toward valuable rewards, including airline tickets, brand-name merchandise, and more. Plus, there's no annual fee.

0% FIXED APR until August 1, 2007 on balances transferred now

You'll receive a low 0% FIXED APR until August 1, 2007 on balances transferred now (not on purchases or cash advances). Keep in mind that your 0% APR may increase if you default on any account with us or are reported as past due with another creditor. Payments are applied to balances with lower APRs before those with higher APRs and a fee of 3% (\$5 minimum/\$75 maximum) per transfer will apply. Please see the back of the letter for Terms and Conditions.

Visa Platinum—credit line up to \$30,000

You can use this credit line to make purchases at any of the millions of places that accept Visa Platinum credit cards. Send for your card now. Use your reservation number [Number] and visit us online at [Website] or mail back the Personal Invitation below, or call us at [Phone Number] today.

Sincerely,

Respond before 08/12/06

Visit [Website]
 mail back your personal invitation,
 or call [Phone Number]

[Name], Development and Membership

P.S. Transfer a balance now to get the lowest rate—0% APR—on balance transfers until August 1, 2007.

*Please see the Terms and Conditions on reverse for important information about this offer, rates, the Premium Points program (including applicable airline ticketing fees), and applicable balance transfer fees. The median credit line received in 2005 was \$3,500.

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PERSONAL INVITATION

YES!
 Send my no-annual-fee Visa
 Platinum credit card now



Or apply at [Website]

Please correct information below if necessary.

Social Security Number () - () - ()		Do you have a checking account? <input type="checkbox"/> Yes <input type="checkbox"/> No	
U.S. Home Phone () - () - ()		Residential status: <input type="checkbox"/> Rent <input type="checkbox"/> Own <input type="checkbox"/> Other	
Work/Second Phone () - () - ()		Employment: <input type="checkbox"/> Self-employed <input type="checkbox"/> Employed <input type="checkbox"/> Retired <input type="checkbox"/> Other	
\$ Annual Household Income *You do not need to include income from alimony, child support, or separate maintenance unless you would like us to consider it.		Your Date of Birth (Mo/Day/Yr) / /	
Your E-mail Address (optional) _____			
Please send a second card for this account at no extra cost for:			
First Name	M.I.	Last Name	
<input type="checkbox"/> I want to opt out of my [Organization] credit card account history by enrolling in OPTIONAL Credit Protection. (Optional) I understand that I will be required to make a credit line available. I have read and agree to the enclosed Terms and Conditions and authorize the membership fee indicated to be billed to my account monthly.			

Terms and Conditions

The card issuer, ("we"/"us"/"our"), will review your credit, household income, credit relationships with us, and all other information you provide to ensure that you meet all of our requirements when you respond to our offer. If you meet these requirements, you will receive a Visa Platinum® account with a credit line as described below. If you do not meet these requirements, we may not extend credit to you. **Credit Line:** Your initial credit line will be up to \$30,000 (at least \$500) and will be determined by your credit profile at the time we open your account. The median credit line received for this offer in 2005 was \$3,500.

Annual percentage rate (APR) for purchases	9.99%–23.99%*
Other APRs	Promotional Balance Transfer APR: 0% through your statement date in August 2007 ("Introductory Period"); after that: 9.99%–23.99% (see explanation below) Cash Advance APR: 23.99% Default APR: The Prime Rate [†] plus 23.74% (currently 31.74%) and may vary (see explanation below [‡])
Variable rate information	Your APRs may vary. Purchase APR: Prime Rate plus 1.99%–15.99%, but not lower than the APR for Purchases when your account is opened* Promotional Balance Transfer APR: Prime Rate plus 1.99%–15.99%, but not lower than the non-introductory APR for Balance Transfers when your account is opened [§] Cash Advance APR: 23.99% or the Prime Rate plus 15.99%, whichever is greater
Grace period for purchases	At least 25 days if the New Balance is paid in full by the Payment Due Date
Balance calculation method	Two-Cycle Average Daily Balance (including new purchases)
Annual fee	\$0
Minimum finance charge	\$1
Transaction fee for purchases	For purchases made outside the U.S. and its territories: 1% of each purchase
Cash advance fee:	3% of the advance (\$10 minimum) [#]
Balance transfer fee:	3% of each balance transfer (\$5 min./\$75 max. per transfer)
Late fee:	\$39 if balance is \$200 or greater; \$19 if balance is less than \$200
Overlimit fee:	\$35 if you exceed your credit line at any time during a billing cycle

We may change the APRs, fees, and other terms of your account at any time in accordance with applicable law and the Account Agreement, which we will send you when your account is opened. Factors we may consider in determining whether and how to change your terms include the frequency and severity of defaults and other indications of risk on accounts with and/or other creditors.

*APR for Purchases: Your APR for Purchases (and the margin added to the Prime Rate to determine this APR) will depend on evaluation of your application and credit history.

†Default APR: Each time you default on this or any credit card account because you fail to make at least the minimum payment when due, exceed your credit line, make a payment to us that is not honored by your bank, or are reported as delinquent on an account with any other creditor, we may increase the APRs on your account up to a maximum of the Default APR. Factors considered in determining whether and by how much to increase your APRs include the frequency and severity of defaults and other indications of account usage and risk on accounts with and/or other creditors.

‡Prime Rate: The Prime Rate used to determine your APRs is the highest Prime Rate published in *The Wall Street Journal* on the first business day following the 22nd day of the calendar month before the month in which the billing cycle began. Variable rates are current as of June 2006.

§Balance transfer information: Your Promotional APR for Balance Transfers (and the margin added to the Prime Rate to determine this APR) will depend on evaluation of your application and credit history. The Promotional Balance Transfer APR above applies to balance transfers requested within the first 90 days of account opening. Enter your balances in the order you would like them to be paid. Individual transfers are subject to a \$100 minimum. Depending on your assigned credit limit, we may redeem all or part of the amounts you request. Generally, we will transfer as much as possible, leaving some of your credit limit available for purchases and cash advances. Until your balance transfers are processed, you will need to make payments to your other credit card accounts to keep them current. Balance transfers are not subject to a grace period and may take up to 6 weeks to process. Balance transfers cannot be used to pay other obligations. Balance transfer fees are added to the purchase balance and are subject to the APR for Purchases. Depending on your credit with us and other lenders, you may qualify for additional balance transfer offers in the future. The terms of any future offer will be disclosed to you when the offer is made.

#Purchases of Cash Equivalents: Charges for the purchases of cash equivalents such as money orders, traveler's checks, foreign currency, lottery tickets, casino gaming chips, and the like are treated as Cash Advances and are subject to the Cash Advance fee described above.

Cash line: The amount available for cash advances will be at least 20% of your total credit line and will be shown on your statement.

How payments are applied: Payments will be applied first to finance charges and fees, then to Balance Categories (including new transactions) in the order of the lowest APR to the highest APR. This means that balances subject to promotional or introductory APRs will be paid before the balances subject to higher APRs.

Premium Points Rewards Program: You will earn 1 Point for each \$1 of net new purchases (new purchases less returns and credit adjustments) you make with your credit card. You may redeem Points for merchandise or gift certificates as described in the member brochure you will receive when you become a cardholder; redemption levels begin at 1,000 Points. If you redeem Points for airline tickets, a \$35 per passenger ticketing fee will apply. Your account must be open, current, within its credit line, and not in default of your Account Agreement to redeem Points. Points expire 5 years after issuance. This program cannot be combined with any existing credit card account or with any other rewards program. We may modify or discontinue the program at any time by giving you reasonable notice.

Complete rules are in the Premium Points Rewards Terms and Conditions, which we will mail to you with your Account Agreement. When you make a purchase to earn Points, keep in mind the terms and conditions on this page.

By submitting your application, you acknowledge and agree that: (1) you are at least 18 years old; (2) all information you provide is accurate and complete; (3) your account will be used only for personal, family, or household purposes; (4) we may check your credit and the information you provide; (5) we reserve the right to change the terms of your account; and (6) we may request credit reports in connection with this application and to review your account.

Upon request, we will tell you if we obtained credit reports and the name and address of any consumer reporting agencies that provided the reports. We may report information about your account to credit bureaus. Late payments, missed payments, or other defaults on your account may be reflected in your credit report. When you use the account, you agree to be bound by the Account Agreement. The Account Agreement provides that disputes relating to the account are subject to binding arbitration. There are additional terms describing the features and benefits, which will be sent to you when you become a cardholder. A married applicant may apply for credit in his or her own name. This account may not be available to you if you already have a credit account with us or have applied in the last 90 days. This offer is not transferable.

Second card information: We may provide information about this account to consumer reporting agencies or other agencies in the second cardholder's name. This is not a joint account. If you allow the second cardholder to use your account, you will be liable for all their transactions.

Important information about procedures for opening a new account: To help the government fight the funding of terrorism and money-laundering activities, federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account. What this means for you: When you open an account, we will ask for your name, address, date of birth, and other information that will allow us to identify you.

WI Residents: No provision of a marital property agreement, a unilateral statement, or a court decree adversely affects the interest of the creditor unless the creditor, prior to the time credit is granted, is furnished a copy of the agreement, statement, or decree or has actual knowledge of the adverse provision when the obligation to the creditor is incurred. Married applicants must furnish the applicant's Social Security number and the name and address of their spouse to Card Services at , Dallas, TX 75266-0509 within 15 days from the date you respond to this offer.

If you do not want future credit card offers mailed to you from , you may inform us in writing by sending your name and address (as they appear on your Personal Invitation) to Card Services, , Dallas, TX 75266-0509. Please allow 4 to 6 weeks for this request to take effect.

Three ways to reply:

Account-Opening Disclosures Used in Baltimore Interviews

Contents:

- Card Carrier Sample A (4 pages)
- Summary of Terms Sample A (1 page)
- Cardholder Agreement Sample A (4 pages)
- Card Carrier Sample B (4 pages)
- Cardholder Agreement Sample B (4 pages)

Note: Each interview participant was either the set of samples labeled A, or those labeled B. Cardholder Agreement Sample A included a one-page summary of terms.

Both of the cardholder agreements were folded into brochure form.

Welcome! We have enclosed your new
Rewards card(s).

www.netaccess.com



Account # | **Credit Line: \$5,000** | **Number of Cards: 1**
(Verify name and address, and sign card(s) immediately to validate. Notify us if corrections are required.)

Thank you for your request. We are pleased to provide you with your new **Visa®** credit card(s).

From the moment you call to activate your card, you will have immediate access to your credit line for purchases and cash advances. Use it, and you'll enjoy exclusive benefits, including Zero Liability Fraud Protection against unauthorized use and extra cards for others you trust—all at no additional cost. Add to that, award-winning 24-hour Customer Satisfaction and access to your account information at www.netaccess.com, and you'll see why this card consistently receives top honors from industry experts.

Read on—you'll find up-to-date details about your new account benefits! Important phone numbers are also provided for quick reference. To make the most of your new card(s), please review these materials and keep them in a safe place for future reference.

We look forward to serving all of your credit card needs!

P.S. — Reward yourself with cash, travel, hotel stays, brand-name merchandise, gift certificates from top retailers, and more! It's simple. You'll earn one point for every dollar in purchases charged to this credit card. Start earning points today! Visit www.netaccess.com for details.

CLICK.

VIEW PURCHASES —
PAY YOUR BILL — GET INSTANT ACCESS
TO ALL YOUR ACCOUNT INFORMATION.

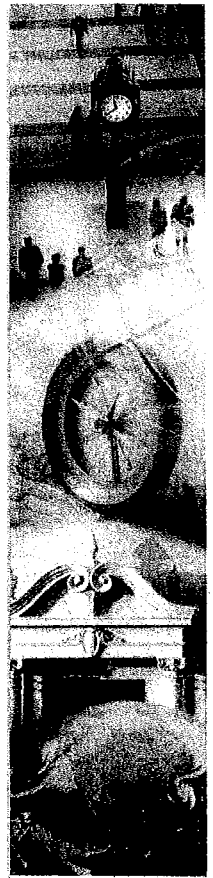
www.netaccess.com


WHY WAIT FOR THE MAIL? **LOG ON.**

**ABSOLUTE
FRAUD PROTECTION.**

ZERO LIABILITY AGAINST
UNAUTHORIZED USE OF YOUR CREDIT CARD.

CONTACT US IMMEDIATELY IF YOUR
CARD IS LOST OR STOLEN.





Practical. Powerful. Indispensable.

Your *Platinum Plus* Benefits

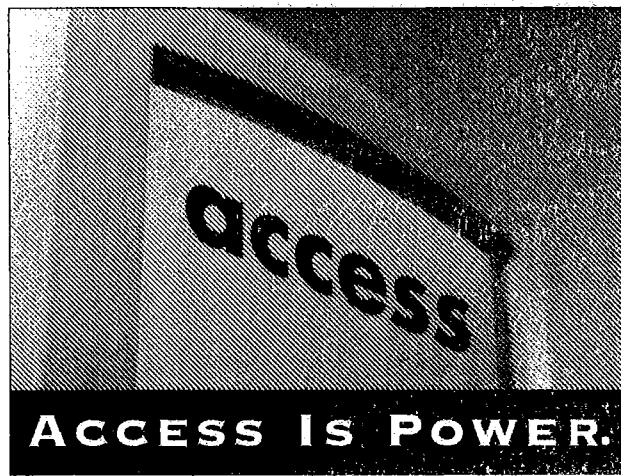
Global Acceptance

Congratulations! You've chosen one of the world's most respected credit cards. Your credit card is welcome at millions of locations—overseas, at home, or online—including resorts, restaurants, jewelry shops, grocery stores, gas stations, and Internet retailers.

Customer Satisfaction**

Call us anytime, day or night—or visit us online! Your *Platinum Plus* Visa card assures you a level of priority service other credit cards don't offer. We are standing by to assist you with the following:

- Additional cards for family members or others you trust
- Quick decisions on credit line increase requests
- Quick replacement of lost or stolen cards
- Absolute protection against fraud and unauthorized use
- The highest possible level of online security
- Personal service—24 hours a day, 7 days a week
- Merchant dispute advocacy
- Online account access
- Electronic bill-payment scheduling
- Up to \$1 million in Common Carrier Travel Accident Insurance
- Up to \$3,000 in Supplemental Lost Checked Luggage Protection
- Supplemental Auto Rental Collision Damage Deductible Coverage
- Travel & Emergency Assistance
- Medical Referral Assistance
- Legal Referral Assistance
- Pay-by-Phone service available at



ACCESS IS POWER.

7:30 A.M.
CLICK.
VIEW YESTERDAY AFTERNOON'S PURCHASES.

5:42 P.M.
CLICK.
TRANSFER A BALANCE TO YOUR ACCOUNT.

10:01 P.M.
CLICK.
CREDIT CARD BILL PAID.

www. netaccess.com

WHY WAIT FOR THE MAIL? **Log On.** DO IT ALL—AND MORE!

Internet Access www.netaccess.com

Get up-to-the-minute information about your account—Visit our Web site for 24-hour access to your account information in a safe, highly secure environment.

Transaction Information

Easy-to-read monthly statements—Charges, payments, credits, and important messages are presented clearly.
Year-End Summary of Charges—To help you with financial planning and tax reporting, we can provide an itemized record of billing for the previous year.

Security

Use your credit card with complete confidence. Our Zero Liability policy means you won't be responsible for unauthorized purchases.

Enhanced Fraud Protection—State-of-the-art anti-fraud systems protect your account against fraudulent charges and unauthorized use, including online purchases.

Purchase Security—You're covered if something you bought with your *Platinum Plus* Visa is damaged or stolen within 90 days of purchase.**

Warranty Manager—For qualified purchases, Warranty Manager doubles the warranty time period up to one additional year for U.S. manufacturers' and U.S. store-brand warranties of three years or less.**

Cash Access

HAVE CASH AT YOUR FINGERTIPS, whenever and wherever you need it!

Credit Card Access Checks—Use them like personal checks to pay bills (except other accounts) or to pay off balances on higher-interest accounts.*

ATMs—Use your Personal Identification Number (PIN) to get cash at ATMs worldwide. Your new PIN will be arriving within the next few weeks with your benefits package.

Financial Institutions—Access cash advances at financial institutions all around the world!

Emergency Cash Worldwide—Emergency cash up to your available credit line can be wired to a convenient Western Union® office within the United States or to a participating bank anywhere in the world!

Balance Transfers

It's easy to pay off other credit card accounts. Call us toll-free at _____, or visit _____.

We'll transfer the balances you specify to your *Platinum Plus* Visa account, subject to credit availability.



GET THE WHOLE PICTURE.



WHEN YOU ADD

AUTHORIZED USERS

TO YOUR ACCOUNT,

YOU CAN TRACK ALL

EXPENSES ON ONE

SIMPLE STATEMENT. IT

LITERALLY PUTS EVERYONE ON THE SAME PAGE!

SIMPLIFY—CALL NOW TO SIGN UP!

*Add Authorized Users to your account—at no additional cost!
As the Primary Cardholder, you are responsible for all account activity incurred by Authorized Users.*

Rewards

Reward yourself with cash, travel, merchandise, gift certificates from top merchants, and more!

You'll earn one point for every \$1 in purchases charged to your credit card featuring _____. Whether you are dining out, filling up your car, or making a trip to the grocery store, you earn valuable _____ with every purchase.

Earn unlimited cash rewards. Travel to worldwide destinations - on major U.S. airlines with NO blackout dates -- even arrange U.S. hotel stays and car rentals. Or choose from an impressive selection of brand-name merchandise including Sony®, Callaway®, KitchenAid®, as well as gift certificates from Pottery Barn, J. Crew, T.G.I. Friday's, and more. You can also enjoy the convenience of _____, a 24-hour service that can get you hard-to-find tickets, dinner reservations at the hottest spots, and more. Visit us online at _____.



CREDIT PROTECTION cancels your minimum monthly payment in the event of:

- involuntary unemployment
- total disability
- family leave
- hospitalization, with an
- accidental death benefit

ALWAYS THERE TO PROTECT YOU.

SIGN UP FOR CREDIT PROTECTION WITH A BONUS CREDIT REPORT.

Yes! Enroll me in **OPTIONAL** Credit Protection. I read the Plan Summary on the reverse. I authorize \$0.85 per \$100 of the Plan balance be billed monthly to each enrolled account. I may cancel at any time; purchase is not required to obtain credit.

Call toll-free _____
or visit our website at
www. protect.com

ZZZ3

For fast service, cut out this Quick Reference Guide and keep it handy.

CUSTOMER PRIORITY CENTER

Log on today!

www. netaccess.com

Important Phone Numbers

Customer Satisfaction 1-800-451-1111

Balance Transfer 1-800-451-1111

Overseas(collect) 1-800-451-1111

TDD 1-800-451-1111

THE PLAN IS OPTIONAL.

Your purchase of the Credit Protection Plan (the "Plan") is optional. Whether or not you purchase the Plan, this will not affect your application for credit or the terms of any existing credit agreement you have with

ELIGIBILITY REQUIREMENTS, CONDITIONS AND EXCLUSIONS.

There are eligibility requirements, conditions and exclusions that could prevent you from receiving benefits under the Plan.

ADDITIONAL INFORMATION AND PLAN DOCUMENTS.

We will give you additional information before you are required to pay for the Plan, including a Plan Summary. You will also receive the complete Terms and Conditions for the Plan upon enrollment. Read the Plan documents carefully for a full explanation of the terms of the Plan.

Important information about accounts that are enrolled in the Plan.

During any period when you are receiving benefits, use of your account is suspended and finance charges will continue to accrue.

Plan Fees.

The monthly fee for the Plan is \$0.85 per \$100 of the Plan balance. The Plan balance is described in the Plan documents, which you will receive shortly.

Cancellation.

You may cancel the Plan at any time. If you cancel within 30 days after enrollment you will receive a full refund of any Plan fees billed.

IMPORTANT DISCLOSURES

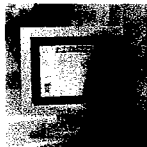
The current APR for purchases is 13.99%.

The current APR for cash advances is 22.99%

Transaction fee for ATM cash advances: 3.00% of the U.S. dollar amount of each such Cash Advance (Fee: Min. \$5.00)

Transaction fee for Check Cash Advances: 3.00% of the U.S. dollar amount of each such Cash Advance (Fee: Min. \$5.00)

Transaction fee for Bank Cash Advances (excluding Bank Cash Advances resulting from any payment you make to us that is returned to us unpaid for any reason): 3.00% of the U.S. dollar amount of each such Cash Advance (Fee: Min. \$5.00)



Quick Tips

Use Your Card to Simplify Your Life.

- Add additional users to your account, and track all your expenses the easy way.
- Use your card to pay all your recurring monthly expenses—utilities, cable TV, Internet, etc.
- Consolidate your bills so you have a single monthly payment to remember.
- Save time and money by shopping online!

will allocate your payments to balances (including new transactions) with lower APRs before balances with higher APRs.

*Cash advances and/or balance transfers may not be used to pay off or pay down any account.

**Certain restrictions apply to these and other benefits described here and in your Guide to Coverage.

The Privacy Notice may be found in your Credit Card Agreement and is available at www.americanetaccess.com.

America, *Platinum Plus*, *Quantum*, *etaccess.com*, *com* and related marks are service marks of America Bank, N.A. America Bank, N.A. is the exclusive issuer and administrator of this credit card program.

Visa is a federally registered service mark of Visa U.S.A. Inc., and is used pursuant to license.

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June 10, 2006

IMPORTANT ACCOUNT INFORMATION

These charges are imposed in connection with your account. Please refer to the enclosed agreement for more information.

Prime is Reviewed: Billing period		Calculation Method	U.S. Prime Rate Plus	Periodic Rate	Current **Annual Percentage Rate (APR)**
For Balances:					
	Purchase	Daily	5.990	0.03833	13.990
	Cash Advance	Daily	14.990	0.06299	22.990
	Cash Min	Daily			19.990
<p>If you default under any Card Agreement, your **APR** on all Balances may increase to up to 23.990% plus the Prime Rate. Currently this corresponds to an **APR** of 31.990% and a daily periodic rate of 0.08764%.</p>					

Membership Fee: \$0 every 12 months			
Minimum Payment: Calculation Method D			
Late Fee (For each late payment, If not received by payment due date)			
Due Date Balances up to \$100		\$15.00	
Due Date Balances of \$100 up to \$1000		\$29.00	
Due Date Balances of \$1000 or more		\$39.00	
Over Credit Line Fee: \$35	Stop Payment Fee: \$0		
Returned Check Fee: \$29	Returned Payment Fee: \$29		
Cash Advance Fee: *Finance Charge*	% of Advance	Minimum Amount	Maximum Amount
If obtained at an ATM	3.000%	\$5.00	
If obtained at a bank	3.000%	\$5.00	
If obtained by check	3.000%	\$5.00	
If obtained by other method	3.000%	\$5.00	
Foreign Currency Trans Fee: *Finance Charge*	% of Purchase	Minimum Amount	Maximum Amount
For Purchases	3.000%	\$0.00	
This account is subject to arbitration			

Please keep this letter for your records. It is part of your agreement with us.

CARD AGREEMENT

This document and the accompanying letter together make up your Card Agreement and throughout this document are referred to as Agreement or Card Agreement. The letter contains important account information, including your annual percentage rates and the amount of any membership fee. Please read and keep both the letter and this document for your records. This Agreement is binding on you unless you cancel your account within 30 days after receiving the card and you have not used or authorized use of your account. To simplify this Agreement for you, the following definitions will apply. The words *you*, *your*, and *yours* mean all persons responsible for complying with this Agreement, including the person who applied to open the account and the person to whom we address billing statements. The word *card* means one or more cards or other access devices, such as account numbers, that we have issued to permit you to obtain credit under this Agreement. The words *we*, *us*, and *our* mean (South Dakota), N.A., the issuer of your account. The words *authorized user* mean any person to whom you give permission to use your account.

Using Your Account and Your Credit Line:

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. Your card must only be used for lawful transactions.

A portion of your credit line, called the cash advance limit, is available for cash advances. At our discretion, we may change your credit limit or limit either by sending you a notice or through your any new line or limit either by sending you a notice or through your billing statement. A change may take effect before you receive notification from us. You may request a change to your credit line or cash advance limit by contacting Customer Service by telephone or mail. The full amount of your credit line is available to buy or lease goods or services wherever the card is honored. Your cash advance limit is available for cash through any bank or automated teller machine that accepts the card or by using convenience checks. The total amount charged on your account, including purchases, balance transfers, cash advances, finance charges, fees, or other charges, must always remain below your credit line. However, if that total amount exceeds your credit line you must still pay us. We may approve transactions that cause you to exceed your credit line without waiving any of our rights under this Agreement.

Additional Cards:

You may request additional cards on your account for yourself or others and you may permit an authorized user to have access to the card or account number. However, if you do, you must pay us for all charges made 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 for the use of each card issued on your account according to the terms of this Agreement.

Membership Fee:

The accompanying letter indicates whether your account is subject to a membership fee. If it is, the fee is added to the standard purchase balance and is non-refundable unless you notify us to cancel your account within 30 days from the mailing or delivery date of the billing statement on which the fee is billed.

Billing:

Your billing statement shows the total balance, any finance charges, fees, the minimum amount due, and the payment due date. It also shows your current credit line and cash advance limit, an itemized list of current charges, convenience checks, payments and credits, a summary of the purchase and cash advance activity, including the finance charges, a rate summary, and other important information. If we deem your account uncollectible or if we institute delinquency collection proceedings by sending it to an outside collection agency or attorney for collection, we may, in our sole discretion, stop sending you billing statements. However, finance charges and fees will continue to accrue whether or not we send you billing statements. You must notify us of a change in your address by contacting Customer Service by telephone or mail. We will mail or deliver the billing statement to only one address.

How We Determine the Balance:

The total outstanding balance (the amount you owe us) appears as the "New Balance" on the billing statement. To determine the New Balance, we begin with the outstanding balance on your account at the beginning of each billing period, called the "Previous Balance" on the billing statement. We add any purchases or cash advances and subtract any credits or payments credited as of that billing period. We then add the appropriate finance charges and fees and make other applicable adjustments.

Annual Percentage Rates for Purchases and Cash Advances:

Your annual percentage rates and the corresponding daily or monthly periodic rates appear on the accompanying letter. A daily periodic rate is the applicable annual percentage rate divided by 365. A monthly periodic rate is the applicable annual percentage rate divided by 12. Whether or not an annual percentage rate is based on the U.S. Prime Rate plus a margin is indicated on the accompanying letter. Please see the section entitled "Variable Annual Percentage Rates for Purchases and Cash Advances" for details relating to how these rates may change, including if you default under any Card Agreement that you have with us.

Variable Annual Percentage Rates for Purchases and Cash Advances:

If any annual percentage rate is based on the U.S. Prime Rate plus a margin, we will calculate the rate by adding the applicable margin that appears in the accompanying letter to the U.S. Prime Rate published in *The Wall Street Journal*. If more than one U.S. Prime Rate is published, we may choose the highest rate. If *The Wall Street Journal* ceases publication or to publish the U.S. Prime Rate, we may use the U.S. Prime Rate published in any other newspaper of general circulation, or we may substitute a similar reference rate at our sole discretion.

Whether the U.S. Prime Rate is reviewed on a billing period, month end or quarterly basis is indicated on the accompanying letter.

- If the U.S. Prime Rate is reviewed on a billing period basis, for each billing period we will use the U.S. Prime Rate published two business days prior to your Statement/Closing Date for that billing period. Any increase or decrease in a variable annual percentage rate due to a change in the U.S. Prime Rate takes effect as of the first day of the billing period in which we calculate the variable annual percentage rate.

- If the U.S. Prime Rate is reviewed on a month end basis, we will use the U.S. Prime Rate published on the last business day of the month. Any increase or decrease in a variable annual percentage rate due to a change in the U.S. Prime Rate takes effect as of the first day of the billing period that begins in the month directly following the month in which the U.S. Prime Rate used to calculate your variable annual percentage rate is published.

- If the U.S. Prime Rate is reviewed on a quarterly basis, we will use the U.S. Prime Rate published on the third Tuesday of March, June, September, and December of each year. If the third Tuesday is a holiday, we will use the U.S. Prime Rate published the next day. Any increase or decrease in a variable annual percentage rate due to a change in the U.S. Prime Rate takes effect on the first day of the billing period directly following the billing period in which the U.S. Prime Rate used to calculate your variable annual percentage rate is published.

- When a change in an applicable variable annual percentage rate takes effect we will apply it to any existing balances, subject to any promotional rate that may apply.

Your annual percentage rates may also vary if you default under any Card Agreement that you have with us because you fail to make a payment to us when due, you exceed your credit line, or you make a payment to us that is not honored. In such circumstances, we may increase your annual percentage rates (including any promotional rates) on all balances to a variable default rate of up to the rate indicated on the accompanying letter. The maximum variable default rate currently in effect and the corresponding daily and/or monthly periodic rates appear on the accompanying letter. Factors considered in determining your variable default rate may include how long your account has been open, the timing or seriousness of a default under any Card Agreement that you have with us, or other indications of account performance. The variable default rate takes effect as of the first day of the billing period in which you default. Your account may again become eligible for a lower annual percentage rate on new purchases, new cash advances, or both after you have met the terms of all Card Agreements that you have with us for six consecutive billing periods. Your existing balances will remain subject to the variable default rate until they are paid in full, unless we tell you otherwise.

An increase in the variable annual percentage rate means you will incur a higher finance charge and perhaps a higher minimum payment.

Promotional Rate Offers:

At our discretion, we may offer you a promotional annual percentage rate for all or part of any balances. The period of time for which the promotional rate applies may be limited. Any applicable promotional rate, the corresponding periodic rates, and the period of time

during which it is in effect will appear on the accompanying letter. Any promotional rate offer will be subject to the terms of the offer and this Agreement.

Finance Charges:

Finance charges for purchases, balance transfers, and cash advances will begin to accrue from the date the transaction is added to the daily balance, as described below, and continue to accrue until payment in full is credited to your account. However, if you paid the total New Balance, if any, listed on the last billing statement by the payment due date on that statement you will have until the payment due date on your current statement to pay your total New Balance to avoid imposition of additional finance charges on purchases (excluding balance transfers). If you have accepted certain balance transfer offers for which you may be eligible, you may not be able to avoid additional finance charges on purchases, as described in your balance transfer offer.

We will calculate finance charges as follows:

- We figure a portion of the finance charge on your account by multiplying the daily balance on each feature (e.g., standard purchases or standard advances) by the applicable daily periodic rate and separately adding together any such finance charges for each feature for each day in the billing period.

- For finance charge calculation purposes, the billing period begins on the day after the Statement/Closing Date of the previous billing period and includes the Statement/Closing Date of the current billing period. The number of days in the billing period may vary.

- To get the daily balance, we take the beginning balance for each feature every day (which may include unpaid finance charges from previous billing periods), add any new transactions, any new fees, and any finance charge on the previous day's balance, subtract any credits or payments credited as of that day, and make other adjustments. A credit balance is treated as a balance of zero.

- We add a new purchase to the appropriate purchase balance as of the Sale Date shown on your billing statement.

- We add a new balance transfer or cash advance to the appropriate purchase or advance balance as of the Post Date shown on your billing statement. The Post Date is the date we receive your request for the balance transfer or cash advance, including a request that we complete a balance transfer check or convenience check for a specific amount. If you send a balance transfer check or convenience check directly to someone, the Post Date is the date we receive the check for payment.

- The balances subject to Finance Charge on the billing statement are the averages of the respective daily balances during the billing period. If you multiply this figure for each feature by the number of days in the billing period and by the applicable daily periodic rate, the result will be the periodic rate finance charges assessed for that feature, except for minor variations caused by rounding. This method of calculating the balance subject to finance charge and the periodic rate finance charges results in daily compounding of finance charges.

Special Finance Charge Calculation Method for Certain Cardmembers:

If the calculation method on your account is listed in the accompanying letter as "Monthly" for purchases and "Monthly" or "Daily"

for advances, or if the periodic rate in the Rate Summary Section of your billing statement is followed by an "(M)" (indicating a monthly periodic rate) for purchases and an "(M)" or an "(F)" (indicating a daily periodic rate) for advances, we use the calculation methods described below instead of those described in the previous section.

- We figure a portion of your finance charge on transactions subject to a monthly periodic rate by multiplying the monthly periodic rate by the Balance Subject to Finance Charge (including new transactions). We may figure a portion of your finance charge on advances by multiplying the daily periodic rate, if applicable, by the number of days in the billing period and then applying the result to the Balance Subject to Finance Charge for advances (including new advances).
- To get the Balance Subject to Finance Charge on each feature (e.g. standard purchases and standard cash advances) we take the beginning balance for that feature every day (which may include unpaid finance charges from previous billing periods), add any new transactions and fees, subtract any credits or payments credited as of that day, and make other adjustments. We add a new purchase to the appropriate purchase balance as of the Sale Date shown on your billing statement, and a new balance transfer or cash advance to the appropriate purchase or advance balance as of the Post Date shown on your billing statement. The Post Date for a balance transfer or cash advance is the date we receive your request for the balance transfer or cash advance, including a request that we complete a balance transfer check or convenience check for a specific amount. If you send a balance transfer check or convenience check directly to someone, the Post Date is the date we receive the check for payment. A credit balance is treated as a balance of zero. This gives us the total balance. We add up all the daily balances for the billing period (except the balances on the Statement/Closing Date) and divide by the total number of days in the billing period. This gives us the Balance Subject to Finance Charge for that feature.
- For finance charge calculation purposes, the billing period begins on the Statement/Closing Date of the previous billing period and varies with the number of days in the billing period.

Transaction Fee for Balance Transfers:

You have obtained a balance transfer for which we assess a balance transfer transaction fee if you transfer a balance by means other than a convenience check, or you obtain funds through a balance transfer check. Balance transfers will be treated as purchases unless otherwise provided in this Agreement. If your account is subject to transaction fees for balance transfers, the accompanying letter will so indicate. If so, to each balance transfer we add an additional finance charge as indicated on the accompanying letter. This fee will be added to the appropriate purchase balance with the balance transfer. The balance transfer transaction fee may cause the annual percentage rate on the billing statement on which the balance transfer first appears to exceed the nominal annual percentage rate.

Transaction Fee for Purchases Made in a Foreign Currency:

You have made a purchase in a foreign currency for which we assess a foreign currency transaction fee if you have made a purchase in a currency other than U.S. dollars. If your account is subject to transaction fees for purchases made in a foreign currency, the accompanying letter will so indicate. If so, to each balance transfer we add an additional finance charge as indicated

on the accompanying letter. This foreign currency transaction fee will be added to the appropriate purchase balance with the foreign currency purchase. The foreign currency transaction fee may cause the annual percentage rate on the billing statement on which the purchase made in a foreign currency first appears to exceed the nominal annual percentage rate.

Transaction Fee for Cash Advances:

You have obtained a cash advance for which we assess a cash advance transaction fee if you obtain funds from an automated teller machine (ATM), through a convenience check, through home banking, or through a financial institution; make a wire transfer; acquire a money order; traveler's check; lottery ticket; betting or casino chip; or similar item; or engage in another similar transaction. We may add an additional finance charge to the appropriate advance balance with each cash advance. The accompanying letter describes any such additional finance charges, which may be subject to a minimum or a maximum amount. (The amount of the cash advance may include a surcharge that the ATM owner imposes.) The cash advance transaction fee may cause the annual percentage rate on the billing statement on which the cash advance first appears to exceed the nominal annual percentage rate.

Minimum Finance Charge:

If finance charges based on periodic rates are being added to your account, but the total of such finance charges for purchases and cash advances is less than \$.50, we assess a minimum FINANCE CHARGE based on periodic rates, of \$.50. We add the amount to the feature that is being assessed a finance charge. If more than one feature is assessed a finance charge, we may add the minimum finance charge to any such feature at our discretion.

Credit Balance:

You may not maintain a credit balance on your account in excess of your assigned credit line. We will return to you any credit amount over \$1.00 if the amount has been on your account longer than three months. You may request a refund of a credit balance at any time. We may reduce the amount of any credit balance by the amount of new charges billed to your account.

Security Interest for Secured Accounts:

The accompanying letter indicates if your account is a secured account. If it is, you have given us a security interest in a Certificate of Deposit to secure repayment of your account. If you withdraw your funds from the Certificate of Deposit, we will close your card account.

Information on Foreign Currency Conversion Procedures:

If you make a transaction in a foreign currency, other than a cash advance made at a branch or ATM of one of our affiliates, MasterCard, Visa, or American Express, depending on which card is used, converts the amount into U.S. dollars as follows:

- MasterCard complies with its foreign currency conversion procedures then in effect. MasterCard currently uses a conversion rate in effect one day prior to its transaction processing date. Such rate is either a wholesale market rate or the government-mandated rate.
- Visa complies with its foreign currency conversion procedures

then in effect. Visa currently uses a conversion rate in effect on its applicable central processing date. Such rate is either a rate it selects from the range of rates available in wholesale currency markets, which may vary from the rate it receives, or the government-mandated rate.

- American Express complies with its foreign currency conversion procedures then in effect. Unless a particular rate is required by applicable law, the rate used by American Express shall be the highest interbank rate selected on the business day prior to the day on which the transaction is processed by American Express.
- If a cash advance is made in a foreign currency at a branch or ATM of one of our affiliates, the amount is converted into U.S. dollars by our affiliate in accordance with its foreign currency conversion procedures then in effect. Our affiliate currently uses a conversion rate in effect on its applicable processing date. Such rate is either a mid-point market rate or the government-mandated rate.

The foreign currency conversion rate in effect on the applicable processing date for a transaction may differ from the rate in effect on the Sale or Post date on your billing statement for that transaction.

If a transaction is converted by a third party prior to such transaction being processed by MasterCard, Visa, or American Express, the foreign currency conversion rate for that transaction will be the rate selected by that third party.

Minimum Amount Due:

The accompanying letter indicates which of the following calculation methods apply to your account.

Calculation Method A

Each month you must pay a minimum amount that is the total of two figures. The first is any previous amount that is past due and add to any amount in excess of your credit line. The second is the greater of the amount of your billed finance charges or the amount that appears on the accompanying letter. In calculating the Minimum Amount Due, we may subtract from the New Balance certain fees added to your account during the billing period.

Calculation Method B

Each month you must pay a minimum amount that is calculated as follows. First, we begin with any amount that is past due and add to it any amount in excess of your credit line. Second, we add \$5 if any annual percentage rate imposed on your account exceeds 19.99%. Third, we add the largest of the following:

- The amount of your billed finance charges;
- The New Balance on the billing statement if it is less than \$20;
- \$20 if the New Balance is at least \$20 and not greater than \$960, or nearest dollar, if the New Balance exceeds \$960.

If no annual percentage rate imposed on your account exceeds 19.99% and the largest of the above calculations is the amount of your billed finance charges, we add \$5 to the calculation of the Minimum Amount Due. However, the Minimum Amount Due will never exceed your New Balance.

In calculating the Minimum Amount Due, we may subtract from the New Balance certain fees added to your account during the billing period.

Calculation Method C

Each month you must pay a minimum amount that is calculated as follows. First, we begin with any amount that is past due and add to it any amount in excess of your credit line. Second, we add \$5 if any annual percentage rate imposed on your account exceeds 19.99%. Third, we add the largest of the following:

- The amount of your billed finance charges plus any applicable late fee;
- The New Balance on the billing statement if it is less than \$20;
- \$20 if the New Balance is at least \$20 and not greater than \$960, or nearest dollar, if the New Balance exceeds \$960.

If no annual percentage rate imposed on your account exceeds 19.99% and the largest of the above calculations is the amount of your billed finance charges plus any applicable late fee, we add \$5 to the calculation of the Minimum Amount Due. However, the Minimum Amount Due will never exceed your New Balance.

In calculating the Minimum Amount Due, we may subtract from the New Balance certain fees added to your account during the billing period.

Calculation Method D

Each month you must pay a minimum amount that is calculated as follows. First, we begin with any amount that is past due and add to it any amount in excess of your credit line. Second, we add the largest of the following:

- The New Balance on the billing statement if it is less than \$20;
- \$20 if the New Balance is at least \$20;
- 1% of the New Balance (which calculation is rounded down to the nearest dollar) plus the amount of your billed finance charges and any applicable late fee; or
- 1.5% of the New Balance (which calculation is rounded down to the nearest dollar).

However, the Minimum Amount Due will never exceed your New Balance. In calculating the Minimum Amount Due, we may subtract from the New Balance certain fees added to your account during the billing period.

Payments:

You must pay at least the minimum amount due by the payment due date, and you may pay more at any time without a penalty. The New Balance shown on your billing statement may include amounts subject to different periodic rates. We will allocate your payments and credits to pay off balances at low periodic rates before paying off balances at higher periodic rates. The sooner you pay the New Balance, the less you will pay in finance charges. We may also allow you to skip a payment. If we do, we will notify you. If you choose to skip a payment when offered, we will continue to assess finance charges.

Instructions for making payments are on your billing statement. In order to be credited as of a particular day, your payment must be received in the form specified, and by the hour specified, in those instructions. Do not send cash payments. We can accept late or partial payments, as well as payments that reflect "paid in full" or other restrictive endorsements, without losing any of your rights under this Agreement. You agree to pay us in U.S. dollars drawn on funds on

deposit in the United States using a payment check, similar instrument, or automatic debit that will be processed and honored by your bank. We reserve the right to accept payments made in foreign currency and instruments drawn on funds on deposit outside the United States. If we do, we will select the effective currency conversion rate at our discretion and credit your account in U.S. dollars after deducting any fees or costs incurred in connection with processing your payment. If such fees or costs are not fully deducted at the time your account is credited for a payment, we will bill you separately for the amount.

Over-the-Credit-Line Fee:

We may add a fee to the standard purchase balance for each billing period that the New Balance exceeds your credit line. We may add this fee even if we authorize the transaction that causes the New Balance to exceed your credit line. If we add this fee, the amount of this fee appears on the accompanying letter.

Late Fee:

We may add a fee to the standard purchase balance for each billing period you fail to pay, by its due date, the Minimum Amount Due (less the Amount Over Credit Line shown on your billing statement) if we do, the amount of this fee appears on the accompanying letter.

Returned Payment Fee:

We may add a fee to the standard purchase balance when a payment check or similar instrument is not honored, when we must return it because it cannot be processed, or when an automatic debit is returned unpaid. If we do, the amount of this fee appears on the accompanying letter. At our option, we will assess this fee the first time your check or payment is not honored, even if it is honored upon resubmission.

Convenience Checks:

Convenience checks may be used to purchase goods and services, to transfer balances from others, or to obtain funds up to the amount of your available cash advance limit unless that amount will cause the total balance to exceed your credit line. We will treat convenience checks as a cash advance and charge them against your cash advance limit. Each convenience check must be in the form we give you. Convenience checks may be used only by the person whose name is printed on them. Convenience checks may not be used to pay any amount owed to us under this or any other Card Agreement that you have with us. We will not certify any convenience checks, nor will we return paid convenience checks.

Balance Transfer Checks:

Balance transfer checks may be used to transfer balances or to obtain funds up to the amount of your available credit line. Each balance transfer check must be in the form we have issued and must be used according to any instructions we give you. Balance transfer checks may not be used to pay any amount owed to us under this or any other Card Agreement that you have with us. We will not certify any balance transfer checks, nor will we return paid balance transfer checks.

Returned Convenience Check Fee:

We may add a fee to the standard advance balance if we decline to

honor a convenience check. If we do, the amount of this fee appears on the accompanying letter. We may decline to honor such checks if, for example, the amount of the check would cause the balance to exceed your cash advance limit or credit line, if you default, if you did not comply with our instructions regarding the check, if your account has been closed, or if the card has expired.

Stop Payment Fee:

We may add a fee to the standard advance balance when payment at a convenience check is stopped at your request. If we do, the amount of this fee appears on the accompanying letter. You may stop payment on convenience checks by notifying us in writing at *Sioux Falls, South Dakota 57117*, or by calling us at the Customer Service telephone number listed on the billing statement. If you call, you must confirm the call in writing within 14 days. A written stop payment order will remain in effect for six months unless renewed in writing.

Once a charge is made through the use of the card or account number we cannot "stop payment" on the charge. If there is a dispute involving a charge on your account, please refer to the section entitled "What to Do if There's An Error in Your Bill."

Lost or Stolen Cards, Account Numbers, or Convenience and Balance Transfer Checks:

If any card, account number, or check is lost or stolen or if you think someone used or may use them without your permission, notify us at once by calling the Customer Service telephone number shown on the billing statement or the number obtained by calling toll-free or local Directory Assistance. We may require you to provide certain information in writing to help us find out what happened, and to comply with such procedures as we may require in connection with our investigation. Don't use the card, account number, or any checks after we've been notified, even if they are found or returned. You may be liable for unauthorized use of the account, but not for more than \$50. You won't be liable for unauthorized purchases or cash advances made after we've been notified of the loss or the theft; however, you must identify for us the charges on the billing statement that were not made by you, or someone authorized by you, and from which you received no benefit.

Default:

You default under this Agreement if you fail to pay, by its due date, the Minimum Amount Due listed on each billing statement, the for bankruptcy, exceed your credit line; pay by a check or similar instrument that is not honored or that we must return because it cannot be processed; pay by automatic debit that is returned unpaid; or default under any other Card Agreement that you have with us. If you default, we may close your account and demand immediate payment of the total balance. If you have given us a security interest in a Certificate of Deposit, we may use the deposit amount to pay any amount you owe.

Preauthorized Charges:

If you default, if the card is lost or stolen, or we change your account or account number for any reason, we may suspend automatic charges on that account to third party vendors for insurance premiums or other goods or services. If preauthorized charges are

suspended, you must contact the third party vendor to reinstate them. You are responsible for making direct payment for such charges until you reinstate automatic charges.

Collection Costs:

If we refer collection of your account to a lawyer who is not our salaried employee, you will be liable for any reasonable attorney's fees we incur, plus the costs and expenses of any legal action, to the extent permitted by law.

Arbitration Provision for Certain Cardmembers:

The accompanying letter indicates whether your account is subject to mandatory, binding arbitration. If it is, the following "Arbitration" provision is part of this Agreement.

ARBITRATION:

PLEASE READ THIS PROVISION OF THE AGREEMENT CAREFULLY. IT PROVIDES THAT ANY DISPUTE MAY BE RESOLVED BY BINDING ARBITRATION. ARBITRATION REPLACES THE RIGHT TO GO TO COURT, INCLUDING THE RIGHT TO A JURY AND THE RIGHT TO PARTICIPATE IN A CLASS ACTION OR SIMILAR PROCEEDING. IN ARBITRATION, A DISPUTE IS RESOLVED BY AN ARBITRATOR INSTEAD OF A JUDGE OR JURY. ARBITRATION PROCEDURES ARE SIMPLER AND MORE LIMITED THAN COURT PROCEDURES.

Agreement to Arbitrate:

Either you or we may, without the other's consent, elect mandatory, binding arbitration for any claim, dispute, or controversy between you and us (called "Claims").

Claims Covered:

• **What Claims are subject to arbitration?** All Claims relating to your account, a prior related account, or our relationship are subject to arbitration, including Claims regarding the application, enforceability, or interpretation of this Agreement and this arbitration provision. All Claims are subject to arbitration, no matter what legal theory they are based on or what remedy (damages, or injunctive or declaratory relief) they seek. This includes Claims based on contract, tort (including intentional tort), fraud, agency, your or our negligence, statutory or regulatory provisions, or any other sources of law. Claims made as counterclaims, cross-claims, third-party claims, interpleaders or otherwise, and Claims made independently or with other claims. A party who initiates a proceeding in court may elect arbitration with respect to any Claim advanced in that proceeding by any other party. Claims and remedies sought as part of a class action, private attorney general or other representative action are subject to arbitration on an individual (non-class, non-representative) basis, and the arbitrator may award relief only on an individual (non-class, non-representative) basis.

• **Whose Claims are subject to arbitration?** Not only ours and yours, but also Claims made by or against anyone connected with us or you or claiming through us or you, such as a co-applicant or authorized user of your account, an employee, agent, representative, affiliated company, predecessor or successor, heir, assignee, or trustee in bankruptcy.

• **What time frame applies to Claims subject to arbitration?** Claims arising in the past, present, or future, including Claims arising before

the opening of your account, are subject to arbitration.

- **Broadest interpretation.** Any questions about whether Claims are subject to arbitration shall be resolved by interpreting this arbitration provision in the broadest way the law will allow it to be enforced. This arbitration provision is governed by the Federal Arbitration Act (the "FAA").

- **What about Claims filed in Small Claims Court?** Claims filed in small claims court are not subject to arbitration, so long as the matter remains in such court and advances only an individual (non-class, non-representative) Claim.

How Arbitration Works:

- **How does a party initiate arbitration?** The party filing an arbitration must choose one of the following two arbitration firms and follow its rules and procedures for initiating and pursuing an arbitration: American Arbitration Association or National Arbitration Forum. Any arbitration hearing that you attend will be held at a place chosen by the arbitration firm in the same city as the U.S. District Court closest to your then current billing address, or at some other place to which you and we agree in writing. You may obtain copies of the current rules of each of the arbitration firms and forms and instructions for initiating an arbitration by contacting them as follows:

American Arbitration Association
335 Madison Avenue, Floor 10
New York, NY 10017-4605
Web site: www.adr.org
National Arbitration Forum
P.O. Box 50191
Minneapolis, MN 55405
Web site: www.arbitration-forum.com

At any time you or we may ask an appropriate court to compel arbitration of Claims, or to stay the litigation of Claims pending arbitration, even if such Claims are part of a lawsuit, unless a trial has begun or a final judgment has been entered. Even if a party fails to exercise these rights at any particular time, or in connection with any particular Claims, that party can still require arbitration at a later time or in connection with any other Claims.

- **What procedures and law are applicable in arbitration?** A single, neutral arbitrator will resolve Claims. The arbitrator will be either a lawyer with at least ten years experience or a retired or former judge, selected in accordance with the rules of the arbitration firm. The arbitration will follow procedures and rules of the arbitration firm in effect on the date the arbitration is filed unless those procedures and rules are inconsistent with this Agreement, in which case this Agreement will prevail. Those procedures and rules may limit the discovery available to you or us. The arbitrator will take reasonable steps to protect customer account information and other confidential information if requested to do so by you or us. The arbitrator will apply applicable substantive law consistent with the FAA and applicable statutes or limitations, will honor claims of privilege recognized at law, and will have the power to award to a party any damages or other relief provided for under applicable law. You or we may choose to have a hearing and be represented by counsel. The arbitrator will make any award in writing and, if requested by you or us, will provide a brief statement of the reasons for the award. An award in arbitration shall determine the rights and obligations

between the named parties only, and only in respect of the Claims in arbitration, and shall not have any bearing on the rights and obligations of any other person, or on the resolution of any other dispute.

• Who pays? Whoever files the arbitration pays the initial filing fee. If we file, you pay; if you file, you pay, unless you get a fee waiver under the applicable rules of the arbitration firm. If you have paid the initial filing fee and you prevail, we will reimburse you for that fee. If there is a hearing, we will pay any fees of the arbitrator and arbitration firm for the first day of that hearing. All other fees will be allocated as provided by the rules of the arbitration firm and applicable law. However, we will advance or reimburse your fees if the arbitration firm or arbitrator determines there is good reason for requiring us to do so, or if you ask us and we determine there is good reason for doing so. Each party will bear the expense of that party's attorneys, experts, and witnesses, and other expenses, regardless of which party prevails, but a party may recover any or all expenses from another party if the arbitrator, applying applicable law, so determines.

• Who can be a party? Claims must be brought in the name of an individual person or entity and must proceed on an individual (non-class, non-representative) basis. The arbitrator will not award relief for or against anyone who is not a party. If you or we require arbitration or a claim, neither you, we, nor any other person may pursue the claim in arbitration as a class action, private attorney general action or other representative action, nor may such claim be pursued on your or our behalf in any litigation in any court. Claims, including assigned claims, of two or more persons may not be joined or consolidated in the same arbitration. However, applicants, co-applicants, authorized users on a single account and/or related accounts, or corporate affiliates are here considered as one person.

• When is an arbitration award final? The arbitrator's award is final and binding on the parties unless a party appeals it in writing to the arbitration firm within fifteen days of notice of the award. The appeal must request a new arbitration before a panel of three neutral arbitrators designated by the same arbitration firm. The panel will consider all factual and legal issues anew, follow the same rules that apply to a proceeding using a single arbitrator, and make decisions based on the vote of the majority. Costs will be allocated in the same way they are allocated for arbitration before a single arbitrator. An award by a panel is final and binding on the parties after fifteen days has passed. A final and binding award is subject to judicial review and enforcement as provided by the FAA or other applicable law.

Survival and Severability of Terms:

This arbitration provision shall survive: (i) termination or changes in the agreement, the account, or the relationship between you and us concerning the account; (ii) the bankruptcy of any party; and (iii) any transfer, sale or assignment of your account, or any amount owed on your account, to any other person or entity. If any portion of this arbitration provision is deemed invalid or unenforceable, the entire arbitration provision shall not remain in force. No portion of this arbitration provision may be amended, severed or waived absent a written agreement between you and us.

Credit Reporting:

We may report information about your account to credit bureaus. Late payments, missed payments, or other defaults on your account

may be reflected on your credit report. If you request additional cards on your account for others, you understand that we may report account information in your name as well as in the names of those other people. We may also obtain follow-up credit reports on you (for example, when we review your account for a credit line increase). If you wish to know the names of the agencies we have contacted, write us at the Customer Service address listed on the billing statement. We will try to notify you by telephone or by mail any legal process served on us in order to give you an opportunity to object to it, unless the law prohibits the notice.

If you think we reported erroneous information to a credit reporting agency, write us at the Customer Service address listed on the billing statement. We will promptly investigate the matter and if our investigation shows you are right, we will contact each credit reporting agency to whom we reported and will request they correct the report. If we disagree with you after our investigation, we will tell you in writing or by telephone and instruct you how to submit a statement of your position to those agencies. Your statement will become a part of your credit record with them.

Telephone Monitoring and Recording:

From time to time we may monitor and record your telephone calls regarding your account with us to assure the quality of our service.

Closing Your Account:

You may close your account at any time by notifying us in writing. However, you remain responsible to pay the total balance according to the terms of this Agreement. We may close your account or suspend your account privileges at any time for any reason without prior notice. We may also reissue a different card, account number or different checks at any time. You must return the card or the checks to us upon request.

Refusal of the Card:

We are not responsible if a transaction on your account is not approved, either by us or by a third party, even if you have sufficient credit available. We may limit the number of transactions that may be approved in one day. If we detect unusual or suspicious activity on your account, we may temporarily suspend your credit privilege until we can verify the activity.

Changing this Agreement:

We may change the rates, fees, and terms of this Agreement at any time for any reason. These reasons may be based on information in your credit report, such as your failure to make payments to another creditor when due, amounts owed to other creditors, the number of credit accounts outstanding, or the number of credit inquiries. These reasons may also include competitive or market related factors. Changing terms includes adding, replacing or deleting provisions relating to your account and to the nature, extent, and enforcement of the rights and obligations you or we may have relating to this Agreement. These changes are binding on you. However, if the change will cause a fee, rate or minimum payment to increase, we will mail you written notice at least 15 days before the beginning of the billing period in which the change becomes effective. If you do not agree to the change, you must notify us in writing within 25 days after the effective date of

the change and pay us the total balance, either at once or under the terms of the unchanged Agreement. Unless we notify you otherwise, use of the card after the effective date of the change shall be deemed acceptance of the new terms, even if the 25 days have not expired.

Enforcing this Agreement:

We can delay in enforcing or fail to enforce any of our rights under this Agreement without losing them.

Assignment:

We reserve the right to assign any or all of our rights and obligations under this Agreement to a third party.

Applicable Law:

The terms and enforcement of this Agreement shall be governed by federal law and the law of South Dakota, where we are located.

For Further Information:

Call the Customer Service telephone number shown on the billing statement. You can also call toll-free or local Directory Assistance to get our telephone number.

(South Dakota), N.A.

President & CEO
StouxFalls, SD 57171

© 2005 (South Dakota), N.A.

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

In your letter, give us the following information:

- Your name and account number.
- The dollar amount of the suspected error.
- 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.
- Please sign your letter.

If you have authorized us to pay your credit card bill automatically from your savings or checking account, you can stop the payment

on any amount you think is wrong. To stop the payment you must tell us at least 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 your billing statement was correct. After we receive your letter, we cannot try to collect any amount you question, or report your account 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 line. You do not have to pay any questioned amount while we are investigating, but you are still obligated to pay the parts of your balance that are not in question.

If we find that we made a mistake on your billing statement, 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 that we think you owe, we may report you as delinquent. However, if our explanation does not satisfy you and you write to us within 10 days telling us that 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 and address of anyone to whom we reported your account information. We must tell anyone we report you to that the matter has been settled between us when it is finally settled.

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

Special Rule for Credit Card Purchases.

If you have a problem with the quality of property or services that 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:

- You must have made the purchase in your home state or, if not within your home state, within 100 miles of your current address, and
 - 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.

Welcome! We have enclosed your new
Rewards card(s).


www.netaccess.com




PROMOTIONAL
0.00% APR

(Annual Percentage Rate)
on purchases and balance
transfers through your Statement
closing date in February 2006.
Call 1-800-457-3721 to activate
your account today!


Account # | **Credit Line: \$5,000** | **Number of Cards: 1**
(Verify name and address, and sign card(s) immediately to validate. Notify us if corrections are required.)

Thank you for your request. We are pleased to provide you with your new  Visa[®] credit card(s).

From the moment you call to activate your card, you will have immediate access to your credit line for purchases and cash advances. Use it, and you'll enjoy exclusive benefits, including Zero Liability Fraud Protection against unauthorized use and extra cards for others you trust—all at no additional cost. Add to that, award-winning 24-hour Customer Satisfaction and access to your account information at  and you'll see why this card consistently receives top honors from industry experts.

Read on—you'll find up-to-date details about your new account benefits! Important phone numbers are also provided for quick reference. To make the most of your new card(s), please review these materials and keep them in a safe place for future reference.

We look forward to serving all of your credit card needs!

P.S. — Reward yourself with cash, travel, hotel stays, brand-name merchandise, gift certificates from top retailers, and more! It's simple. You'll earn one point for every dollar in purchases charged to this credit card. Start earning points today! Visit  for details.

 **CLICK.**

VIEW PURCHASES—
PAY YOUR BILL—GET INSTANT ACCESS
TO ALL YOUR ACCOUNT INFORMATION.

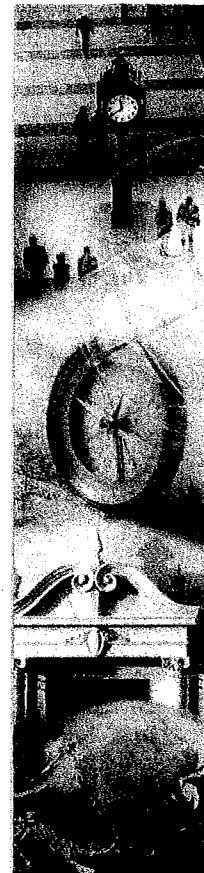
www.netaccess.com


WHY WAIT FOR THE MAIL? **LOG ON.**

**ABSOLUTE
FRAUD PROTECTION.**

ZERO LIABILITY AGAINST
UNAUTHORIZED USE OF YOUR CREDIT CARD.

CONTACT US IMMEDIATELY IF YOUR
CARD IS LOST OR STOLEN.





Practical. Powerful. Indispensable.

Your *Platinum Plus* Benefits


Global Acceptance

Congratulations! You've chosen one of the world's most respected credit cards. Your credit card is welcome at millions of locations—overseas, at home, or online—including resorts, restaurants, jewelry shops, grocery stores, gas stations, and Internet retailers.

Customer Satisfaction**

Call us anytime, day or night—or visit us online! Your *Platinum Plus* Visa card assures you a level of priority service other credit cards don't offer. We are standing by to assist you with the following:

- Additional cards for family members or others you trust
- Quick decisions on credit line increase requests
- Quick replacement of lost or stolen cards
- Absolute protection against fraud and unauthorized use
- The highest possible level of online security
- Personal service—24 hours a day, 7 days a week
- Merchant dispute advocacy
- Online account access
- Electronic bill-payment scheduling
- Up to \$1 million in Common Carrier Travel Accident Insurance
- Up to \$3,000 in Supplemental Lost Checked Luggage Protection
- Supplemental Auto Rental Collision Damage Deductible Coverage
- Travel & Emergency Assistance
- Medical Referral Assistance
- Legal Referral Assistance
- Pay-by-Phone service available at



ACCESS IS POWER.

7:30 A.M.
CLICK.
VIEW YESTERDAY AFTERNOON'S PURCHASES.

5:42 P.M.
CLICK.
TRANSFER A BALANCE TO YOUR ACCOUNT.

10:01 P.M.
CLICK.
CREDIT CARD BILL PAID.

www. netaccess.com

WHY WAIT FOR THE MAIL? **LOG ON. DO IT ALL—AND MORE!**

Internet Access www.netaccess.com

Get up-to-the-minute information about your account—Visit our Web site for 24-hour access to your account information in a safe, highly secure environment.

Transaction Information

Easy-to-read monthly statements—Charges, payments, credits, and important messages are presented clearly.
Year-End Summary of Charges—To help you with financial planning and tax reporting, we can provide an itemized record of billing for the previous year.

Security

Use your credit card with complete confidence. Our Zero Liability policy means you won't be responsible for unauthorized purchases.

Enhanced Fraud Protection—State-of-the-art anti-fraud systems protect your account against fraudulent charges and unauthorized use, including online purchases.

Purchase Security—You're covered if something you bought with your *Platinum Plus* Visa is damaged or stolen within 90 days of purchase.**

Warranty Manager—For qualified purchases, Warranty Manager doubles the warranty time period up to one additional year for U.S. manufacturers' and U.S. store-brand warranties of three years or less.**

Cash Access

HAVE CASH AT YOUR FINGERTIPS, whenever and wherever you need it!

Credit Card Access Checks—Use them like personal checks to pay bills (except other accounts) or to pay off balances on higher-interest accounts.*

ATMs—Use your Personal Identification Number (PIN) to get cash at ATMs worldwide. Your new PIN will be arriving within the next few weeks with your benefits package.

Financial Institutions—Access cash advances at financial institutions all around the world!

Emergency Cash Worldwide—Emergency cash up to your available credit line can be wired to a convenient Western Union® office within the United States or to a participating bank anywhere in the world!

Balance Transfers

It's easy to pay off other credit card accounts. Call us toll-free at 1-800-424-2244 or visit www.westernunion.com

We'll transfer the balances you specify to your *Platinum Plus* Visa account, subject to credit availability.



GET THE WHOLE PICTURE.



WHEN YOU ADD

AUTHORIZED USERS

TO YOUR ACCOUNT,

YOU CAN TRACK ALL

EXPENSES ON ONE

SIMPLE STATEMENT. IT

LITERALLY PUTS EVERYONE ON THE SAME PAGE!

SIMPLIFY—CALL NOW TO SIGN UP!

*Add Authorized Users to your account—at no additional cost!
As the Primary Cardholder, you are responsible for all account activity incurred by Authorized Users.*

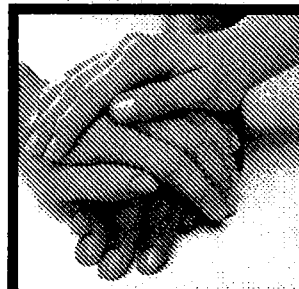
SM Rewards

Reward yourself with cash, travel, merchandise, gift certificates from top merchants, and more!

You'll earn one point for every \$1 in purchases charged to your credit card featuring *SM Rewards*. Whether you are dining out, filling up your car, or making a trip to the grocery store, you earn valuable *SM Rewards* with every purchase.

Earn unlimited cash rewards. Travel to worldwide destinations - on major U.S. airlines with NO blackout dates — even arrange U.S. hotel stays and car rentals. Or choose from an impressive selection of brand-name merchandise including Sony®, Callaway®, KitchenAid®, as well as gift certificates from Pottery Barn, J. Crew, T.G.I. Friday's, and more. You can also enjoy the convenience of *SM Rewards*, a 24-hour service that can get you hard-to-find tickets, dinner reservations at the hottest spots, and more.

Visit us online at www.westernunion.com



CREDIT PROTECTION cancels your minimum monthly payment in the event of:

- involuntary unemployment
- total disability
- family leave
- hospitalization, with an
- accidental death benefit

ALWAYS THERE TO PROTECT YOU.

SIGN UP FOR CREDIT PROTECTION WITH A BONUS CREDIT REPORT.

Yes! Enroll me in **OPTIONAL** Credit Protection. I read the Plan Summary on the reverse. I authorize \$0.85 per \$100 of the Plan balance be billed monthly to each enrolled account. I may cancel at any time; purchase is not required to obtain credit.

Call toll-free 1-800-424-2244
or visit our website at
www.protect.com

Z223

For fast service, cut out this Quick Reference Guide and keep it handy.

CUSTOMER PRIORITY CENTER

Log on today!

www.netaccess.com

Important Phone Numbers

Customer Satisfaction 1-800-424-2244

Balance Transfer 1-800-424-2244

Overseas(collect) 1-800-424-2244

TDD 1-800-424-2244

THE PLAN IS OPTIONAL.

Your purchase of the Credit Protection Plan (the "Plan") is optional. Whether or not you purchase the Plan, this will not affect your application for credit or the terms of any existing credit agreement you have with

ELIGIBILITY REQUIREMENTS, CONDITIONS AND EXCLUSIONS.

There are eligibility requirements, conditions and exclusions that could prevent you from receiving benefits under the Plan.

ADDITIONAL INFORMATION AND PLAN DOCUMENTS.

We will give you additional information before you are required to pay for the Plan, including a Plan Summary. You will also receive the complete Terms and Conditions for the Plan upon enrollment. Read the Plan documents carefully for a full explanation of the terms of the Plan.

Important Information about accounts that are enrolled in the Plan.

During any period when you are receiving benefits, use of your account is suspended and finance charges will continue to accrue.

Plan Fees.

The monthly fee for the Plan is \$0.85 per \$100 of the Plan balance. The Plan balance is described in the Plan documents, which you will receive shortly.

Cancellation.

You may cancel the Plan at any time. If you cancel within 30 days after enrollment you will receive a full refund of any Plan fees billed.

IMPORTANT DISCLOSURES

The current APR for purchases and balance transfers is a promotional 0.00% through our statement Closing Date in February 2006. However, if any minimum payment is not received by its Payment Due Date, the promotional period will end as of the day before the first day of the billing cycle in which such payment is missed. After the promotional period ends, the APR for all new and outstanding balances will be 11.24%.

The current APR for Cash Advance balances is 18.99%. The non-introductory APR for your account is not guaranteed and is subject to change.

Transaction fee for ATM cash advances: 5.00% of the U.S. dollar amount of each such Cash Advance (Fee: Min. \$10.00)

Transaction fee for Check Cash Advances: 5.00% of the U.S. dollar amount of each such Cash Advance (Fee: Min. \$10.00)

Transaction fee for Bank Cash Advances (excluding Bank Cash Advances resulting from any payment you make to us that is returned to us unpaid for any reason): 5.00% of the U.S. dollar amount of each such Cash Advance (Fee: Min. \$10.00)



Quick Tips

Use Your Card to Simplify Your Life.

- Add additional users to your account, and track all your expenses the easy way.
- Use your card to pay all your recurring monthly expenses—utilities, cable TV, Internet, etc.
- Consolidate your bills so you have a single monthly payment to remember.
- Save time and money by shopping online!

will allocate your payments to balances (including new transactions) with lower APRs before balances with higher APRs.

*Cash advances and/or balance transfers may not be used to pay off or pay down any account.

**Certain restrictions apply to these and other benefits described here and in your Guide to Coverage.

The Privacy Notice may be found in your Credit Card Agreement and is available at [com](#).

America, *Platinum Plus*, *Quantum*, [netaccess.com](#), [com](#) and related marks are service marks of America Bank, N.A. America Bank, N.A. is the exclusive issuer and administrator of this credit card program.

Visa is a federally registered service mark of Visa U.S.A. Inc., and is used pursuant to license.

©2002 America Bank, N.A.

CARDMEMBER AGREEMENT

Transaction and continue to accrue until payment in full is credited to your Account. However, you have a Grace Period of at least 20 days on new credit card purchases. That means, if you paid the New Balance shown on your last statement by the Payment Due Date for that statement, you have until the Payment Due Date for your current billing cycle to pay your New Balance in full to avoid the imposition of periodic Finance Charges on new credit card purchases. If, however, you did not pay the New Balance in full by the Payment Due Date for the immediately preceding billing cycle, you will incur periodic Finance Charges on new credit card purchases (i.e., purchases appearing for the first time in the current cycle) from the date of the transaction and on the previously billed but unpaid credit card purchases from the first day of the current cycle.

For cash advances, including 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 your Account. There is no Grace Period.

If periodic Finance Charges are to be assessed, all transactions will have periodic Finance Charges initially calculated using the Daily Periodic Rate in effect on the posting date. Periodic Finance Charges that accrue after the statement date will appear on the next statement.

A change in your mailing address may result in a change to your billing cycle.

Index

For each billing cycle, the Index is determined in the month prior to the month in which the billing cycle ends. In that prior month, the highest Prime Rate published in *The Wall Street Journal* is selected (the "Index"). If the Index has changed, the new variable rates will take effect with the billing cycle that ends on or after the first day of the month following the index change. An increase in the Index will increase your applicable Daily Periodic Rate for the Customary and Default APRs, which may increase the Finance Charge and the Minimum Payment due on your Account. Each time the APR changes, we will apply it to any existing balances, subject to any Promotional or Introductory APR that may apply.

Annual Percentage Rates and Periodic Rates

A Daily Periodic Rate of .00000% (corresponding 0% ANNUAL PERCENTAGE RATE) will apply to credit card purchases and balance transfers for the first six billing cycles of your Account ("Introductory Period").

After the Introductory Period, the Daily Periodic Rate for the variable Customary APR for credit card purchases and balance transfers will be based on 1/365th of the sum of the Index plus 5.99% ("Spread"). The minimum rate of FINANCE CHARGE for the variable Customary APR for credit card purchases and balance transfers will be a Daily Periodic Rate of .03079% (corresponding 11.24% ANNUAL PERCENTAGE RATE). For example, for billing cycles ending February 1, 2005, the rate of FINANCE CHARGE for the variable Customary APR would have been a Daily Periodic Rate of .03079% (corresponding 11.24% ANNUAL PERCENTAGE RATE).

The Daily Periodic Rate for the variable Customary APR for cash advances (other than balance transfers), including cash advances made by credit card check, will be based on 1/365th of the sum of the Index plus 13.74% ("Spread"). The minimum rate of FINANCE CHARGE for the variable Customary APR for cash advances (other than balance transfers), including cash advances made by credit card check, will be a Daily Periodic Rate of .05203% (corresponding 18.99% ANNUAL PERCENTAGE RATE). For example, for billing cycles ending February 1, 2005, the rate of FINANCE CHARGE for the variable Customary APR for cash advances (other than balance transfers), including cash advances made by credit card check, would have been a Daily Periodic

SOLICITATION DISCLOSURES AND CARDMEMBER AGREEMENT AND DISCLOSURE STATEMENT ("CARDMEMBER AGREEMENT")

As required by law, the rates, fees and other costs of this credit offer are disclosed below. The Cardmember Agreement and Disclosure Statement ("Agreement") sets forth all Account terms and will be sent with the card. Account terms may change. Among other things, we may unilaterally increase your APR, increase fees or take other action to increase the cost of credit based on a change in your credit history, including your failure to make timely payments to another creditor or us, an increase in your total outstanding debt, or an increase in the use of your credit lines. Any change will be in accordance with the Agreement and applicable law. All information as of 2/1/05.

FINANCE CHARGES

Finance Charges are the total of (a) Periodic Finance Charges, (b) Cash Advance Fee Finance Charges, and (c) Credit Line Increase Fee Finance Charges.

(a) **Periodic Finance Charges.** Periodic Finance Charges are computed by multiplying the Average Daily Balance for each category of transactions shown on your 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 debit 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. If a debit transaction posts after the beginning of your billing cycle, but the transaction occurred prior to the beginning of your billing cycle, the applicable Daily Balance will be adjusted to include the transaction amount and any previous day's periodic Finance Charges for each day the transaction amount was outstanding prior to the beginning of the current billing cycle. 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 gives us the Average Daily Balance for each transaction category. For credit card purchases, periodic Finance Charges begin to accrue on the date of the

Important
Information
About Your New
Credit Card

CARDMEMBER AGREEMENT

Rate of .05203% (corresponding 18.99% ANNUAL PERCENTAGE RATE).

If at any time you fail to make at least your Minimum Payment in time to be credited to your Account by the Payment Due Date, or you exceed your Credit Line, your entire Account Balance will be subject to the Default APR. At our discretion, we may increase any Promotional or Introductory APR to the applicable Customary APR before increasing it to the Default APR. Your Account may be reconsidered for a lower rate after you re-establish and maintain your Account in good standing for five consecutive months.

The Daily Periodic Rate for the variable Default APR will be based on $1/365$ th of the sum of the Index plus 16.99% ("Spread"). The minimum rate of **FINANCE CHARGE** for the variable Default APR will be a Daily Periodic Rate of .06093% (corresponding 22.24% ANNUAL PERCENTAGE RATE). For example, for billing cycles ending February 1, 2005, the rate of **FINANCE CHARGE** for the variable Default APR would have been a Daily Periodic Rate of .06093% (corresponding 22.24% ANNUAL PERCENTAGE RATE).

(b) **Cash Advance Fee Finance Charge.** A Finance Charge will be computed on the amount of each cash advance as of the date of the transaction.

The Cash Advance Fee **FINANCE CHARGE** for balance transfers, any advance by credit card check, through the ATM, or over the counter is 5% of the cash advance, subject to a minimum **FINANCE CHARGE** of \$10. The Cash Advance Fee **FINANCE CHARGE** for all other cash advances is 5% of the cash advance, subject to a minimum **FINANCE CHARGE** of \$20. Any Cash Advance Fee Finance Charge may increase the actual Annual Percentage Rate on your Account.

(c) **Credit Line Increase Fee Finance Charge.** If you request and are approved for a Credit Line increase ("CLI"), a CLI Fee **FINANCE CHARGE** of up to 10% of the Credit Line increase may be charged to your Account depending on your creditworthiness. Any CLI Fee Finance Charge may increase the actual Annual Percentage Rate on your Account.

OTHER CHARGES AND SERVICE FEES

A. **Minimum Finance Charge.** There will be a Minimum **FINANCE CHARGE** of \$2.00 for each billing cycle in which a periodic Finance Charge is payable. Any Minimum Finance Charge may increase the actual Annual Percentage Rate on your Account.

B. **Late Payment Fee.** We may add a late payment fee to your Account for each billing cycle you fail to make your Minimum Payment, and any amount past due, in time to be credited to your Account by the Payment Due Date. This fee is \$35.

C. **Overlimit Fee.** We may add an overlimit fee to your Account if your balance exceeds your Credit Line at any time during that billing cycle. We may impose this fee even if we authorize or impose charges that cause your balance to exceed your Credit Line. This fee is \$35.

D. **Returned Check Charge/Returned Payment Fee.** We may add a fee to your Account each time a payment check, automatic payment deduction, or similar instrument is not honored or is returned unsatisfied by your bank or other financial institution. This fee is \$35.

We may add a fee to your Account each time a credit card check (a convenience check, balance transfer check, electronic check, etc.) is returned unsatisfied by us for any reason. This fee is \$35.

You agree that any payment returned unsatisfied for any reason may be reposted to any type of transaction (i.e. cash advance, purchase, etc.), and Finance Charges may be reinstated back to the payment date of the APR being charged for that transaction

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type.

E. **Research Charge.** You agree to pay \$7 for each sales slip copy you request and \$5 for each statement copy you request.

F. **Stop Payment.** We may add a \$29 fee to the cash advance balance each time payment of credit card check is stopped at your request. You may stop payment on a credit card check by notifying us in writing at CardServices@Citi.com, CA 93917-1622, or by calling us at the telephone number listed on the billing statement. When you write, include the number, payee, amount, and date of the credit card check on which payment is to be stopped. If you call, you must confirm the call in writing within 14 days. A written stop payment will remain in effect for six months unless renewed in writing.

AGREEMENT TO TERMS AND DEFINITIONS

This Cardmember Agreement and Disclosure Statement and any amendments to them are collectively the "Agreement" that governs the open end line of credit we have established for you (your Account). "You" and "your" refer to all persons who applied for the Account. "We," "us," and "our" refer to Nevada, N.A. "Card" means any credit cards issued under this Agreement. 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 on your Account. If you call us within 90 days of your Account open date, at the customer service number on the back of your card, you may cancel your account before using it without paying any fees.

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 only use your Account for valid and lawful purposes and that if your Account is used for any other purposes you are responsible for such use and may be required to reimburse us and either MasterCard International, Incorporated or Visa International for all resulting amounts and expenses.

PROMISE TO PAY

You promise to pay according to the terms of this Agreement for all: (a) credit we extend to you or to anyone you authorize to use your Account; (b) Finance Charges, late charges, overlimit charges, and administrative charges (e.g. for research, returned checks, etc.) provided in this Agreement; 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 any death, divorce or other legal proceedings or any agreement that may effect liability between you. If either joint Accountholder denies liability for amounts owed we may close your Account. If we do, you must continue to pay according to the terms of this Agreement, but you will not be able to make new charges on your Account.

USING YOUR ACCOUNT

You can access your Account using your Card or by other means approved by us which may include cash advances transactions. Cash advances include all advances to get cash over the counter, through an ATM, balance transfers, credit card checks, or other "cash-like" transactions (such as purchasing a money order, traveler's check, casino or betting chip, or a lottery ticket) as determined by us. We may limit the dollar amount and/or frequency of any type of transaction without notice to you.

YOUR CREDIT LINE

We will advise you of the total Credit Line on your Account. All or a portion of your total Credit Line is available for cash advances. Your total Credit Line and cash advance

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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 Line available for cash advances is your total Credit Line.

You agree not to allow your unpaid balance to exceed your total Credit Line. Your unpaid balance includes Finance Charges and other charges. We are not required to extend credit if you have exceeded your total Credit Line or if the amount requested would cause you to exceed your total Credit Line. If you exceed your total Credit Line, you agree to pay us that excess amount immediately. Your total Credit Line and cash advance limit may not reflect your payments for up to 14 days.

PAYMENT

Each statement you receive from us will identify a Minimum Payment and Current Payment Due. The Minimum Payment is calculated as follows:

(1) If your New Balance is not more than \$15, your Minimum Payment is the New Balance.

(2) If your New Balance is more than \$15, your Minimum Payment is the greater of:

- 2.5% of the New Balance shown on your statement, or
- \$15

The Current Payment Due is the sum of:

- your Minimum Payment, AND
- the greater of any amount past due, or any overlimit amount.

An overlimit amount is the amount by which your New Balance exceeds your Credit Line. Your Minimum Payment and Current Payment Due will be rounded up to the nearest dollar, unless doing so will cause the resulting value to exceed the New Balance.

You must pay at least the Current Payment Due in time to be credited to your Account by the Payment Due Date, and failure to do so constitutes a default of this Agreement. If you do not pay at least the Minimum Payment and any amount past due in time to be credited to your Account by the Payment Due Date, you may be assessed a late payment fee. 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. The Payment Due Date will be determined by us but is at least 20 days after the close of your billing cycle (the "Statement Date"). You must pay any overlimit or past due amount immediately. You may pay more than the Current Payment Due and 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. Disputed payments, including those marked "Payment in Full" or otherwise restrictively endorsed, must be sent to the address for written inquiries shown on your statement. We can accept such payments, and any that are late or partial, without waiving our rights under this Agreement. 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. You may request a change to your billing cycle date no more than once a year. You agree that changes based on your request may

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shorten any Grace Period you may have or increase the time period for which periodic Finance Charges may accrue. 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.

CHECK BY PHONE

You agree we may add a fee to your Account each time a payment is made by telephone, even if the payment is made by someone other than you. This fee will be disclosed at the time such payment is made.

PROMOTIONAL RATE OFFERS

At our discretion, we may offer you a Promotional Annual Percentage Rate for any type of transaction. The period of time for which the promotional rate applies may be limited. Certain promotional offers may or may not be subject to Cash Advance Fees. Any promotional rate, the corresponding periodic rates, and the period of time during which it is in effect, will be disclosed to you. Any promotional rate offer will be subject to the terms of the offer and this agreement.

APPLICATION OF PAYMENTS

At our discretion, payments are generally applied to interest, fees and then principal balances. We may apply your payments to lower APR balances before higher APR balances. The application of payments is subject to change at any time, without notice.

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 AND INCREASING THE RATE OR AMOUNT OF FINANCE CHARGE, OR CHANGING THE METHOD OF COMPUTING THE BALANCE UPON WHICH FINANCE CHARGES ARE ASSESSED. AMONG OTHER THINGS, WE MAY UNILATERALLY INCREASE YOUR APR, INCREASE FEES OR TAKE OTHER ACTION TO INCREASE THE COST OF CREDIT BASED ON A CHANGE IN YOUR CREDIT HISTORY, INCLUDING YOUR FAILURE TO MAKE TIMELY PAYMENTS TO ANOTHER CREDITOR OR US, AN INCREASE IN YOUR TOTAL OUTSTANDING DEBT, OR AN INCREASE IN THE USE OF YOUR CREDIT LINES. WRITTEN NOTICE WILL BE PROVIDED TO YOU WHEN REQUIRED BY APPLICABLE LAW, UNLESS OTHERWISE STATED. CHANGES APPLY TO BOTH NEW AND OUTSTANDING BALANCES.

DEFAULT AND TERMINATION OF AGREEMENT

You will be in default under this Agreement if: (a) you fail to make at least the Current Payment Due in time to be credited to your Account by the Payment Due Date; (b) you violate any other provision of this Agreement; (c) you die; (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 move out of the U.S., provide us with a non-U.S. mailing address, or fail to provide us a physical address; (h) you exceed your Credit Line; (i) your payment is returned uncollected 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

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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 AUTHORIZATIONS

Some purchases will require our prior authorization and you may be asked by the merchant to provide identification. If any part of the authorization system is not working, we may not be able to authorize a transaction, even if you have sufficient available credit. We will not be liable to you if any of these events happen. We are not responsible for the refusal of any merchant to accept or honor your Card.

CARD RENEWAL

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

ACCOUNT CLOSURE

We may close your Account, suspend your credit privileges, or reduce your Credit Line 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 until paid in full, 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.

CLOSING YOUR ACCOUNT

You may close your Account at any time by writing to us at Salinas, CA 93912-1622. If you close your Account, you must immediately pay everything you owe us, including any amounts owed but not yet billed to you, in order to avoid the accrual of Finance Charges and other fees. If you do not pay us, your Account balance will continue to accrue Finance Charges and other fees, and will remain subject to all the terms and conditions of this Agreement. Upon closing your Account, you also agree to destroy your Card(s) and any unused credit card checks. If you close your Account you may not use your Card or credit card checks.

LIABILITY FOR UNAUTHORIZED USE

You should retain copies of all charge slips until you receive your 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 by writing us immediately upon learning of the loss, theft or possible unauthorized use at Salinas, CA 93912-1622 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 at the phone number or address above. In any case, your liability for unauthorized use of your credit card will not exceed \$50.

SECURITY

We are extending you an unsecured line of credit. We therefore waive any security interest that might arise under this Agreement due to language in other loan agreements you may have with us.

LOST OR STOLEN CREDIT CARD CHECKS

You agree to notify us immediately if any credit card checks are lost or stolen. You may notify us by calling

CARDMEMBER AGREEMENT

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.

FOREIGN TRANSACTIONS FOR MASTERCARD® ACCOUNTS

If you effect a transaction with your MasterCard card in a currency other than U.S. dollars, or effect a transaction in U.S. dollars outside the U.S., MasterCard International Incorporated will convert the charge into a U.S. dollar amount. A currency conversion will occur if the transaction is made in U.S. dollars. MasterCard International will use its currency conversion procedure, which is disclosed to institutions that issue MasterCard® cards. Currently, the currency conversion rate used by MasterCard International to determine the transaction amount in U.S. dollars for such transactions is generally either a government-mandated rate or a wholesale rate determined by MasterCard International for the processing cycle in which the transaction is processed, increased by an adjustment factor established from time to time by MasterCard International. The currency conversion rate used by MasterCard International on the processing date may differ from the rate that would have been used on the purchase date or cardholder statement posting date.

FOR VISA® ACCOUNTS

If you incur a charge in a foreign currency, or effect a transaction in U.S. dollars outside the U.S., the charge will be converted by Visa International into a U.S. dollar amount. A currency conversion will occur if the transaction is made in U.S. dollars. Visa International will use the procedures set forth in its Operating Regulations in effect at the time that the transaction is processed. Currently, those Regulations provide that the currency conversion rate to be used is either (1) a wholesale market rate or (2) a government-mandated rate in effect one day prior to the processing date, increased by one percent in each case. Visa retains this one percent as compensation for performing the currency conversion service. The currency conversion rate in effect on the processing date may differ from the rate in effect on the transaction date or the posting date.

APPLICABLE LAW

This Agreement and your Account will be governed by federal law and 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 and all credit under this Agreement will be extended from Nevada.

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.

CERTAIN AUTHORIZATION 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, which is provided with this Cardmember Agreement.

CREDIT REPORTING

If you fail to fulfill the terms of this Agreement, a negative report reflecting on your credit record may be submitted to a credit reporting agency. If any specific information

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Rate of 05203% (corresponding 18.99% ANNUAL PERCENTAGE RATE). If at any time you fail to make at least your Minimum Payment in time to be credited to your Account by the Payment Due Date, or you exceed your Credit Line, your entire Account Balance will be subject to the Default APR. At our discretion, we may increase any Promotional or Introductory APR to the applicable Customary APR before offering it to the Default APR. Your Account may be reconsidered for a lower rate after you reestablish and maintain your Account in good standing for five consecutive months.

The Daily Periodic Rate for the variable Default APR will be based on 1/365th of the sum of the Index plus 16.99% ("Spread"). The minimum rate of FINANCE CHARGE for the variable Default APR will be a Daily Periodic Rate of .06093% (corresponding 22.24% ANNUAL PERCENTAGE RATE). For example, for billing cycles ending February 1, 2005, the rate of FINANCE CHARGE for the variable Default APR would have been a Daily Periodic Rate of .06093% (corresponding 22.24% ANNUAL PERCENTAGE RATE).

(b) **Cash Advance Fee Finance Charge.** A Finance Charge will be computed on the amount of each cash advance as of the date of the transaction.

The Cash Advance Fee FINANCE CHARGE for balance transfers, any advance by credit card check, through the ATM, or over the counter is 5% of the cash advance, subject to a minimum FINANCE CHARGE of \$10. The Cash Advance Fee FINANCE CHARGE for all other cash advances is 5% of the cash advance, subject to a minimum FINANCE CHARGE of \$20. Any Cash Advance Fee Finance Charge may increase the actual Annual Percentage Rate on your Account.

(c) **Credit Line Increase Fee Finance Charge.** If you request and are approved for a Credit Line increase ("CL"), a CL Fee FINANCE CHARGE of up to 10% of the Credit Line increase may be charged to your Account depending on your creditworthiness. Any CL Fee Finance Charge may increase the actual Annual Percentage Rate on your Account.

OTHER CHARGES AND SERVICE FEES

A. **Minimum Finance Charge.** There will be a Minimum FINANCE CHARGE of \$2.00 for each billing cycle in which a periodic Finance Charge is payable. Any Minimum Finance Charge may increase the actual Annual Percentage Rate on your Account.

B. **Late Payment Fee.** We may add a late payment fee to your Account for each billing cycle you fail to make your Minimum Payment, and any amount past due, in time to be credited to your Account by the Payment Due Date. This fee is \$35.

C. **Overlimit Fee.** We may add an overlimit fee to your Account if your balance exceeds your Credit Line at any time during that billing cycle. We may impose this fee even if we authorize or impose charges that cause your balance to exceed your Credit Line. This fee is \$35.

D. **Returned Check Charge/Returned Payment Fee.** We may add a fee to your Account each time a payment check, automatic payment deduction, or similar instrument is not honored or is returned unsatisfied by your bank or other financial institution. This fee is \$35.

We may add a fee to your Account each time a credit card check (a convenience check, balance transfer check, electronic check, etc.) is returned unsatisfied by us for any reason. This fee is \$35.

You agree that any payment returned unsatisfied for any reason may be reposted to any type of transaction (i.e. cash advance, purchase, etc.), and Finance Charges may be reinstated back to the payment date at the APR being charged for that transaction

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type.
E. **Research Charge.** You agree to pay \$7 for each sales slip copy you request and \$5 for each statement copy you request.

F. **Stop Payment.** We may add a \$29 fee to the cash advance balance each time payment of credit card check is stopped at your request. You may stop payment on a credit card check by notifying us in writing at [redacted], CA 93912-1622 or by calling us at the telephone number listed on the billing statement. When you write, include the number, payee, amount, and date of the credit card check on which payment is to be stopped. If you call, you must confirm the call in writing within 14 days. A written stop payment will remain in effect for six months unless renewed in writing.

AGREEMENT TO TERMS AND DEFINITIONS

This Cardmember Agreement and Disclosure Statement and any amendments to them are collectively the "Agreement" that governs the open end line of credit we have established for you (your Account). "You" and "your" refer to all persons who applied for the Account. "We," "us," and "our" refer to [redacted], Nevada, N.A. "Card" means any credit cards issued under this Agreement. 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 on your Account. If you call us within 90 days of your Account open date, at the customer service number on the back of your card, you may cancel your account before using it without paying any fees.

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 only use your Account for valid and lawful purposes and that if your Account is used for any other purposes you are responsible for such use and may be required to reimburse us and either MasterCard International Incorporated or Visa International for all resulting amounts and expenses.

PROMISE TO PAY

You promise to pay according to the terms of this Agreement for all: (a) credit we extend to you or to anyone you authorize to use your Account; (b) Finance Charges, late charges, overlimit charges and administrative charges (e.g. for research, returned checks, etc.) provided in this Agreement; 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 any death, divorce or other legal proceedings or any agreement that may effect liability between you. If either joint Accountholder denies liability for amounts owed we may close your Account. If we do, you must continue to pay according to the terms of this Agreement, but you will not be able to make new charges on your Account.

USING YOUR ACCOUNT

You can access your Account using your Card or by other means approved by us which may include cash advance transactions. Cash advances include all advances to get cash over the counter, through an ATM, balance transfers, credit card checks, or other "cash-like" transactions (such as purchasing a money order, traveler's check, casino or betting chip, or a lottery ticket) as determined by us. We may limit the dollar amount and/or frequency of any type of transaction without notice to you.

YOUR CREDIT LINE

We will advise you of the total Credit Line on your Account. All or a portion of your total Credit Line is available for cash advances. Your total Credit Line and cash advance

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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 Line available for cash advances is your total Credit Line.

You agree not to allow your unpaid balance to exceed your total Credit Line. Your unpaid balance includes Finance Charges and other charges. We are not required to extend credit if you have exceeded your total Credit Line or if the amount requested would cause you to exceed your total Credit Line. If you exceed your total Credit Line, you agree to pay us that excess amount immediately. Your total Credit Line and cash advance limit may not reflect your payments for up to 14 days.

PAYMENT

Each statement you receive from us will identify a Minimum Payment and Current Payment Due. The Minimum Payment is calculated as follows:

(1) If your New Balance is not more than \$15, your Minimum Payment is the New Balance.

(2) If your New Balance is more than \$15, your Minimum Payment is the greater of:

- 2.5% of the New Balance shown on your statement, or
- \$15

The Current Payment Due is the sum of:

- your Minimum Payment, AND
- the greater of any amount past due, or any overlimit amount.

An overlimit amount is the amount by which your New Balance exceeds your Credit Line. Your Minimum Payment and Current Payment Due will be rounded up to the nearest dollar, unless doing so will cause the resulting value to exceed the New Balance.

You must pay at least the Current Payment Due in time to be credited to your Account by the Payment Due Date, and failure to do so constitutes a default of this Agreement. If you do not pay at least the Minimum Payment and any amount past due in time to be credited to your Account by the Payment Due Date, you may be assessed a late payment fee. 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. The Payment Due Date will be determined by us but is at least 20 days after the close of your billing cycle (the "Statement Date"). You must pay any overlimit or past due amount immediately. You may pay more than the Current Payment Due and 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. Disputed payments, including those marked "Payment in Full" or otherwise restrictively endorsed, must be sent to the address for written inquiries shown on your statement. We can accept such payments and any that are late or partial, without waiving our rights under this Agreement. 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. You may request a change to your billing cycle date no more than once a year. You agree that changes based on your request may

Periodic Statements Used in Baltimore Interviews

Contents:

- Periodic Statement Sample A (front and back)
- Periodic Statement Sample B (front and back)



ACCOUNT ACTIVITY

Statement Closing Date	01/19/05
Days in Billing Cycle	30
Previous Balance	\$1,092.81
Payments	\$100.00
Credits	\$0.00
Purchases & Other Charges	\$47.09
Debits	\$0.00
Cash Advances	\$43.00
Total FINANCE CHARGE	\$19.18
New Balance	\$1,101.88

For prompt credit, mail payment to:
 SIOUX FALLS SD 57117-5147
 Payment sent to any other address may delay crediting your account up to 6 days.

ACCOUNT SUMMARY

Account Number	
Credit Limit	\$1,100.00
Available Credit as of 01/19/05	None
New Balance	\$1,101.88
Payment Due Date	02/13/05
Amount Due This Period	+ \$34.00
Past Due Amount	+ \$0.00
Amount Over Limit Due	+ \$1.88
Total Minimum Amount Due	= \$35.88

QUESTIONS?
 Call Customer Service
 Lost or Stolen Credit Card

Please send billing inquiries and correspondence to:
 SIOUX FALLS, SD 57117-5524
 (Include account number with all correspondence.)

TRANSACTIONS

Tran Date	Post Date	Reference Number	Description of Transaction or Credit	Amount
12/28	12/28	5554186P8038W8YM	CRGO FOOD MART #74 ATLANTA GA	\$2.05
01/03	01/03	854338203FS8QC025	PYMT THANK YOU 5147 E SIOUX FALLS SD	\$100.00
01/05	01/05	0544400080ZLV72VL	CVS PHARMACY #7338 003 ATLANTA GA	\$12.11
01/08	01/05	85541860703RDYD0X	ECKERD DRUGS #2708 ATLANTA GA	\$4.83
01/08	01/08	1542202074TWWZV48	BESTBANK/ACCESS CASH ATLANTA GA	\$21.50
01/08	01/08		CASH ADVANCE FEE * FINANCE CHARGE*	\$2.00
01/08	01/08	854328508008V80MD	EASY SAVER 877-844-8564 PA	\$14.95
01/08	01/08	1542202083J78GPKW	BESTBANK/ACCESS CASH ATLANTA GA	\$21.50
01/08	01/08		CASH ADVANCE FEE * FINANCE CHARGE*	\$2.00
01/09	01/09	054830709LYHRPT4L	WAYFIELD FOODS #1 998 ATLANTA GA	\$7.36
01/13	01/13	F4128000D000Z5050	PARTICIPATION FEE	\$6.00
			PURCHASES \$14.86 CASH ADVANCE \$0.82	\$15.18

TOTAL "FINANCE CHARGE" PAID IN 2004 \$208.44

FINANCE CHARGES

Type of Balance	% Periodic Rate	Corresponding Annual Percentage Rate	Balance Subject to Finance Charge	ANNUAL PERCENTAGE RATE
Purchases ADB \$0.00-1000	1.575%	18.90%	\$0.00	
ADB over \$1000	1.408%	18.90%	\$1,034.89	16.90%
Cash Advances	1.575%	18.90%	\$39.62	126.59%

BANK NEWS

IMPORTANT NOTICE: We are changing the terms of the Cardholder Agreement that governs your credit card Account with us. These changes are set forth on and/or enclosed in this statement. Please read the information carefully and retain it for your records.

NOTICE: SEE REVERSE SIDE FOR IMPORTANT INFORMATION

5825 TRD 2 13 0 7 Page 1 of 1 5382 4000 USM2 0003 050119 01AC5825 33204

Please detach this portion and return with your payment to insure proper credit. Retain upper portion for your records.

Account Number:
 New Balance: **\$1,101.88**
PAYMENT INFORMATION
 Payment Due Date: 02/13/05
 Amount Due This Period: + \$34.00
 Past Due Amount: + \$0.00
 Amount Over Limit Due: + \$1.88
 Total Minimum Amount Due: = **\$35.88**

Please indicate address change and additional cardholder requests on the reverse side.

AMOUNT ENCLOSED: \$



IMPORTANT INFORMATION ABOUT YOUR ACCOUNT

FINANCE CHARGE

Annual Percentage Rate (APR)

Refer to the Finance Charge Summary section of your statement for your current rates. A "V" next to a Periodic Rate means the rate may vary.

If your statement has a Cash Advance Fee, the Annual Percentage Rate will look inflated because we annualize the Cash Advance Fee as if it applies each month over a 12-month period. We do this to meet federal disclosure requirements.

Grace Period on New Purchases (at least 20-days)

You can avoid Finance Charges on new Purchases that posted on this statement if your Previous Balance is zero (or a credit balance) and we receive full payment of the New Balance by the Payment Due Date. If so, you have from the date you made your purchase until the payment Due Date on the front to avoid any finance charge on that purchase. If your Previous Balance is greater than zero, there is no time period to pay the New Balance and avoid additional finance charges. There is no grace period for Cash Advances and Balance Transfers.

Periodic Finance Charge Calculation Method - Average Daily Balance (Including New Transactions)

For each day in the Billing Cycle, we take your beginning balance, add any new transactions or other debits (including other fees and charges) and subtract any payments or other credits. This gives us that day's Daily Balance. We multiply this Daily Balance by the Daily Periodic Rate to get your Periodic Finance Charge for that day. We add these Periodic Finance Charges to your Daily Balance to get the beginning balance for the next day.

To get your total Periodic Finance Charge for this Billing Cycle, we add all of the Daily Periodic Finance Charges and round the sum to the next highest cent. This amount is also equal to the Average Daily Balance multiplied by the Daily periodic rate times the number of days in the Billing Cycle rounded to the next highest cent. To determine an Average Daily Balance, we add your Daily Balances and divide by the number of days in the Billing Cycle.

We do this calculation separately for each feature such as Purchases, Cash Advances, Balance Transfers or Promotional Balances. Periodic Finance Charges begin to accrue from the later of the transaction date or the first day of the Billing Cycle in which the transaction appears.

Account Renewal Information for Open Accounts

If your account has an Annual Fee and it is billed on this Statement, we will reverse the fee if you cancel your account and pay off any existing balance within 30 days of receipt of this Statement otherwise, the Annual Fee is non-refundable. You may continue to use your account during the 30-day period before you cancel. To cancel, write us at the Billing Inquiries address or call us at the phone number on the front.

Your Liability

Our records show that you are liable for any outstanding balance on this account if your name appears on the front of this statement or you otherwise agreed.

Report a Lost or Stolen Card Immediately

Call the 24-hour toll free number: _____ Do not use your account after you report a lost or stolen card.

Cardholder Security Plan™ / Payment Protection Plan

If you have questions about your enrollment or need to file for benefits, please call the applicable toll-free number below (Monday-Friday, 7:00 a.m. - 10:00 p.m. Central Time):

Cardholder Security Plan- _____ ; Payment Protection Plan- _____

Service for International Calling

Dial the AT&T Direct access code for the country you are in and dial _____

For a list of access codes visit _____

and select Credit Cards. You may also call us collect at _____

Service for hearing-impaired (TTY/TDD)

Contact our service for the hearing-impaired at _____

Pay on-line at _____ or mail your payment to:

91716-0089

BILLING RIGHTS SUMMARY

STATEMENT DISCLOSURE:

In Case of Error or Billing Inquiries

If you think your bill is wrong, or if you need more information about a transaction on your bill, you must write to us (on a separate sheet) at P.O. Box _____ Norfolk VA 23501-1370 as soon as possible to preserve your rights. We must hear from you no later than 60 days after we sent you the first bill on which the error or problem appeared. In your letter, give us the following information:

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

You do not have to pay any amount in question while we are investigating, but you are still obligated to pay the parts of your bill that are not in question. While we investigate your questions, we cannot report you as delinquent or take any action to collect the amount you question.

Special Rule for Credit Card Purchases

If you have a problem with the quality of goods or services that you purchased with a credit card, and you have tried in good faith to correct the problem with the merchant, you may not have to pay the remaining amount due on the goods or services. You have this protection only when the purchase price was more than \$50 and the purchase was made in your home state or within 100 miles of your mailing address (if we own or operate the merchant, or if we mailed you the advertisement for the property or service; all purchases are covered regardless of the amount or location of purchase).

IMPORTANT CREDIT BUREAU REPORTING INFORMATION REQUIRED BY FEDERAL LAW TO BE DISCLOSED TO YOU

WE MAY REPORT INFORMATION ABOUT YOUR ACCOUNT TO CREDIT BUREAUS. LATE PAYMENTS, MISSED PAYMENTS OR OTHER DEFAULTS ON YOUR ACCOUNT MAY BE REFLECTED IN YOUR CREDIT REPORT.

For address changes, you may access your account online at _____ call _____ or write your address changes below. If you choose to call the 800# provided, you must have your credit card present. Please include your account number to ensure accurate processing.

Address _____

City _____

State _____

Zip _____

Home Phone _____

Work Phone _____

E-mail Address _____

By providing us with your e-mail address, you agree that we may communicate with you by electronic mail.

Prompt Crediting of Payments

We will credit any payment as of the date we receive it as long as it is mailed with the enclosed payment coupon and received by us no later than 12:00 noon at either the P.O. Box on the front or the P.O. Box above. Crediting of all other payments may be delayed up to 5 days. All payments must be in the form of a check or money order drawn in U.S. dollars on a financial institution located in the U.S. or the U.S. Post Office or made by electronic funds transfers; however cash payments may be made in person at our banking centers only.

Statement for account number:

New Balance \$480.08 Payment Due Date 08/05/06 Past Due Amount \$0.00 Minimum Payment \$10.00

**Visa® Credit Card
from**

Amount Enclosed \$ Make your check payable to
New address or e-mail? Print on back.

00009 BEX Z 19206 C



CARDMEMBER SERVICE
WILMINGTON DE 19886-5153

⑆5000 160 281⑆ 184 20 194 1094 14⑆

**Visa® Credit Card
from**

Statement Date: 06/12/06 - 07/11/06
Payment Due Date: 08/05/06
Minimum Payment Due: \$10.00

CUSTOMER SERVICE
In U.S.
Español
TDD
Pay by phone
Outside U.S. call collect

VISA ACCOUNT SUMMARY

Account Number:

Previous Balance \$0.00
Purchases, Cash, Debits +\$467.68
Finance Charges +\$12.40
New Balance \$480.08

Total Credit Line \$4,000
Available Credit \$3,519
Cash Access Line \$800
Available for Cash \$483

ACCOUNT INQUIRIES

Wilmington, DE 19850-5298

PAYMENT ADDRESS

Wilmington, DE 19886-5153

VISIT US AT:

- ◆ It's fast, FREE and secure!
- ◆ Pay your bill & much more.

DREAM REWARD DOLLARS

Balance from last statement	0
Reward dollars earned from net purchases	2
Reward dollars transferred to Rewards Card	0
Remaining balance	2

Please call _____ to redeem your
Rewards or if you have any questions
about the _____ Rewards (sm) Program.

2 Reward dollars to expire on statement date in July 2011

The terms and conditions of the _____ Rewards Program apply to the use of
Reward Dollars and may be modified by _____ or _____ Rewards,
LLC at any time. Your account must remain in good standing to earn or request
redemption of _____ Reward Dollars. _____ Reward Dollars are
non-transferable, have no cash or monetary value and cannot be used towards
payment at unauthorized locations and payment of an outstanding balance on your
Card. Please call _____ to request that your
Reward Dollars be transferred to a Rewards Card or if you have any
questions about the _____ Rewards Program.

IMPORTANT NOTICE. We are
changing the terms of the
Cardholder Agreement that governs
your credit card Account with us.
These changes are set forth on
and/or enclosed in this statement.
Please read the information
carefully and retain it for your
records.

TRANSACTIONS

Trans Date	Reference Number	Merchant Name or Transaction Description	Amount	
			Credit	Debit
06/27	74088456178589483903631	WALDEN SAVINGS/50 BONIFAC PINE BUSH NY		\$102.00
06/28	74088456178589483903631	TRANSACTION FEE		5.00
07/06	24445006188509457148926	KOHL'S #0505 MIDDLETOWN NY		87.44
07/07	24761976189507074010098	CHARLIE BROWNS 1352 MIDDLETOWN NY		76.24
07/10	74088456191589565903627	WALDEN SAVINGS/50 BONIFAC PINE BUSH NY		202.00
07/11	74088456191589565903627	TRANSACTION FEE		6.06

FINANCE CHARGES

Category	Daily Periodic Rate 29 days in cycle	Corresponding APR	Average Daily Balance	Finance Charge Due To Periodic Rate	Transaction Fee	FINANCE CHARGES
Purchases	.00000%	0.00%	\$0.00	\$0.00	\$0.00	\$0.00
Cash advances	V .06642%	24.24%	\$69.57	\$1.34	\$11.06	\$12.40
Total finance charges						\$12.40

Effective Annual Percentage Rate (APR): 48.52%

Please see information About Your Account section for balance computation method, grace period, and other important information.

The Corresponding APR is the rate of interest you pay when you carry a balance on any transaction category.

The Effective APR represents your total finance charges - including transaction fees
such as cash advance and balance transfer fees - expressed as a percentage.

Address Change Request

Please provide information below only if the address information on front is incorrect.

Street Address: _____

City: _____

State: _____

Zip: _____

Home Phone: _____

Work Phone: _____

E-mail Address: _____

Information About Your Account

Lost or Stolen Cards: Please report your lost or stolen card immediately by calling the Customer Service number found on the front of your statement. Advisors are always available to assist you. You can reach an Advisor by pressing 0 after you enter your account number.

Crediting of Payments: For payments by regular U.S. mail, send at least your minimum payment due to our post office box designated for payments shown on this statement. Your payments by mail must comply with the instructions on this statement, and must be made by check or money order, payable in U.S. Dollars, and drawn on or payable through a U.S. financial institution or the U.S. branch of a foreign financial institution. Do not send cash. Write your account number on your check or money order, accompanied by the payment coupon in the envelope and a self-addressed manila envelope through the envelope window, the envelope cannot contain more than one payment or coupon, and there can be no staples, paper clips, tape or correspondence included with your payment. If your payment is in accordance with our payment instructions and is made available to us on any day except December 25 by 1:00 p.m. local time at our post office box designated for payments on this statement, we will credit the payment to your account as of that day. If your payment is in accordance with our payment instructions, but is made available to us after 1:00 p.m. local time at our post office box designated for payments on this statement, we will credit it to your account as of the next day. If you do not follow our payment instructions or if your payment is not sent by regular U.S. mail to our post office box designated for payments, crediting of your payment may be delayed for up to 5 days. Payments made electronically through our automated telephone service, Customer Service advisors, or our web site will be subject to any processing times disclosed for those payments.

Account Information Reported to Credit Bureaus: We may report information about your account to credit bureaus. Late payments, missed payments or other defaults on your account may be reflected in your credit report. If you think we have reported inaccurate information to a credit bureau, you may write to us at the Cardmember Service address listed on your billing statement.

Notice About Electronic Check Conversion: When you provide a check as payment, you authorize us either to use information from your check to make a one-time electronic fund transfer from your account or to process the payment as a check transaction. When we use information from your check to make an electronic fund transfer, funds may be withdrawn from your account as soon as the same day we receive your payment, and you will not receive your check back from your financial institution. Call the customer service number on this statement if you have questions about electronic check collection or do not want your payments collected electronically.

Conditional Payments: Any payment check or other form of payment that you send us for less than the full balance due that is marked "paid in full" or contains a similar notation, or that you otherwise tender in full satisfaction of a disputed amount, must be sent to Card Services, 10001 American Blvd., Wilmington, DE 19850-5049. We reserve all our rights regarding these payments (e.g., if it is determined there is no valid dispute or if any such check is received at any other address, we may accept the check and you will still owe any remaining balance). We may refuse to accept any such payment by returning it to you, not cashing it or destroying it. All other payments that you make should be sent to the appropriate payment address.

Annual Renewal Notice: If your account has an annual fee, it will be billed each year or in monthly installments, whether or not you use your account, and you agree to pay it when billed. The annual fee is non-refundable unless you notify us that you wish to close your account within 30 days of the date we mail your statement on which the annual fee is charged and at the same time, you pay your outstanding balance in full. Your payment of the annual fee does not affect our rights to close your account and to limit your rights to make transactions on your account. If your account is closed by you or us, we will continue to charge the annual fee until you pay your outstanding balance in full and terminate your account relationship.

Explanation of Finance Charges: We calculate periodic finance charges, using the applicable periodic rates shown on this statement, separately for each feature (e.g., balance transfer/convenience checks and cash advance checks ("check transaction"), purchases, balance transfers, cash advances, promotional balances or overdraft advances). There are calculations may combine different categories with the same daily periodic rates. These rates are "A" next to a periodic rate on this statement, that rate may vary, and the index and margin used to determine that rate and its corresponding APR are described in your Cardmember Agreement, as amended. There is a minimum finance charge in any billing cycle in which you owe any periodic finance charges, and a transaction finance charge for each balance transfer, cash advance, or check transaction, in the amounts stated in your Cardmember Agreement, as amended.

To get the daily balance for each day of the current billing cycle, we take the beginning balance for each feature, add any new transactions or other debits (including fees, unpaid finance charges and other charges), subtract any payments or credits, and make other adjustments. Transactions are added as of the transaction date, the beginning of the billing cycle in which they are posted to your account, or a later date of our choice (except that check transactions are added as of the date deposited by the payee or a later date of our choice). Fees are added either on the date of a related transaction, the date they are posted to your account, or the last day of the billing cycle. This gives us that day's daily balance. A credit balance is treated as a balance of zero. If a daily periodic rate applies to any feature, we multiply the daily balance by the daily periodic rate to get your periodic finance charges for that day. We then add these periodic finance charges to your daily balance to get the beginning balance for the next day. (If more than one daily periodic rate could apply based on the average daily balance, we will use the daily periodic rate that applies for the average daily balance amount at the end of the billing cycle to calculate the daily periodic finance charge each day.) If this statement shows a previous cycle average daily balance for purchases, we do the same thing for each day of the previous cycle to get the daily balance of purchases for the previous billing cycle. However, the daily balance for previous billing cycle purchases is considered to be zero for each day of the previous billing cycle if a periodic finance charge was already billed on purchases itemized on your previous statement or we received payment of your New Balance on your previous statement in full by the date and time your payment was due.

To get your total periodic finance charge for a billing cycle when a daily periodic rate(s) applies, we add all of the daily periodic finance charges for all features. To determine an average daily balance, we add your daily balances and divide by the number of the days in the applicable billing cycle(s). If you multiply the average daily balance for each feature by the applicable daily periodic rate, and then multiply each of these results by the number of days in the applicable billing cycle(s), and then add all of the results together, the total will also equal the periodic finance charges for the billing cycle, except for minor variations due to rounding. To get your total periodic finance charge for a billing cycle when a monthly periodic rate(s) applies, multiply the average daily balance for each feature by the applicable monthly periodic rate and add the results together. The total will equal the periodic finance charges for the billing cycle, except for minor variations due to rounding.

Grace Period (at least 20 days): We accrue periodic finance charges on a transaction, fee, or finance charge from the date it is added to your daily balance until payment in full is received on your account. However, we do not charge periodic finance charges on new purchases billed during a billing cycle if we receive both payment of your New Balance on your current statement by the date and time your payment is due and also payment of your New Balance on your previous statement by

the date and time your payment was due. There is no grace period for balance transfers, cash advances, check transactions, or overdraft advances.

In addition, if there is a "Qualifying Promotional Financing" section on this statement, you will not incur periodic finance charges on any Remaining Balance that appears in that section if you pay that balance in full by the applicable Expiration Date. To avoid finance charges on new purchases when your New Balance includes any Remaining Balance(s) in the Qualifying Promotional Financing section, pay your full New Balance minus the total of those Remaining Balance(s) by the date and time your payment is due. However, if your statement shows that a minimum payment is due, we must receive at least that minimum payment by the date and time specified on your statement, even if your New Balance consists only of Qualifying Promotional Financing balances.

Also, for some Qualifying Promotional Financing balances, periodic finance charges accrue during the promotional period but are not added to your account balance. Instead, they accumulate from billing cycle to billing cycle. This is referred to as "deferred interest." If a deferred interest Qualifying Promotional Financing balance is not paid in full by the applicable Expiration Date, the deferred finance charges will be added to your account as soon as the first day after the Expiration Date. Further, if you default under the terms of your Cardmember Agreement, the deferred finance charges will be added to your account as soon as the date of default.

BILLING RIGHTS SUMMARY

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 Cardmember Service on a separate sheet at 10001 American Blvd., Wilmington, DE 19850-5299 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.

In your letter, give us the following information.

- Your name and account number
- The dollar amount of the suspected error
- 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 unsure about.

You do not have to pay any amount in question while we are investigating, but you are still obligated to pay the parts of your bill that are not in question. While we investigate your question, we cannot report you as delinquent or take action to collect the amount you question. If you have authorized us to pay your credit card 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 or call (using the Cardmember Service address or telephone number shown on this statement) must reach us at least three business days before the automatic payment is scheduled to occur.

Special Rule for Credit Card Purchases: If you have a problem with the quality of goods or services that you purchased with a credit card (excluding purchases made with a check), and you have tried in good faith to correct the problem with the merchant, you may not have to pay the remaining amount due on the goods or services. You have this protection only when the purchase price was more than \$50 and the purchase was made in your home state or within 100 miles of your mailing address. These limitations do not apply if we own or operate the merchant, or if we mailed you the advertisement for the property or services.

12000020100000000001

Change-in-Terms Notices Used in Baltimore Interviews

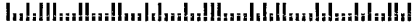
Contents:

- Sample Notice A (one page)
- Sample Notice B (front and back)

Note: Sample Notice B was folded into a six-page tri-fold brochure.



Washington DC 20009-4050



Regarding your
account ending in 4470

Notice of Change in Terms, Right to Opt Out, and Information Update

The Changes: We are changing your Card Agreement as described below.

I. The following sections regarding APRs are changing.

Default Rate: All your APRs may increase if you default under any Card Agreement that you have with us because you fail to make a payment to us when due, you exceed your credit line, or you make a payment to us that is not honored. In these circumstances, we may automatically increase your APRs (including any promotional APRs) on all balances to the Default APR, which equals the LIBOR Rate plus up to 26.99%, or up to 28.99%, whichever is greater. Factors considered in determining your Default APR may include how long your account has been open, the timing or seriousness of a default under any Card Agreement that you have with us, or other indications of account performance. The Default APR takes effect as of the first day of the billing period in which you default. We may lower the APR for new purchases and/or cash advances if you meet the terms of all Card Agreements that you have with us for six consecutive billing periods. Existing balances remain subject to the Default APR until paid in full, unless we tell you otherwise.

II. The following sections regarding other fees are being changed.

Late Fee: We add a late fee to the standard purchase balance for each billing period you fail to pay, by its due date, the Minimum Amount Due (less the Amount Over Credit Line shown on your billing statement). This fee is based on your account balance as of the payment due date. It is: \$15 on balances up to \$100, \$29 on balances of \$100 up to \$250, and \$39 on balances of \$250 and over.

Over-the-Credit-Line Fee: We add a \$39 fee to the standard purchase balance if your account balance exceeds your credit line at any time during the billing period. We add this fee even if transactions we authorize or periodic finance charges, fees, and other charges you incur are a reason the account balance exceeds your credit line. We add this fee even if the account balance falls below your credit line by the end of the billing period.

Returned Payment Fee: We add a \$39 fee to the standard purchase balance if a payment check or similar instrument is not honored or is returned because it cannot be processed, or if an automatic debit is returned unpaid. We assess this fee the first time your check or payment is not honored, even if it is honored upon resubmission.

Returned Convenience Check Fee: We add a \$39 fee to the standard advance balance if we decline to honor a convenience check. We may decline to honor these checks if, for example, the amount of the check would cause the balance to exceed the cash advance limit or credit line, if you default, if you did not comply with our instructions regarding the check, or if your account has been closed.

Stop Payment on Convenience Check Fee: We add a \$39 fee to the standard advance balance if we honor your request to stop payment on a convenience check. To stop payment on a convenience check write us at [redacted], Sioux Falls, South Dakota 57117, or call the Customer Service number on the billing statement. If you call, you must confirm the call in writing within 14 days. A written stop payment order remains in effect for 6 months unless renewed in writing.

Effective Date for the Changes: The changes will be effective on the first day of your first billing period beginning on or after July 8, 2006, whether or not you receive a billing statement.

Right to Opt Out: To opt out of these changes, you must call or write us by September 15, 2006, indicating that you are opting out. Call us toll-free at [redacted] (please have your account number available), or write us at Customer Service Center, [redacted], Jacksonville, Florida, 32231-4121, and include your name, address, and account number. If you opt out of these changes you may use your card(s) under the current terms until the end of your current membership year or the expiration date on your card(s), whichever is later. At that time your account will be closed and you must repay the balance under the current terms.

Information Update

Effective on the first day of your first billing period beginning on or after July 8, 2006, we are also adding the following section to your Card Agreement:

Optional Pay by Phone Service: You may request to make your payment by phone using our optional Pay by Phone Service. Each time you make such a request, you agree to pay us the amount shown in the Pay by Phone section on the back of the billing statement. Our representatives are trained to tell you this amount if you decide to use this optional Pay by Phone Service.

Please save this notice for future reference.

maximum of the default rate stated in the Rates and Fees Table. We may consider the following factors to determine your default rate: the length of time your account has been open, the existence, seriousness and timing of the defaults on your account; other indications of your account usage and performance; information about your other relationships with us or any of our related companies; and information we obtain from consumer credit reports obtained from credit bureaus. The default rate will take effect as of the first day of the billing cycle in which the default occurs, and will apply to purchase balances from the previous billing cycle for which periodic finance charges have not been already billed. If we decide not to increase your APR even though there is a default or if we do not increase your APR up to the maximum default rate stated in the Rates and Fees Table, we reserve our right to increase your APR in the event of any future default. We may in our discretion determine to charge reduced default rates or reinstate standard rates for all or selected balances on your account.

3. NOTICES/CHANGE OF PERSONAL INFORMATION:

The following replaces the section titled "Notices/Change Of Personal Information" or "Notices":

NOTICES/CHANGE OF PERSONAL INFORMATION:

We will send cards, billing statements and other notices to you at the address shown in our files. Or, if this is a joint account, we can send billing statements and notices to any joint account holder. Notice to one of you will be considered notice to all of you and all of you will remain obligated on the account.

If you change your name, address, or home, cellular or business telephone number or email address (if you elect to receive billing statements or other notices online), you must notify us immediately in writing at the address shown on your billing statement. We may, at our option, accept mailing address corrections from the United States Postal Service. We may contact you about your account, including for customer service or collection, at any address or telephone number as well as any cellular telephone number you provide us.

If you have questions about these changes, you can call us at the number on the back of your card.

This notice informs you of changes to your agreement. Please keep it with your original agreement.

INW11670

ADV2791

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6/06

Important Notice For Credit Card Customers About Changes To Your Cardmember Agreement ("agreement")— Please Read And Retain For Your Records

Dear Cardmember:

As your credit card company, we value your business. It is important to us that we provide you with timely information regarding your credit card account.

Periodically, we may change various terms and conditions associated with your account. We share this information with you in the form of a Change in Terms disclosure. **The Change in Terms disclosure below advises of upcoming changes that will be effective the first day of your billing cycle that includes August 1, 2006.** We hope that you take the time to review this information carefully. Please keep this notice with your agreement for future reference.

Thank you for the opportunity to serve your credit needs. We look forward to serving those needs in the future.

SUMMARY OF CHANGES:

We have summarized below some of the changes to your agreement. For complete details about all changes, please read the entire Amendment. **If you were previously notified of any of the terms described in this Notice and they are already in effect on your account, those terms will continue to apply. Any other terms on your account not described in this Notice also continue to apply.** Note that some terms in your agreement or any amendment may appear with initial capital letters or all lower case letters. Such terms have the same meaning. For example, "Account" means the same as "account".

RATE AND FEE CHANGES

The following **Annual Percentage Rate(s)** will be changed as described in the Amendments portion of this Notice:

- **Default Rate**

The following **Fee(s)** will be changed as described in the Amendments portion of this Notice:

- **Cash Advance/Cash Advance Check Fee – Finance Charge (no maximum fee)**
 - **Balance Transfer/Balance Transfer Check Fee – Finance Charge (no maximum fee)**
 - **Minimum Periodic Finance Charge**
 - **Late Fee**
 - **Overlimit Fee**
 - **Return Payment Fee**
 - **Return Check Fee**
-

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DEFAULT RATE SECTION

The "Default Rate" section described in the Amendments portion of this Notice replaces any terms in your agreement for "FINANCE CHARGES for Late Payment", "Closed Account Rate", or "Default Rate". This section provides that the default rate will be imposed for certain events of default, and it will take effect on your account as of the first day of the billing cycle in which the default occurs.

OTHER CHANGES

The "Notices/Change Of Personal Information" section in this Notice clarifies the ways we communicate with you about your account.

EFFECTIVE DATE/NON-ACCEPTANCE INSTRUCTIONS FOR THE CHANGE(S) IDENTIFIED BELOW:

The changes summarized above will be effective the first day of your billing cycle that includes August 1, 2006. The new terms will apply to current and future balances on your account. You have the right to reject only the new terms regarding the APRs (Annual Percentage Rates) and the Default Rate section stated in this Notice. If you do not want to accept these changes, you must write to us to advise us of your decision. We must receive your correspondence by July 24, 2006. Please include your name, address and account number on the correspondence and mail it to: Cardmember Service, Wilmington, DE 19850-5098. If you reject these changes, your account will be closed to further use (if it is not already closed). You will, however, be entitled to pay off any outstanding balances on your account in accordance with your applicable account terms as they may be further amended. Even if you send us the correspondence, if you use your Card or account on or after August 1, 2006, you will be deemed to have accepted these changes and they will apply to your account. If you do not accept these changes, please make alternate arrangements to pay any charges you have previously authorized to be made to this account, such as recurring charges.

AMENDMENTS TO THE AGREEMENT:

In order to implement the above-described change in terms, the following changes, as applicable, will be made to your agreement:

1. TABLE OF INTEREST CHARGES/RATES AND FEES TABLE:

The section of the agreement titled "Table of Interest Charges" now will be titled "Rates and Fees Table". Also, the provisions in your agreement or any subsequent amendments that describe APRs in sections titled "FINANCE CHARGES for Late Payment", "Default Rate", or "Closed Account Rate" will now appear as part of the "Rates and Fees Table", and are replaced with the Default APR below.

A. ANNUAL PERCENTAGE RATES: The following replaces the description of the APRs in the "Table of Interest Charges" or "Rates and Fees Table":

Rates (APR means Annual Percentage Rate)

Default APR
The Prime Rate* plus up to 23.99%, currently 31.74% (0.08696% daily periodic rate).

*Estimated variable APRs above are based on the 7.75% Prime Rate on April 18, 2006. The "Prime Rate" is the highest (U.S.) Prime Rate published in the Money Rates section of *The Wall Street Journal* as described in your agreement.

These changes to your APRs do not affect any higher default APRs currently applicable to your account.

B. FINANCE CHARGES AND FEES:

The following Finance Charges and Fees will replace those currently listed in the "Table of Interest Charges" or "Rates and Fees Table".

Fees and Finance Charges

Cash Advance/Cash Advance Check Fee -- Finance Charge	
3% of transaction (minimum fee of \$10.00)	
Balance Transfer/Balance Transfer Check Fee -- Finance Charge	
3% of transaction (minimum fee of \$5.00)	
Minimum Periodic Finance Charge	\$1.00
(If any periodic finance charge is payable for a billing cycle)	
Late Fees:	
\$15.00 if the balance is up to, but not including \$100.00;	
\$29.00 if the balance is \$100.00 up to, but not including \$250.00;	
\$39.00 if the balance is \$250.00 and over	
"Balance" means the Previous Balance on the statement that shows the late fee.	
Overlimit Fee	\$39.00
Return Payment Fee	\$39.00
Return Check Fee	\$39.00

2. FINANCE CHARGES:

The "Default Rate" section below replaces any provisions in your agreement or any subsequent amendments regarding "FINANCE CHARGES for Late Payment", "Default Rate", or "Closed Account Rate":

Default Rates: Your APRs also may vary if you are in default under this agreement for any of the following reasons:

- We do not receive, for any payment that is owed on this account or any other account or loan with us, at least the minimum payment due by the date and time due.
- You fail to make a payment on any loan to any of our related companies when due.
- You exceed your credit line on this account.
- You make a payment to us that is not honored by your bank.
- To the extent allowed by law, if, at any time after your account is closed, we demand immediate payment of your outstanding balance and we do not receive payment within the time we specify.

If any of these events occurs, we may increase the APRs (including any promotional APR) on all balances (excluding overdraft advances) up to a

Cognitive Interviews:
Kansas City, MO (November 2006)

Solicitation Letters Used in Kansas City Interviews

Contents:

- Model SL-1 (front)
- Model SL-2 (front)
- Model SL-3 (front)
- Back of solicitation letter models

0%

**Fixed Introductory APR
for balance transfers¹**


You're Invited to Apply!



Dear Potential Customer:

If your "To Do" list is out of control, maybe it's time to simplify your finances. You've been a valued customer, and we'd like to say thanks by offering you an Artesian Bank Visa® Platinum Card with a 0% fixed introductory APR.

Just go to www.mynewcard.com or call us at 1.800.555.5098. You're invited to apply and there's no annual fee. Plus, your new card includes:

- ✓ **0% fixed introductory APR** for balance transfers (not cash advances)
- ✓ **No Annual Fee**
- ✓ **Credit Line** up to \$2,500
- ✓ **Overdraft Protection²** — Use your card as ODP on your Artesian Bank checking account
- ✓ **Total Security Protection® package** 
- ✓ Zero liability for unauthorized card transactions that are reported promptly³, fraud monitoring, and privacy features

Reply by December 14, 2006 to accept this great introductory rate offer. Put it on your "To Do" list and call or go online today! Please know that all payments are applied to the lowest APR first. Reply by December 14, 2006 to accept this offer. Your new Platinum Card is waiting for You!

Sincerely,

Kerry Hyvonen

Senior Vice President

P.S. Get an instant response in a little as 10 seconds. Log on to our secure website at www.mynewcard.com. Or if you'd prefer, call 1.800.555.5098 or return the attached certificate by December 14, 2006 to accept this offer.

¹ This introductory APR will apply until July 2007, at which point your APR on balance transfers will become 15.99%.

² All standard cash advance fees and finance charges are imposed whenever an overdraft protection advance takes place. Please see the Terms and Conditions on the enclosed insert for more information about Overdraft Protection.

³ Claims may be filed against posted and settled transactions subject to dollar limits and verifications, and must be reported within 60 days of the statement.

Detach here and mail back the bottom half

A7869649827
ILZ-CDA-0606

ITA-POX-1NO-0606



Acceptance Certificate



*****AUTO**SCH 5-DIGIT 20813
A7869649827 C0A-V70
CN0606-008-709-659

Initial Credit: up to \$2,500
Reply by: December 14, 2006

Artesian Bank
P.O. Box 1234
Thornville, FL 56789

Phone: 1.800.555.5098
Web: www.mynewcard.com

Step 1 <input type="checkbox"/>			
Step 2	SOCIAL SECURITY NUMBER [][][]-[][][]-[][][][][]	DATE OF BIRTH [][]-[][]-[][][][]	HOME TELEPHONE ([][]) [][][]-[][][][]
	GROSS YEARLY HOUSEHOLD INCOME ¹ \$ [][][]-[][][]-[][][][][]	MOTHER'S MAIDEN NAME [][][][] [][][][] [][][][]	E-MAIL ADDRESS (OPTIONAL) [][][][] [][][][] [][][][] [][][][]
<input type="checkbox"/> SELF-EMPLOYED			
Step 3	<input type="checkbox"/> Please check here if you would like overdraft protection		Complete with your checking account number below [][][][] [][][][] [][][][] [][][][] [][][][] [][][][]
			Overdraft protection is only available if you provide a valid Artesian Bank checking account.
Step 4 <small>Income from alimony child support, or separate maintenance payment need not be revealed if you do not wish us to consider it as a basis for repayment. Minimum annual income of \$8,000 (\$14,000 in California)</small>			
By signing below, you agree to the authorizations, terms and conditions on the enclosed insert. X SIGN HERE APPLICANT SIGNATURE		REQUEST AN ADDITIONAL CARD (Print the name of the person who is authorized to use your account.) PRINT NAME OF AUTHORIZED USER (FIRST NAME, MIDDLE INITIAL, LAST NAME) [][][][] [][][][] [][][][] [][][][]	Yes, I choose to enroll in the optional Cardholder Security Plan. By initialing and returning the Acceptance Certificate, I acknowledge receipt of, and understand, the CSP Term and Conditions on the enclosed insert. CSP can credit my Artesian credit card account up to \$12 Monthly Benefit Amounts ** in the event of Hospitalization, Total Disability, Involuntary Unemployment or Unpaid Family Leave of Absence, or up to \$10,000, in the event of death. Yes: _____ No: _____ Initial here to accept CSP Initial here to decline CSP
Save Today on Balance Transfers with a 0% Fixed Introductory APR			
ACCOUNT NUMBER [][][][] [][][][] [][][][] [][][][] [][][][] [][][][]	PAYEE [][][][] [][][][] [][][][] [][][][]	EXACT AMOUNT TO BE TRANSFERRED \$ [][][] [][][] [][][][] [][][][]	
ACCOUNT NUMBER [][][][] [][][][] [][][][] [][][][] [][][][] [][][][]	PAYEE [][][][] [][][][] [][][][] [][][][]	EXACT AMOUNT TO BE TRANSFERRED \$ [][][] [][][] [][][][] [][][][]	

Balance transfer requests will be processed in the order above. Each balance transfer request must be at least \$100. Allow 3-4 weeks to process. Please see the enclosed insert for Fee and Rate Information.

To help process your request without delay, please provide complete account information with your signature above.

0% Fixed Introductory APR
for balance transfers


You're Invited to Apply!



Dear Potential Customer:

If your "To Do" list is out of control, maybe it's time to simplify your finances. You've been a valued customer, and we'd like to say thanks by offering you an Artesian Bank Visa® Platinum Card with a 0% fixed introductory APR.

Just go to www.mynewcard.com or call us at 1.800.555.5098. You're invited to apply and there's no annual fee. Plus, your new card includes:

- ✓ **0% fixed introductory APR** for balance transfers (not cash advances)
- ✓ **No Annual Fee**
- ✓ **Credit Line** up to \$2,500
- ✓ **Overdraft Protection¹** — Use your card as ODP on your Artesian Bank checking account
- ✓ **Total Security Protection® package** 
- ✓ Zero liability for unauthorized card transactions that are reported promptly², fraud monitoring, and privacy features

Reply by December 14, 2006 to accept this great introductory rate offer. Put it on your "To Do" list and call or go online today! This introductory APR will apply until July 2007, at which point your APR on balance transfers will become 15.99%. In order to keep your low introductory APR you must keep your account open, continue to make all payments on time, and stay within your credit limit (see insert for details). Also, know that all payments are applied to the lowest APR first. Reply by December 14, 2006 to accept this offer. Your new Platinum Card is waiting for You!

Sincerely,

Kerry Hyoninen

Senior Vice President

P.S. Get an instant response in a little as 10 seconds. Log on to our secure website at www.mynewcard.com. Or if you'd prefer, call 1.800.555.5098 or return the attached certificate by December 14, 2006 to accept this offer.

¹All standard cash advance fees and finance charges are imposed whenever an overdraft protection advance takes place.

Please see the Terms and Conditions on the enclosed insert for more information about Overdraft Protection.

²Claims may be filed against posted and settled transactions subject to dollar limits and verifications, and must be reported within 60 days of the statement.

Detach here and mail back the bottom half

A7869649827
ILZ-CDA-0606
ITA-POX-1NO-0606



Acceptance Certificate



*****AUTO**SCH 5-DIGIT 20813
A7869649827 C0A-V70
CN0606-008-709-659

Initial Credit: up to \$2,500
Reply by: December 14, 2006

Artesian Bank
P.O. Box 1234
Thornville, FL 56789

Phone: 1.800.555.5098
Web: www.mynewcard.com

Step 1 <input type="checkbox"/> YES! I'd like to receive the Complimentary Companion Mini			
Step 2	SOCIAL SECURITY NUMBER [][]-[][]-[][][][]	DATE OF BIRTH [][]-[][]-[][][][]	HOME TELEPHONE ([][]) [][]-[][]-[][][][]
	WORK TELEPHONE ([][]) [][]-[][]-[][][][]	GROSS YEARLY HOUSEHOLD \$ [][][][]-[][][][]-[][][][]	
	MOTHER'S MAIDEN NAME [][][][]-[][][][]-[][][][]	E-MAIL ADDRESS (OPTIONAL) [][][][]-[][][][]-[][][][]@ [][][][]-[][][][]	
	<input type="checkbox"/> SELF-		
Step 3	<input type="checkbox"/> Please check here if you would like overdraft protection		Complete with your checking account number below [][][][]-[][][][]-[][][][]-[][][][]
			Overdraft protection is only available if you provide a valid Artesian Bank checking account
Step 4	Income from alimony child support, or separate maintenance payment need not be revealed if you do not wish us to consider it as a basis for repayment. Minimum annual income of \$9,000 (\$14,000 in		
By signing below, you agree to the authorizations, terms and conditions enclosed insert.	REQUEST AN ADDITIONAL CARD (Print the name of the person who is authorized to use your account.)		Yes, I choose to enroll in the optional Cardholder Security Plan. By initialing and returning the Acceptance Certificate, I acknowledge receipt of, and understand, the CSP Terms and Conditions on the enclosed insert. CSP can credit my Artesian credit card account up to \$12 Monthly Benefit Amounts ** in the event of Hospitalization, Total Disability, Involuntary Unemployment or Unpaid Family Leave of Absence, or up to \$10,000, in the event of death.
X SIGN HERE	PRINT NAME OF AUTHORIZED USER (FIRST NAME, MIDDLE INITIAL,		Yes _____ No _____ Initial here to accept CSP Initial here to decline CSP
Save Today on Balance Transfers with a 0% Fixed Introductory APR			
ACCOUNT	[][][][]-[][][][]-[][][][]-[][][][]	PAYEE	EXACT AMOUNT TO BE TRANSFERRED
ACCOUNT	[][][][]-[][][][]-[][][][]-[][][][]	PAYEE	\$ [][][][]-[][][][]-[][][][]
			\$ [][][][]-[][][][]-[][][][]

Balance transfer requests will be processed in the order above. Each balance transfer request must be at least \$100. Allow 3-4 weeks to process. Please see the enclosed insert for Fee and Rate Information.

To help process your request without delay, please provide complete account information with your signature above.

0% Fixed Introductory APR¹
for balance transfers
(until July 2007, then 15.99%)



You're Invited to Apply!

Dear Potential Customer:

If your "To Do" list is out of control, maybe it's time to simplify your finances. You've been a valued customer, and we'd like to say thanks by offering you an Artesian Bank Visa® Platinum Card with a 0% fixed introductory APR.

Just go to www.mynewcard.com or call us at 1.800.555.5098. You're invited to apply and there's no annual fee. Plus, your new card includes:

- ✓ **0% fixed introductory APR** for balance transfers (not cash advances)
- ✓ **No Annual Fee**
- ✓ **Credit Line** up to \$2,500
- ✓ **Overdraft Protection²** — Use your card as ODP on your Artesian Bank checking account
- ✓ **Total Security Protection® package**
- ✓ Zero liability for unauthorized card transactions that are reported promptly³, fraud monitoring, and privacy features

Reply by December 14, 2006 to accept this great introductory rate offer. Put it on your "To Do" list and call or go online today! Also, know that all payments are applied to the lowest APR first. Reply by December 14, 2006 to accept this offer. Your new Platinum Card is waiting for You!

Sincerely,

Kerry Hyvonen
Kerry Hyvonen

Senior Vice President

P.S. Get an instant response in a little as 10 seconds. Log on to our secure website at www.mynewcard.com. Or if you'd prefer, call 1.800.555.5098 or return the attached certificate by December 14, 2006 to accept this offer.

¹ In order to keep your low introductory APR you must keep your account open, continue to make all payments on time, and stay within your credit limits (see insert for details).

² All standard cash advance fees and finance charges are imposed whenever an overdraft protection advance takes place. Please see the Terms and Conditions on the enclosed insert for more information about Overdraft Protection.

³ Claims may be filed against posted and settled transactions subject to dollar limits and verifications, and must be reported within 60 days of the statement.

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ILZ-CA-0606

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ITA-POX-1NO-0606



Acceptance Certificate



*****AUTO**SCH 5-DIGIT 20813
A7869649827 C0A-V70
CN0606-008-709-659

Initial Credit: up to \$2,500
Reply by: December 14, 2006

Artesian Bank
P.O. Box 1234
Thornville, FL 56789

Phone: 1.800.555.5098
Web: www.mynewcard.com

Step 1 <input type="checkbox"/>					
Step 2	SOCIAL SECURITY NUMBER <input type="text"/>	DATE OF BIRTH <input type="text"/>	HOME TELEPHONE <input type="text"/>	WORK TELEPHONE <input type="text"/>	
	GROSS YEARLY HOUSEHOLD INCOME ¹ <input type="text"/>	MOTHER'S MAIDEN NAME <input type="text"/>	E-MAIL ADDRESS (OPTIONAL) <input type="text"/>		
<input type="checkbox"/>	SELF-EMPLOYED				
Step 3	<input type="checkbox"/> Please check here if you would like overdraft protection		Complete with your checking account number below		Overdraft protection is only available if you provide a valid Artesian Bank checking account.
Step 4	Income from alimony child support, or separate maintenance payment need not be revealed if you do not wish us to consider it as a basis for repayment. Minimum annual income of \$8,000 (\$14,000 in California)				
By signing below, you agree to the authorizations, terms and conditions on the enclosed insert. X SIGN HERE APPLICANT SIGNATURE			REQUEST AN ADDITIONAL CARD (Print the name of the person who is authorized to use your account.) PRINT NAME OF AUTHORIZED USER (FIRST NAME, MIDDLE INITIAL, LAST NAME)		Yes, I choose to enroll in the optional Cardholder Security Plan. By initialing and returning the Acceptance Certificate, I acknowledge receipt of, and understand, the CSP Term and Conditions on the enclosed insert. CSP can credit my Artesian credit card account up to \$12 Monthly Benefit Amounts** in the event of Hospitalization, Total Disability, Involuntary Unemployment or Unpaid Family Leave of Absence, or up to \$10,000, in the event of death. Yes: _____ No: _____ Initial here to accept CSP Initial here to decline CSP
Save Today on Balance Transfers with a 0% Fixed Introductory APR					
ACCOUNT NUMBER <input type="text"/>	ACCOUNT NUMBER <input type="text"/>	PAYEE <input type="text"/>	PAYEE <input type="text"/>	EXACT AMOUNT TO BE TRANSFERRED \$ <input type="text"/>	EXACT AMOUNT TO BE TRANSFERRED \$ <input type="text"/>

Balance transfer requests will be processed in the order above. Each balance transfer request must be at least \$100. Allow 3-4 weeks to process. Please see the enclosed insert for Fee and Rate Information.

To help process your request without delay, please provide complete account information with your signature above.

Your Artesian Bank Visa® Platinum comes with everything you expect in a premium credit card:

- Great Savings**
- **0% Introductory Rate on Balance Transfers**
 - **No Annual Fee**
 - **Low Balance Transfer Fees**

- Platinum Services**
- **Zero Liability** for unauthorized card transactions that are reported promptly.*
 - **Verified by Visa** for secure online shopping using a personal password.
 - **Free Extra Cards** for members of your family.
 - **Worldwide Acceptance**, use your Visa card everywhere Visa credit cards are accepted.
 - **Instant Cash Around the Globe at Over 800,000 ATM Locations.**

* Claims may be filed against posted and settled transactions subject to dollar limits and verification, and must be reported within 60 days of the statement.

- Helpful Hints**
- Shred statements, receipts and bills before you throw them away.
 - Be discreet when providing confidential data in a public setting.
 - Always take your ATM receipts with you.
 - Never give account numbers or personal information over the phone to unknown callers.
 - Don't carry your birth certificate or Social Security card in your wallet or purse.
 - Get more helpful information on how to guard against identity theft with Visa's Protect Your Identity guide.

To request your Artesian Bank Visa® Platinum Card:



Mail Your

Acceptance Certificate



Visit

www.mynewcard.com



Call

number printed on front of the letter

Solicitation and Application Disclosures
("Schumer Boxes")
Used in
Kansas City Interviews

Contents:

- Model SB-1 (front)
- Model SB-2 (front)
- Model SB-3 (front)
- Model SB-4 (front)
- Back of Schumer Box models

IMPORTANT DISCLOSURES

Important Information About Your Artesian Bank Credit Card Account

Fee and Rate Information

The terms of your Account, including any of the APRs or Fees set forth below, are subject to change by us in our discretion for any reason.

IMPORTANT INFORMATION ABOUT THIS ACCOUNT	
Annual Percentage Rate (APR) for purchases	A variable rate, currently 14.99% .
Other APRs	Balance Transfers: 0.0% fixed introductory rate until your statement closing date in July 2007; thereafter 15.99%. Cash Advances: A variable rate, currently 21.99% Default APR: Up to 34.99%
Variable rate information	Your APR on purchases and cash advances may vary with the market. The rate is determined monthly by adding the Prime Rate and: <ul style="list-style-type: none">• 7.00% for purchases• 14.00% for cash advances
Annual fee	None
Minimum finance charge	\$0.50
Grace Period for Purchases	At least 25 days from the statement Billing Date (provided you fully paid your New Balance from the previous statement by its Payment Due Date)
Balance Calculation Method for Purchases	Average Daily Balance (including new purchases)

Late payment fees: \$29 if your balance at the time is less than or equal to \$1,000; \$35 if your balance is over \$1,000. Over-the-credit limit fee: \$29. Foreign transaction fee: 2% of the U.S. dollar amount. Cash advance fee: 3% of the cash advance, but not less than \$5. Balance transfer fee: 3% of each transfer or check, but not less than \$5. Returned payment fee: \$29.

Changes to the terms of your Account may be based upon information in your credit report that changes your credit rating, competitive or market-related factors, and your performance with Artesian Bank.

We apply payments to low APR balances before higher APR balances, which means your finance charges will increase if you make transactions that are subject to higher APRs.

All of your APRs (including introductory rates) may automatically be increased up to the Default APR if you default under any Card Agreement that you have with us (including this card, or any other credit card you have with us) because you fail to make a payment to us when due, you exceed your credit line, or you make a payment that is not honored.

The Prime Rate used in the APR calculations associated with your Account is determined on the last day of each month by taking the highest Prime Rate published in

the Money Rates section of The Wall Street Journal in effect on the first day of your billing cycle that ends in the calendar month following the Index Date. All disclosed variable rates are based on the Prime Rate of 7.75% in effect on November 1, 2006.

The information listed above is correct as of November 1, 2006 and is subject to change at any time without prior notice. To receive the most recent information, please write to Artesian Bank, P.O. Box 53137, Phoenix, AZ 85072-3137.

Authorizations, Terms and Conditions

By applying for a credit card with Artesian Bank, N.A. (USA) ("We", "Us", or "Our"), you agree to the following:

- (1) You authorize us to obtain credit reports in connection with (a) your request for and our issuance of an account; (b) the collection, review or renewal of your account; and (c) any change to your credit limit or terms of your account. We may report our credit experience with you to others.
- (2) You are a U.S. Citizen or a permanent resident of the U.S.
- (3) You will receive a Cardholder Agreement with your credit card(s). The Cardholder Agreement becomes effective and you agree to its terms by either using your account or by not closing your account within three days of receipt of your Cardholder Agreement.
- (4) You certify that you are of legal contracting age and that you have read all of the terms, authorizations and disclosures contained herein. You understand that the information that you provide is given obtain credit from us and represent and warrant that it is true and complete.
- (5) Delaware and applicable Federal law will govern your agreement with us. Disputes, claims or controversies shall, upon election by you or us, be resolved by binding arbitration.
- (6) Your initial credit line and your initial margin on purchases will be based on information contained in your current credit report and information you provide on your Acceptance Certificate. The minimum credit line is \$500.
- (7) If you are not the person to whom this offer was addressed, then you understand, in connection with your response to our original offer, we reserve the right, in our sole discretion, to either: (1) decline your response because the original offer was not intended for you, or (2) treat your response as an application for an account with the same terms described in this offer. In all instances, you agree that we may review your credit and, if we issue credit to you, you will be subject to all the terms contained in the offer extended to you.

IMPORTANT DISCLOSURES

Important Information About Your Artesian Bank Credit Card Account

Fee and Rate Information

The terms of your Account, including any of the APRs or Fees set forth below, are subject to change by us in our discretion for any reason.

INFORMATION ABOUT THIS ACCOUNT	
Annual Percentage Rate (APR) for purchases	A variable rate ¹ , currently 14.99%.
APR for balance transfers	0.0% introductory rate until your statement closing date in July 2007; thereafter 15.99%
APR for cash advances	A variable rate ¹ , currently 21.99%
Default APR²	Up to 34.99%
Initial credit limit	\$500 – \$2,500
Minimum finance charge	\$0.50

INFORMATION ABOUT FEES	
Annual fee	None
Transaction fees	<ul style="list-style-type: none">• Balance transfer: 3% of the amount of each transfer or check, but not less than \$5• Cash advance: 3% of the cash advance, but not less than \$5• Foreign transaction: 2% of the U.S. dollar amount
Penalty fees	<ul style="list-style-type: none">• Late payment: \$29 if your balance at the time the late payment fee is assessed is less than or equal to \$1,000. If your balance at that time is over \$1,000, fees for late payments will be \$35.• Over-the-credit-limit: \$29• Returned payment: \$29

HOW YOUR ACTIONS MAY AFFECT YOUR RATES	
Increase to Default APR:	
All of your APRs (including introductory rates) may automatically be increased up to the Default APR if:	
<ul style="list-style-type: none">• You fail to make a payment to us when due;• You exceed your credit line;• You make a payment that is not honored; or• You default in any of the above ways on another credit card account that you have with us.	

¹ Your APR on purchases and cash advances may vary with the market. The rate is determined monthly by adding the Prime Rate and:

- 7.00% for purchases
- 14.00% for cash advances

² Your APR for purchases, balance transfers, and cash advances may increase to the Default APR in certain situations--see above for details.

GRACE PERIOD: Your grace period for repayment of the balance for purchases is at least 25 days when you pay your balance in full each month.

METHOD USED FOR CALCULATING BALANCES: Your balance for purchases will be calculated using an average daily balance method that includes new purchases.

PAYMENT ALLOCATION: We apply payments to low APR balances before higher APR balances, which means your finance charges will increase if you make transactions that are subject to higher APRs.

Changes to the terms of your Account may be based upon information in your credit report that changes your credit rating, competitive or market-related factors, and your performance with Artesian Bank.

The Prime Rate used in the APR calculations associated with your Account is determined on the last day of each month by taking the highest Prime Rate published in the Money Rates section of The Wall Street Journal in effect on the first day of

your billing cycle that ends in the calendar month following the Index Date. All disclosed variable rates are based on the Prime Rate of 7.99% in effect on November 1, 2006.

The information listed above is correct as of November 1, 2006 and is subject to change at any time without prior notice. To receive the most recent information, please write to Artesian Bank, P.O. Box 53137, Phoenix, AZ 85072-3137.

Authorizations, Terms and Conditions

By applying for a credit card with Artesian Bank, N.A. (USA) ("We", "Us", or "Our"), you agree to the following:

- (1) You authorize us to obtain credit reports in connection with (a) your request for and our issuance of an account; (b) the collection, review or renewal of your account; and (c) any change to your credit limit or terms of your account. We may report our credit experience with you to others.
- (2) You are a U.S. Citizen or a permanent resident of the U.S.
- (3) You will receive a Cardholder Agreement with your credit card(s). The Cardholder Agreement becomes effective and you agree to its terms by either using your account or by not closing your account within three days of receipt of your Cardholder Agreement.
- (4) You certify that you are of legal contracting age and that you have read all of the terms, authorizations and disclosures contained herein. You understand that the information that you provide is given obtain credit from us and represent and warrant that it is true and complete.

- (5) Delaware and applicable Federal law will govern your agreement with us. Disputes, claims or controversies shall, upon election by you or us, be resolved by binding arbitration.
- (6) Your initial credit line and your initial margin on purchases will be based on information contained in your current credit report and information you provide on your Acceptance Certificate. The minimum credit line is \$500.
- (7) If you are not the person to whom this offer was addressed, then you understand, in connection with your response to our original offer, we reserve the right, in our sole discretion, to either: (1) decline your response because the original offer was not intended for you, or (2) treat your response as an application for an account with the same terms described in this offer. In all instances, you agree that we may review your credit and, if we issue credit to you, you will be subject to all the terms contained in the offer extended to you.

IMPORTANT DISCLOSURES

Important Information About Your Artesian Bank Credit Card Account

Fee and Rate Information

The terms of your Account, including any of the APRs or Fees set forth below, are subject to change by us in our discretion for any reason.

INFORMATION ABOUT THIS ACCOUNT	
Annual Percentage Rate (APR) for purchases	A variable rate ¹ , currently 14.99%.
APR for balance transfers	0.0% introductory rate until your statement closing date in July 2007; thereafter 15.99%
APR for cash advances	A variable rate ¹ , currently 21.99%
Default APR²	Up to 34.99%
Initial credit limit	\$500 – \$2,500
Minimum finance charge	\$0.50

INFORMATION ABOUT FEES	
Annual Fee	None
Transaction Fees	
• Balance Transfer	3% of the amount of each transfer or check, but not less than \$5
• Cash Advance	3% of the cash advance, but not less than \$5
• Foreign Transaction	2% of transaction in U.S. dollars
Penalty Fees	
• Late Payment	\$29 if balance is less than or equal to \$1,000; \$35 if balance is more than \$1,000
• Over-the-Credit Limit	\$29
• Returned Payment	\$29

¹ Your APR on purchases and cash advances may vary with the market. The rate is determined monthly by adding the Prime Rate and:

- 7.00% for purchases
- 14.00% for cash advances

² Your APR for purchases, balance transfers, and cash advances may increase to the Default APR in certain situations--see below for details.

HOW YOUR ACTIONS MAY EFFECT YOUR RATES:

All of your APRs (including introductory rates) may automatically be increased up to the Default APR if you default under any Card Agreement that you have with us (including this card, or any other credit card you have with us) because you fail to make a payment to us when due, you exceed your credit line, or you make a payment that is not honored.

GRACE PERIOD: Your grace period for repayment of the balance for purchases is at least 25 days when you pay your balance in full each month.

METHOD USED FOR CALCULATING BALANCES: Your balance for purchases will be calculated using an average daily balance method that includes new purchases.

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OTHER ACCOUNT INFORMATION: Changes to the terms of your Account may be based upon information in your credit report that changes your credit rating, competitive or market-related factors, and your performance with Artesian Bank.

The Prime Rate used in the APR calculations associated with your Account is determined on the last day of each month by taking the highest Prime Rate published in the Money Rates section of The Wall Street Journal in effect on the first day of your billing cycle that ends in the calendar month following the Index Date. All disclosed variable rates are based on the Prime Rate of 7.99% in effect on May 1, 2006.

The information listed above is correct as of November 1, 2006 and is subject to change at any time without prior notice. To receive the most recent information, please write to Artesian Bank, P.O. Box 53137, Phoenix, AZ 85072-3137.

Authorizations, Terms and Conditions

By applying for a credit card with Artesian Bank, N.A. (USA) ("We", "Us", or "Our"), you agree to the following:

- (1) You authorize us to obtain credit reports in connection with (a) your request for and our issuance of an account; (b) the collection, review or renewal of your account; and (c) any change to your credit limit or terms of your account. We may report our credit experience with you to others.
- (2) You are a U.S. Citizen or a permanent resident of the U.S.
- (3) You will receive a Cardholder Agreement with your credit card(s). The Cardholder Agreement becomes effective and you agree to its terms by either using your account or by not closing your account within three days of receipt of your Cardholder Agreement.
- (4) You certify that you are of legal contracting age and that you have read all of the terms, authorizations and disclosures contained herein. You understand that the information that you provide is given obtain credit from us and represent and warrant that it is true and complete.
- (5) Delaware and applicable Federal law will govern your agreement with us. Disputes, claims or controversies shall, upon election by you or us, be resolved by binding arbitration.
- (6) Your initial credit line and your initial margin on purchases will be based on information contained in your current credit report and information you provide on your Acceptance Certificate. The minimum credit line is \$500.
- (7) If you are not the person to whom this offer was addressed, then you understand, in connection with your response to our original offer, we reserve the right, in our sole discretion, to either; (1) decline your response because the original offer was not intended for you, or (2) treat your response as an application for an account with the same terms described in this offer. In all instances, you agree that we may review your credit and, if we issue credit to you, you will be subject to all the terms contained in the offer extended to you.


IMPORTANT DISCLOSURES

Important Information About Your Artesian Bank Credit Card Account

Fee and Rate Information

The terms of your Account, including any of the APRs or Fees set forth below, are subject to change by us in our discretion for any reason.

PRICING AND FEES			
Purchase APR	14.99% Variable ¹	Introductory Balance Transfer APR	0.0%
Initial Credit Limit	\$500 – \$2,500	Balance Transfer APR after July 2007	15.99%
Annual Fee	None	Balance Transfer Fee	3% or \$5 min.
Late Fee	\$29 if balance is less than OR EQUAL TO \$1,000; \$35 if balance is more than \$1,000	Cash Advance APR	21.99% Variable ¹
Over-the-Credit-Limit Fee	\$29	Cash Advance Fee	3% or \$5 min.
Returned Payment Fee	\$29	Foreign Transaction Fee	2% of U.S. dollar amount
Default APR²	Up to 34.99%	Minimum Finance Charge	\$0.50

HOW YOUR ACTIONS MAY AFFECT YOUR RATES	
You fail to make a payment to us when due.	 <p>All of your account APRs may be increased up to the Default APR above.</p>
You exceed your credit line.	
You make a payment that is not honored.	
You default in any of the above ways on another credit card account that you have with us.	

¹ Your APR on purchases and cash advances may vary with the market. The rate is determined monthly by adding the Prime Rate and:

- 7.00% for purchases
- 14.00% for cash advances

² Your APR for purchases, balance transfers, and cash advances may increase to the Default APR in certain situations--see above for details.

GRACE PERIOD: Your grace period for repayment of the balance for purchases is at least 25 days when you pay your balance in full each month.

METHOD USED FOR CALCULATING BALANCES: Your balance for purchases will be calculated using an average daily balance method that includes new purchases.

PAYMENT ALLOCATION: We apply payments to low APR balances before higher APR balances, which means your finance charges will increase if you make transactions that are subject to higher APRs.

OTHER ACCOUNT INFORMATION: Changes to the terms of your Account may be based upon information in your credit report that changes your credit rating, competitive or market-related factors, and your performance with Artesian Bank.

The Prime Rate used in the APR calculations associated with your Account is determined on the last day of each month by taking the highest Prime Rate published in the Money Rates section of The Wall Street Journal in effect on the first day of your billing cycle that ends in the calendar month following the Index Date. All disclosed variable rates are based on the Prime Rate of 7.99% in effect on November 1, 2006.

The information listed above is correct as of November 1, 2006 and is subject to change at any time without prior notice. To receive the most recent information, please write to Artesian Bank, P.O. Box 53137, Phoenix, AZ 85072-3137.

Authorizations, Terms and Conditions

By applying for a credit card with Artesian Bank, N.A. (USA) ("We", "Us", or "Our"), you agree to the following:

- (1) You authorize us to obtain credit reports in connection with (a) your request for and our issuance of an account; (b) the collection, review or renewal of your account; and (c) any change to your credit limit or terms of your account. We may report our credit experience with you to others.
- (2) You are a U.S. Citizen or a permanent resident of the U.S.
- (3) You will receive a Cardholder Agreement with your credit card(s). The Cardholder Agreement becomes effective and you agree to its terms by either using your account or by not closing your account within three days of receipt of your Cardholder Agreement.
- (4) You certify that you are of legal contracting age and that you have read all of the terms, authorizations and disclosures contained herein. You understand that the information that you provide is given obtain credit from us and represent and warrant that it is true and complete.
- (5) Delaware and applicable Federal law will govern your agreement with us. Disputes, claims or controversies shall, upon election by you or us, be resolved by binding arbitration.
- (6) Your initial credit line and your initial margin on purchases will be based on information contained in your current credit report and information you provide on your Acceptance Certificate. The minimum credit line is \$500.
- (7) If you are not the person to whom this offer was addressed, then you understand, in connection with your response to our original offer, we reserve the right, in our sole discretion, to either: (1) decline your response because the original offer was not intended for you, or (2) treat your response as an application for an account with the same terms described in this offer. In all instances, you agree that we may review your credit and, if we issue credit to you, you will be subject to all the terms contained in the offer extended to you.

USA PATRIOT Act

To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify and record information that identifies each person who opens an account. What this means for you: When you apply for an account, we will ask for your name, address, date of birth and other information that will allow us to identify you. We may ask you to provide us with other identifying documents.

Overdraft Protection

If you link your Artesian Bank checking account to your credit card for Overdraft Protection, we will automatically transfer funds in multiples of \$100 (\$25 if you opened your checking account in Washington or Idaho) from your credit card account to cover any overdraft on your checking account, as long as your credit card account has sufficient available credit and you are not in default under your Cardholder Agreement. A fee of 3% of the amount transferred (\$10 minimum) will apply and the cash advance will accrue interest at the APR stated in your

Cardholder Agreement. If the available balance on your credit card account is insufficient to over the amount required by the overdraft (in the multiple of funds stated above), we may advance the funds even if it causes your credit card account to exceed your credit limit. In that event, an over credit limit fee will be applied. Linking Overdraft Protection from your Artesian Bank checking account to your credit card will end any Overdraft Protection connections to your Artesian Bank savings account. Please see your Cardholder Agreement for additional details.

State Law Disclosures

Notice to New York State Residents: Consumer reports may be requested in connection with the processing of your application and any resulting account. Upon request, we will inform you of the names and addresses of any consumer reporting agencies which have provided us with such reports. **Notice to Ohio Residents:** Ohio laws against discrimination require that all creditors make credit equally available to all creditworthy customers, and that credit reporting agencies maintain separate credit histories on each individual upon request. The Ohio Civil Rights

Commission administers compliance with this law. **Notice to Married Wisconsin Residents:** No agreement, individual statement, or court order applying to marital property will adversely affect the creditor's interest unless the creditor, prior to the time credit is extended, is furnished with a copy of the agreement, statement, or order, or has actual knowledge of the adverse provision when the obligation to the creditor is incurred. **Notice to California Residents:** Regardless of your marital status, you may apply for credit in your name alone.

Billing Rights Summary

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 us in a separate letter at the "Billing Inquiries" address on your billing statement. Write us as soon as possible. We must hear from you no later than 60 days after we send you the first bill on which the error or problem appeared. You can telephone us, but doing so will not preserve your rights.

In your letter, give us the following information:

- Your name and account number.
- The dollar amount of the suspected error.
- 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 credit card 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 Notices

We must acknowledge your letter within 30 days, unless we 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, and you will have to make any missed payments on the questioned amount. In either case, we will send you a statement of the amount you owe and the date that it is due.

If you fail to pay the amount that we think you owe, we may report you as delinquent. However, if our explanation does not satisfy you and you write us within ten days telling us that 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. We must tell anyone we report you to that the matter has been settled between us when it finally is.

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 Rate for Credit Card Purchases

If you have a problem with the quality of property or services that you purchased with a credit card, and you have tried in good faith to correct the problem with the merchant, you may not have 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 your home state, within 100 miles of your current mailing address; and
- 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.

Periodic Finance Charge Calculation

For each day in the Billing Cycle, we take your beginning balance, add any new transactions or other debits, and subtract any payments or other credits. This gives us that day's Daily Balance. We multiply this Daily Balance by the Daily Periodic Rate to get your Periodic Finance Charges for that day. We add these Periodic Finance Charges to your Daily Balance to get the beginning balance for the next day. To get your total Periodic Finance Charges for that Billing Cycle, we add all the Daily Periodic Finance Charges and round the sum to the next highest cent.

This amount is also equal to the Average Daily Balance multiplied by the Daily Periodic Rate and then multiplied by the number of days in the Billing Cycle. To determine the Average Daily Balance, we add all your Daily Balances and divide by the number of days in the Billing Cycle. Periodic Finance Charges begin to accrue from the later of the transaction date or the first day of the Billing Cycle in which the transaction appears.

Balance Transfer

Artesian Bank reserves the right to decline to process any balance transfer for any reason. If you have a dispute with a creditor and pay that balance by transferring it to your new Visa Platinum Card account, you may lose certain dispute rights. By making a balance transfer, you understand that future payments will be applied to promotional offers (which are normally at a lower interest rate) Prior to any existing or new regular balances on the account. It will take 3-4 weeks to process your

request. Therefore, you will still need to make payments on your other accounts to keep them current until your request is complete. Your Balance Transfer requests will be processed in the order listed on the Balance Transfer form. We will make the maximum possible partial payment. Partial payment will not be made on more than one account. Finance charges (if and where applicable) will begin on the date that the balance transfer posts to your Artesian Bank account.

◆Cardholder Security Plan® Terms and Conditions

The Cardholder Security Plan ("CSP" or "the Plan") is an *optional* product available on you Artesian Bank credit card account.

Whether or not you purchase CSP will not affect your application for credit or the terms of any existing credit agreement you have with Artesian Bank

- **Benefits:** In return for a Monthly Program Fee, the Plan can credit up to twelve (12) Monthly Benefit Amounts per unrelated Protected Event to your credit card account if You or one (1) Authorized User become Hospitalized, Totally Disabled, Involuntarily Unemployed, or take an Unpaid Family Leave of Absence. In the event of your Death, the Plan can credit a lump sum benefit amount equal to the Outstanding Balance on the Date of Loss or \$10,000, whichever is less.

- ◆◆ **The Monthly Benefit Amount is designed to make the Minimum Monthly Payment on your credit card account, but may not be sufficient in all cases. Please refer to the Addendum to the Cardholder Agreement for additional details.**

- **Cost:** The Monthly Program Fee is 79¢ per \$100 of your Monthly Outstanding Balance up to \$10,000. For your convenience, the fee is automatically billed to

your credit card account. During months when you have no outstanding balance on your statement, there is no charge for the Plan.

- **Eligibility Exclusions:** There are eligibility requirements, conditions and exclusions that could prevent you from receiving benefits under the Plan. Please refer to the Addendum to the Cardholder Agreement for a full explanation of all requirements, conditions and exclusions.

- **Termination:** If, at any time during the first thirty (30) days after the date your protection begins, you cancel the optional Plan, all CSP fees billed to your account will be refunded. You have the right to cancel CSP at any time by making a written or telephonic request to the Plan Administrator. The Plan will automatically terminate under the following circumstances: you no longer have your credit card account with Artesian Bank; your Protected Account is closed due to account charge-off; or you owe four (4) or more previous Minimum Payments due on the Protected Account.

- **The Plan Administrator is CSI Processing, LLC at P.O. Box 34888, Omaha, NE 68134-0888; 1.888.668.6938 Monday – Friday, 7:00 a.m. – 10:00 p.m. Central Time.**

Periodic Statements Used in Kansas City Interviews

Contents:

- Model PS-1 (front)
- Model PS-2 (front)
- Model PS-3 (front)
- Model PS-4 (front)
- Back of periodic statements



Artesian Bank



ACCOUNT ACTIVITY

Statement Closing Date	01/19/07
Days in Billing Cycle	30
Previous Balance	\$1,092.61
Payments	\$100.00
Credits	\$0.00
Purchases & Other Charges	\$76.09
Debits	\$0.00
Cash Advances	\$43.00
Total FINANCE CHARGE	\$18.25
New Balance	\$1,129.95

For prompt credit, mail payments to:
 PO BOX 5147
 SIOUX FALLS, SD 57117-5147
 Payment sent to any other address may delay crediting your account up to 5 days.

ACCOUNT SUMMARY

Account Number	1234567890123456
Credit Limit	\$1,500.00
Available Credit as of 01/19/07	\$370.05
New Balance	\$1,129.95
Payment Due Date	02/13/07
Amount Due This Period	+ \$34.00
Past Due Amount	+ \$0.00
Total Minimum Amount Due	= \$34.00*

*If the minimum required payment is not paid by the due date listed on this statement, you may be subject to a \$35 late fee.

QUESTIONS?
 Call Customer Service 1-800-987-5521
 Lost or Stolen Credit Card 1-800-987-5521

Please send billing inquiries and correspondence to:
 PO BOX 5524, SIOUX FALLS, SD 57117-8824

TRANSACTIONS

Trans Date	Post Date	Reference Number	Description of Transaction or Credit	Amount
12/26	12/28	5884186PS0388W6YM	CITGO FOOD MART #74 ATLANTA GA	\$2.05
12/29	12/29	9525156489SFD4545Q	LATE FEE	\$35.00
01/03	01/03	854338203F8000Z5	PYMT THANK YOU 5147 E SIOUX FALLS SD	\$100.00-
01/05	01/05	0544400060ZLV72VL	CVS PHARMACY #7338 003 ATLANTA GA	\$12.11
01/05	01/05	55541860705RDYD0X	ECKERD DRUGS #2708 ATLANTA GA	\$4.63
01/06	01/06	1542202074TWWZV48	BESTBANK/ACCESS CASH ATLANTA GA	\$21.50
01/06	01/06		CASH ADVANCE FEE *FINANCE CHARGE*	\$2.00
01/06	01/06	554328608008W90M0	EASY SAVER 877-844-9564 PA	\$14.95
01/08	01/08	1542202083J78OPXW	BESTBANK/ACCESS CASH ATLANTA GA	\$21.50
01/08	01/08		CASH ADVANCE FEE *FINANCE CHARGE*	\$2.00
01/09	01/09	054830709LYMRPT4L	WAYFIELD FOODS #1 S9B ATLANTA GA	\$7.35

FINANCE CHARGES

Type of Balance	% Periodic Rate	Corresponding Annual Percentage Rate	Balance Subject to Finance Charge	Finance Charges due to APR	ANNUAL PERCENTAGE RATE*
Purchases	1.249%	14.99%	\$1,034.69	\$12.92	14.99%
Cash Advances	1.833%	21.99%	\$72.46	\$1.33	88.27%

* The Annual Percentage Rate includes the cost of both interest and certain types of fees (such as balance transfer and cash advance fees). If your Annual Percentage Rate is higher than your Corresponding Annual Percentage Rate, it is because you were charged some of their fees.

BANK NEWS

IMPORTANT NOTICE: We are changing the terms of the Cardmember Agreement that governs your credit card Account with us. These changes are set forth on and/or enclosed in this statement. Please read the information carefully and retain it for your records.

NOTICE: SEE REVERSE SIDE FOR IMPORTANT INFORMATION

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Please detach this portion and return with your payment to insure proper credit. Retain upper portion for your records.

Please indicate address change and additional cardholder requests on the reverse side.

Artesian Bank
 P.O. Box 5147
 Sioux Falls, SD 57117-5147

Account Number:	1234567890123456
New Balance	\$1,129.95
PAYMENT INFORMATION	
Payment Due Date	02/13/07
Amount Due This Period	+ \$34.00
Past Due Amount	+ \$0.00
Total Minimum Amount Due	= \$34.00

AMOUNT ENCLOSED: \$

WARNING: Making only the minimum payment will increase the interest you pay and the time it takes to repay your balance. For example, if you had a balance of \$1,000 at an interest rate of 17% and always paid only the minimum required, it would take over 7 years to repay the balance in full. For an estimate of the time it would take to repay your actual balance making only minimum payments, call this toll-free telephone number: 1-800-555-5555. 35806





Artesian Bank



ACCOUNT ACTIVITY

Statement Closing Date	01/19/07
Previous Balance	\$1,092.61
Payments	\$100.00
Credits	\$0.00
Purchases	\$41.09
Debits	\$0.00
Cash Advances	\$43.00
Total INTEREST CHARGE	\$14.25
Total FEES	\$39.00
New Balance	\$1,129.95

For prompt credit, mail payments to:
 PO BOX 5147
 SIOUX FALLS, SD 57117-5147
 Payment sent to any other address may delay crediting your account up to 5 days.

ACCOUNT SUMMARY

Account Number	1234567890123456
Credit Limit	\$1,500.00
Available Credit as of 01/19/07	\$370.05
New Balance	\$1,129.95
Payment Due Date	02/13/07 (before 12:00 noon)
Amount Due This Period	+ \$34.00
Past Due Amount	+ \$0.00
Total Minimum Amount Due	= \$34.00*

*If the minimum required payment is not paid by the due date listed on this statement, you may be subject to a \$35 late fee and your APRs may be increased up to the default rate below.

QUESTIONS?
 Call Customer Service 1-800-987-5521
 Lost or Stolen Credit Card 1-800-987-5521

Please send billing inquiries and correspondence to:
 PO BOX 5524, SIOUX FALLS, SD 57117-8824

TRANSACTIONS

Trans Date	Post Date	Reference Number	Description of Transaction or Credit	Amount
12/26	12/28	5884186PS0388W6YM	CITGO FOOD MART #74 ATLANTA GA	\$2.05
12/29	12/29	9525156489SFD4545Q	LATE FEE	\$35.00
01/03	01/03	854338203FS8O00Z5	PYMT THANK YOU 5147 E SIOUX FALLS SD	\$100.00-
01/05	01/05	0544400060ZLV72VL	CVS PHARMACY #7338 003 ATLANTA GA	\$12.11
01/05	01/05	55541860705RDYD0X	ECKERD DRUGS #2708 ATLANTA GA	\$4.63
01/06	01/06	1542202074TWWZV48	BESTBANK/ACCESS CASH ATLANTA GA	\$21.50
01/06	01/06		CASH ADVANCE FEE	\$2.00
01/06	01/06	554328608008W90M0	EASY SAVER 877-844-9564 PA	\$14.95
01/08	01/08	1542202083J78OPXW	BESTBANK/ACCESS CASH ATLANTA GA	\$21.50
01/08	01/08		CASH ADVANCE FEE	\$2.00
01/09	01/09	054830709LYMRPT4L	WAYFIELD FOODS #1 S9B ATLANTA GA	\$7.35

INTEREST CHARGES

Type of Balance	APR	Balance Subject to Interest Charge	Interest Charged
Purchases	14.99%	\$1,034.69	\$12.92
Cash Advances	21.99%	\$72.46	\$1.33

Default Rate = Up to 34.99%

BANK NEWS

IMPORTANT NOTICE: We are changing the terms of the Cardmember Agreement that governs your credit card Account with us. These changes are set forth on and/or enclosed in this statement. Please read the information carefully and retain it for your records.

As of 2/1/07, all of your account APRs will increase to the default rate of 34.99%.

NOTICE: SEE REVERSE SIDE FOR IMPORTANT INFORMATION

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Please indicate address change and additional cardholder requests on the reverse side.

Artesian Bank
 P.O. Box 5147
 Sioux Falls, SD 57117-5147

Account Number: 1234567890123456
New Balance \$1,129.95

PAYMENT INFORMATION

Payment Due Date 02/13/07
 Amount Due This Period + \$34.00
 Past Due Amount + \$0.00
Total Minimum Amount Due = **\$34.00***

AMOUNT ENCLOSED: \$

*WARNING: Making only the minimum payment will increase the interest you pay and the time it takes to repay your balance. For example, if you had a balance of \$1,000 at an interest rate of 17% and always paid only the minimum required, it would take over 7 years to repay the balance in full. For an estimate of the time it would take to repay your actual balance making only minimum payments, call this toll-free telephone number: 1-800-555-5555. 35806





Artesian Bank



ACCOUNT ACTIVITY

Statement Closing Date	01/19/07
Days in Billing Cycle	30
Previous Balance	\$1,092.61
Payments	\$100.00
Credits	\$0.00
Purchases & Other Charges	\$41.09
Debits	\$0.00
Cash Advances	\$43.00
Total INTEREST AND FEES	\$53.25
New Balance	\$1,129.95

For prompt credit, mail payments to:
 PO BOX 5147
 SIOUX FALLS, SD 57117-5147
 Payment sent to any other address may delay crediting your account up to 5 days.

ACCOUNT SUMMARY

Account Number	1234567890123456
Credit Limit	\$1,500.00
Available Credit as of 01/19/07	\$370.05
New Balance	\$1,129.95
Payment Due Date	02/13/07
Amount Due This Period	+ \$34.00
Past Due Amount	+ \$0.00
Total Minimum Amount Due	= \$34.00

QUESTIONS?
 Call Customer Service 1-800-987-5521
 Lost or Stolen Credit Card 1-800-987-5521

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 PO BOX 5524, SIOUX FALLS, SD 57117-8824

TRANSACTIONS

Trans Date	Post Date	Reference Number	Description of Transaction or Credit	Amount
PAYMENTS AND OTHER CREDITS				
01/03	01/03	854338203FS8000Z5	PYMT THANK YOU 5147 E SIOUX FALLS SD	\$100.00-
PURCHASES				
12/26	12/28	5884186PS0388W6YM	CITGO FOOD MART #74 ATLANTA GA	\$2.05
01/05	01/05	0544400060ZLV72VL	CVS PHARMACY #7338 003 ATLANTA GA	\$12.11
01/05	01/05	55541860705RDYD0X	ECKERD DRUGS #2708 ATLANTA GA	\$4.63
01/06	01/06	554328608008W90M0	EASY SAVER 877-844-9564 PA	\$14.95
01/09	01/09	054830709LYMRPT4L	WAYFIELD FOODS #1 S9B ATLANTA GA	\$7.35
CASH ADVANCES				
01/06	01/06	1542202074TWWZV48	BESTBANK/ACCESS CASH ATLANTA GA	\$21.50
01/08	01/08	1542202083J78OPXW	BESTBANK/ACCESS CASH ATLANTA GA	\$21.50
FEES AND OTHER CHARGES				
12/29	12/29	9525156489SFD4545Q	LATE FEE	\$35.00
01/06	01/06		CASH ADVANCE FEE	\$2.00
01/08	01/08		CASH ADVANCE FEE	\$2.00

FINANCE CHARGES

Type of Balance	Monthly Interest Rate	APR	Balance Subject to Interest Charge	Interest Charge
Purchases	1.249%	14.99%	\$1,034.69	\$12.92
Cash Advances	1.833%	21.99%	\$72.46	\$1.33

Default Rate = Up to 34.99%

BANK NEWS

WARNING: Making only the minimum payment will increase the interest you pay and the time it takes to repay your balance. For example, if you had a balance of \$1,000 at an interest rate of 17% and always paid only the minimum required, it would take over 7 years to repay the balance in full. For an estimate of the time it would take to repay your actual balance making only minimum payments, call this toll-free telephone number: 1-800-555-5555.

If the minimum required payment is not paid by the due date listed on this statement, you may be subject to a \$35 late fee and your APRs may be increased up to the default rate above.

IMPORTANT NOTICE: We are changing the terms of the Cardmember Agreement that governs your credit card Account with us. These changes are set forth on and/or enclosed in this statement. Please read the information carefully and retain it for your records.

NOTICE: SEE REVERSE SIDE FOR IMPORTANT INFORMATION

5825 TRD 2 100 7 Page 1 of 1 8382 4000 USM2 0003 050118 01AC5825 35ADM

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Please indicate address change and additional cardholder requests on the reverse side.

Artesian Bank
 P.O. Box 5147
 Sioux Falls, SD 57117-5147

Account Number: 1234567890123456
New Balance \$1,129.95

PAYMENT INFORMATION

Payment Due Date 02/13/07 (before 12:00 noon)
 Amount Due This Period + \$34.00
 Past Due Amount + \$0.00
Total Minimum Amount Due = \$34.00

AMOUNT ENCLOSED: \$





Artesian Bank



ACCOUNT ACTIVITY

Statement Closing Date	01/19/07
Days in Billing Cycle	30
Previous Balance	\$1,092.61
Payments	\$100.00
Credits	\$0.00
Purchases & Other Charges	\$76.09
Debits	\$0.00
Cash Advances	\$43.00
Total FINANCE CHARGE	\$18.25
New Balance	\$1,129.95

For prompt credit, mail payments to:
 PO BOX 5147
 SIOUX FALLS, SD 57117-5147
 Payment sent to any other address may delay crediting your account up to 5 days.

ACCOUNT SUMMARY

Account Number	1234567890123456
Credit Limit	\$1,500.00
Available Credit as of 01/19/07	\$370.05
New Balance	\$1,129.95
Payment Due Date	02/13/07
Amount Due This Period	+ \$34.00
Past Due Amount	+ \$0.00
Total Minimum Amount Due	= \$34.00

WARNING: Making only the minimum payment will increase the interest you pay and the time it takes to repay your balance. For example, if you had a balance of \$1,000 at an interest rate of 17% and always paid only the minimum required, it would take over 7 years to repay the balance in full. For an estimate of the time it would take to repay your actual balance making only minimum payments, call this toll-free telephone number: 1-800-555-5555.

QUESTIONS?
 Call Customer Service 1-800-987-5521
 Lost or Stolen Credit Card 1-800-987-5521

Please send billing inquiries and correspondence to:
 PO BOX 5524, SIOUX FALLS, SD 57117-8824

TRANSACTIONS

Trans Date	Post Date	Reference Number	Description of Transaction or Credit	Amount
12/26	12/28	5884186PS0388W6YM	CITGO FOOD MART #74 ATLANTA GA	\$2.05
12/29	12/29	9525156489SFD4545Q	LATE FEE	\$35.00
01/03	01/03	854338203FS8000Z5	PYMT THANK YOU 5147 E SIOUX FALLS SD	\$100.00-
01/05	01/05	0544400060ZLV72VL	CVS PHARMACY #7338 003 ATLANTA GA	\$12.11
01/05	01/05	55541860705RDYD0X	ECKERD DRUGS #2708 ATLANTA GA	\$4.63
01/06	01/06	1542202074TWWZV48	BESTBANK/ACCESS CASH ATLANTA GA	\$21.50
01/06	01/06		CASH ADVANCE FEE *FINANCE CHARGE*	\$2.00
01/06	01/06	554328608008W90M0	EASY SAVER 877-844-9564 PA	\$14.95
01/08	01/08	1542202083J78OPXW	BESTBANK/ACCESS CASH ATLANTA GA	\$21.50
01/08	01/08		CASH ADVANCE FEE *FINANCE CHARGE*	\$2.00
01/09	01/09	054830709LYMRPT4L	WAYFIELD FOODS #1 S9B ATLANTA GA	\$7.35

FINANCE CHARGES

Type of Balance	Annual Percentage Rate (APR)	Balance Subject to APR	Finance Charges	Other Finance Charges	Effective APR*
Purchases	14.99%	\$1,034.69	\$12.92	\$0.00	14.99%
Cash Advances	21.99%	\$72.46	\$1.33	\$4.00	88.27%

Default Rate = Up to 34.99%

* The Effective APR includes the cost of both interest and certain types of fees (such as balance transfer and cash advance fees). If your Effective APR is higher than your APR, it is because you were charged some of these fees.

BANK NEWS

IMPORTANT NOTICE: We are changing the terms of the Cardmember Agreement that governs your credit card Account with us. These changes are set forth on and/or enclosed in this statement. Please read the information carefully and retain it for your records.

According to our records, your payment for the last statement period was submitted late. For this reason, as of 2/1/07 all of your account APRs will increase to the default rate of 34.99%.

NOTICE: SEE REVERSE SIDE FOR IMPORTANT INFORMATION

5825 TRD 2 100 7 Page 1 of 1 8382 4000 USM2 0003 050118 O1AC5825 35ADM

Please detach this portion and return with your payment to insure proper credit. Retain upper portion for your records.

Please indicate address change and additional cardholder requests on the reverse side.

Artesian Bank
 P.O. Box 5147
 Sioux Falls, SD 57117-5147

Account Number:	1234567890123456
New Balance	\$1,129.95
PAYMENT INFORMATION	
Payment Due Date	02/13/07
Amount Due This Period	+ \$34.00
Past Due Amount	+ \$0.00
Total Minimum Amount Due	= \$34.00*

AMOUNT ENCLOSED: \$

*If the minimum required payment is not paid by the due date listed on this statement, you may be subject to a \$35 late fee and your APRs may be increased up to the default rate above. 36806



IMPORTANT INFORMATION ABOUT YOUR ACCOUNT

FINANCE CHARGE

Annual percentage rate (APR)

Refer to the Finance Charge Summary section of your statement for your current rates. A "V" next to a Periodic Rate means the rate may vary.

Grace Period on New Purchases (at least 25-days)

You can avoid Finance Charges on new Purchases that posted to this statement if your Previous Balance is zero (or a credit balance) and we receive full payment of the New Balance by the Payment Due Date. If so, you have from the date you made your purchases until the payment Due Date on the front to avoid any finance charge on that purchase. If your Previous Balance is greater than zero, there is no time period to pay the New Balance and avoid additional finance charges. There is no grace period for Cash Advances and Balance Transfers.

Periodic Finance Charge Calculation Method-Average Daily Balance (Including New Transactions)

For each day in the Billing Cycle, we take your beginning balance, add any new transactions or other debits (including other fees and charges) and subtract any payments or other credits. This gives us that day's Daily Balance. We multiply this Daily Balance by the Daily Periodic Rate to get your Periodic Finance Charge for that day. We add these Periodic Finance Charges to your Daily Balance to get the beginning balance for the next day.

To get your total Periodic Finance Charge for this Billing Cycle, we add all of the Daily Periodic Finance Charges and round the sum to the next highest cent. This amount is also equal to the Average Daily Balance multiplied by the Daily periodic rate times the number of days in the Billing Cycle rounded to the next highest cent. To determine an Average Daily Balance, we add your Daily Balance and divide by the number of days in the Billing Cycle.

We do this calculation separately for each feature such as Purchases, Cash Advances, Balance Transfers or Promotional Balances. Periodic Finance Charges begin to accrue from the later of the transaction date or the first of the Billing Cycle in which the transaction appears.

Account Renewal Information for Open Accounts

If your account has an Annual Fee and it is billed on this Statement, we will reverse the fee if you cancel your account and pay off any existing Balance within 30 days of receipt of this Statement otherwise, the Annual Fee is non-refundable. You may continue to use your account during the 30-day period before you cancel. To cancel, write us at the Billing Inquiries address or call us at the phone number on the front.

Your Liability

Our records show that you are liable for any outstanding balance on this account if your name appears on the front of this statement or you otherwise agreed.

Report a Lost or Stolen Card Immediately

Call the 24-hour toll free number 1.800.555.6666. Do not use your account after you report a lost or stolen card.

Cardholder Security Plan™/Payment Protection Plan

If you have questions about your enrollment or need to file for benefits, please call the applicable toll free number below (Monday-Friday, 7:00 a.m.-10:00 p.m. Central Time):
Cardholder Security Plan-1.888.668.6938; Payment Protection Plan-1.888.838.0056.

Service for International Calling

Dial the AT&T Direct access code for the country you are in and dial 1.888.801.3723. For a list of access codes visit www.artesian.com and select Credit Cards. You may also call us collect at 1.757.677.4701.

Service for Hearing-Impaired (TTY/TDD)

Contact our service for the hearing-impaired at 1.800.222.7365.

Pay on-line at www.artesian.com or mail your payment to: Artesian Bank, PO BOX 60069, CITY OF INDUSTRY, CA 91716-0069

BILLING RIGHTS SUMMARY STATEMENT DISCLOSURE:

In Case of Error or Billing Inquiries

If you think your bill is wrong, or if you need more information about a transaction on your bill, you must write to us (on a separate sheet) at PO BOX 1390, Norfolk, VA 23501-1390 as soon as possible to preserve your rights. We must hear from you no later than 60 days after we sent you the first bill on which the error or problem appeared. In your letter, give us the following information:

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

You do not have to pay any amount in question while we are investigating, but you are still obligated to pay the parts of your bill that are not in question. While we investigate your questions, we cannot report you as delinquent or take any action to collect the amount you question.

Special Rate for Credit Card Purchases

If you have a problem with the quality of goods or services that you purchased with a credit card, and you have tried in good faith to correct the problem with the merchant, you may not have to pay the remaining amount due on the goods or services. You have this protection only when the purchase price was more than \$50 and the purchase was made in your home state or within 100 miles of your mailing address (if we own or operate the merchant, or if we mailed you the advertisement for the property or service, all purchases are covered regardless of the amount or location of purchase).

IMPORTANT CREDIT BUREAU REPORTING INFORMATION REQUIRED BY FEDERAL LAW TO BE DISCLOSED TO YOU

WE MAY REPORT INFORMATION ABOUT YOUR ACCOUNT TO CREDIT BUREAUS. LATE PAYMENTS, MISSED PAYMENTS OR OTHER DEFAULTS ON YOUR ACCOUNT MAY BE REFLECTED IN YOUR CREDIT REPORT.

For address changes, you may access your account online at: www.artesian.com, call 1.800.555.6666 or write your address changes below. If you choose to call the 800# provided, you must have your credit card present. Please include your account number to ensure accurate processing.

Address

City

State

Zip

Home Phone

Work Phone

E-mail Address

By providing us with your e-mail address, you agree that we may communicate with you by electronic mail.

Prompt Crediting of Payments

We will credit any payments as of the date we receive it as long as it is mailed with the enclosed payment coupon and received by us no later than 12:00 noon at either the P.O. Box on the front or the P.O. Box above. Crediting of all other payments may be delayed up to 5 days. All payments must be in the form of a check or money order drawn in U.S. dollars on a financial institution located in the U.S. or the U.S. Post Office or made by electronic funds transfers, however cash payments may be made in person at our banking centers only.

Change-in-Terms Notices Used in Kansas City Interviews

Contents:

- Model CT-1 (front and back)
- Model CT-2 (front and back)
- Model CT-3 (front and back)
- Model CT-4 (front and back)

Note: These documents were each folded into a six-page tri-fold pamphlet.

AMENDMENT TO THE ARTESIAN BANK PROGRAM, ARTESIAN BANK BONUS PLUS PROGRAM, GOLD REWARDS AND MILES CARD REWARDS PROGRAM TERMS AND CONDITIONS

We are adding a new provision to inform you that, from time to time, we may offer checks with which you can make purchases. These purchases will not accrue Artesian Bank Bonus awards, Gold Rewards or Miles, unless otherwise specified in the terms of the offer.

If you would like to receive a copy of the most current version of the Artesian Bank Cardmember Agreement, please call 1-800-555-1234.



NOTICE OF AMENDMENT TO ARTESIAN BANK CARDMEMBER AGREEMENT

This notice informs you of the changes to the Artesian Bank Cardmember Agreement that will be effective and will apply to your Account for billing periods ending after February 1, 2007. You have the right to reject these changes as explained below. Please read this notice carefully and retain it with your records.

The following changes will apply to your Account unless you notify us in writing that you reject them by January 25, 2007. Send your notice to P.O. Box 30937, Salt Lake City, UT 84130-0937. Your notice should include your name, address, telephone number and Account number(s) and should not be sent with any other correspondence. Calling us to indicate you reject these changes is insufficient notice. In order to process your notice, we require that the notice be provided by you directly and not through a third party. If you reject these changes, we will close your Account and you will pay us the balance that you owe us under the current terms of the Agreement. Note that these changes will not apply to your Account if your Account is closed by January 25, 2007. Use of your Account on or after January 26, 2007 means that you accept these changes even if you previously notified us that you did not agree to these changes.

Artesian Bank



DESCRIPTION OF CHANGES IN CARDHOLDER AGREEMENT

Use Of Your Account

This section explains that you may use your Account to obtain cash advances. We are revising it to clarify that in addition to obtaining cash from ATMs, financial institutions and other locations, the following transactions are also considered to be cash advances: the purchase of lottery tickets, racetrack wages, vouchers redeemable for cash or for casino chips, money orders, traveler's checks, savings bonds, foreign currency and wire transfers.

This section also states that you may use your Account to purchase or lease goods or services by presenting your Card or Account number. We are adding that, from time to time, we may offer promotional checks with which you can purchase or lease goods or services. Our standard Stop Payment Fee of \$15 and Returned Check Fee of \$29 will apply to these checks. The special rule for credit card transactions under the Fair Credit Billing Act does not apply to purchases made with these checks. Therefore, if you have a problem with the quality of goods or services that you purchased with one of these checks, you do not have the right to withhold payment of the amount due.

Credit Limit-Available Credit

This section states that we may apply a credit limit on cash advances that is lower than your Account credit limit, and that we may increase or decrease your cash advance credit limit without notice. We are adding that we may also limit the amount of credit that can be used for balance transfers to an amount that is lower than your Account credit limit, and that we may increase or decrease the amount of credit available for a balance transfer without notice.

Minimum Monthly Payment

Under the current terms of the Agreement, your Minimum Payment Due each month will be the sum of any amount past due and the minimum monthly payment. Your minimum monthly payment each month will be the greater of \$10 or 1/50th of the New Balance. If any ANNUAL PERCENTAGE RATE applicable to your Account is greater than 22.99%, your minimum monthly payment will be the greater of \$10 or 1/45th of the New Balance.

We are changing the minimum monthly payment so that if any ANNUAL PERCENTAGE RATE applicable to your Account is greater than 22.99% but less than 26.00%, your minimum monthly payment will be the greater of \$10 or 1/45th of the New Balance. If any ANNUAL PERCENTAGE RATE applicable to your Account is 26.00% or greater, your minimum monthly payment will be the greater of \$10 or 1/40th of the New Balance.

In all cases, both currently and as revised, the minimum monthly payment will be rounded to the next higher dollar amount.

Default APR

Your APRs can be increased up to your Default APR in a number of situations, as defined by your Account Agreement (and as revised in this notice). Under your new account terms your Default APR is changed to 39.99%.

Late Fee

We charge you a late fee each time that you do not make the Minimum Payment Due that was required to be paid by the Payment Due Date. Under your new account terms this fee is \$32 if your balance is less than \$1,000, or \$38 if your balance is more than \$1,000.

Actions That May Trigger Default APR

We reserve the right to increase your APRs to your Default APR in certain situations. Under your new account terms, all of your APRs (including introductory rates) may be increased up to the Default APR if you do any of the following twice in a 12-month period: fail to make a payment when due, exceed your credit line, make a payment that is not honored, or default in any of these ways with another credit card account that you have with us.

Arbitration Of Disputes

We are revising the Arbitrations of Disputes section as follows:

We are replacing JAMS with the American Arbitration Association (AAA) as one of the two companies authorized to serve as the arbitration administrator (Administrator). The other permitted Administrator is the National Arbitration Forum (NAF). You can obtain information about AAA and how to initiate an AAA arbitration from AAA at 335 Madison Avenue, Floor 10, New York, NY 10017-5905, www.adr.org (phone 1-800-778-7879). You can obtain comparable information concerning NAF at PO Box 50191, Minneapolis, MN 55405, www.arb-forum.com (phone 1-800-474-2371).

We are also revising this section to state that without the consent of all parties, no arbitration may be administered by any Administrator that has any formal or informal policy, rule or procedure that is inconsistent with or purposes to override the terms of this section.

The changes to this section will become effective as of February 1, 2005 and will not affect arbitrations that are pending before that date.

other permitted Administrator is the National Arbitration Forum (NAF). You can obtain information about AAA and how to initiate an AAA arbitration from AAA at 335 Madison Avenue, Floor 10, New York, NY 10017-5905, www.adr.org (phone 1-800-778-7879). You can obtain comparable information concerning NAF at PO Box 50191, Minneapolis, MN 55405, www.arb-forum.com (phone 1-800-474-2371).

We are also revising this section to state that without the consent of all parties, no arbitration may be administered by any Administrator that has any formal or informal policy, rule or procedure that is inconsistent with or purposes to override the terms of this section.

The changes to this section will become effective as of February 1, 2005 and will not affect arbitrations that are pending before that date.

AMENDMENT TO THE ARTESIAN BANK PROGRAM, ARTESIAN BANK BONUS PLUS PROGRAM, GOLD REWARDS AND MILES CARD REWARDS PROGRAM TERMS AND CONDITIONS

We are adding a new provision to inform you that, from time to time, we may offer checks with which you can make purchases. These purchases will not accrue Artesian Bank Bonus awards, Gold Rewards or Miles, unless otherwise specified in the terms of the offer.

If you would like to receive a copy of the most current version of the Artesian Bank Cardmember Agreement, please call 1-800-555-1234.



NOTICE OF AMENDMENT TO ARTESIAN BANK CARDMEMBER AGREEMENT

This notice informs you of the changes to the Artesian Bank Cardmember Agreement that will be effective and will apply to your Account for billing periods ending after February 1, 2007. You have the right to reject these changes as explained below. Please read this notice carefully and retain it with your records.

SUMMARY OF CHANGES TO KEY TERMS

Some of the changes to your Cardholder Agreement relate to key terms of your Account. The following is a summary of these key changes (changes to your account are in **bold**):

- The Default APR for your account is being changed to **39.99%**.
- The Late Fee that is charged when you do not make the Minimum Payment Due for a given month has been changed; the new fee is **\$32** if your balance is less than \$1,000, or **\$38** if your balance is more than \$1,000.
- Your account terms have been changed such that all of your APRs (including introductory rates) may be increased up to the Default APR if you do any of the following **twice in a 12-month period**: fail to make a payment when due, exceed your credit line, make a payment that is not honored, or default in any of these ways on another credit card account you have with us.

Artesian Bank



These changes, as well as those that follow, will apply to your Account unless you notify us in writing that you reject them by January 25, 2007. Send your notice to P.O. Box 30937, Salt Lake City, UT 84130-0937. Your notice should include your name, address, telephone number and Account number(s) and should not be sent with any other correspondence. Calling us to indicate you reject these changes is insufficient notice. In order to process your notice, we require that the notice be provided by you directly and not through a third party. If you reject these changes, we will close your Account and you will pay us the balance that you owe us under the current terms of the Agreement. Note that these changes will not apply to your Account if your Account is closed by January 25, 2007. Use of your Account on or after January 26, 2007 means that you accept these changes even if you previously notified us that you did not agree to these changes.

DESCRIPTION OF CHANGES TO CARDHOLDER AGREEMENT

Default APR

Your APRs can be increased up to your Default APR in a number of situations, as defined by your Account Agreement (and as revised in this notice). Under your new account terms your Default APR is changed to 39.99%.

Late Fee

We charge you a late fee each time that you do not make the Minimum Payment Due that was required to be paid by the Payment Due Date. Under your new account terms this fee is \$32 if your balance is less than \$1,000, or \$38 if your balance is more than \$1,000.

Actions That May Trigger Default APR

We reserve the right to increase your APRs to your Default APR in certain situations. Under your new account terms, all of your APRs (including introductory rates) may be increased up to the Default APR if you do any of the following twice in a 12-month period: fail to make a payment when due, exceed your credit line, make a payment that is not honored, or default in any of these ways with another credit card account that you have with us.

Use Of Your Account

This section explains that you may use your Account to obtain cash advances. We are revising it to clarify that in addition to obtaining cash from ATMs, financial institutions and other locations, the following transactions are also considered to be cash advances: the purchase of lottery tickets, racetrack wages, vouchers redeemable for cash or for casino chips, money orders, traveler's checks, savings bonds, foreign currency and wire transfers.

This section also states that you may use your Account to purchase or lease goods or services by presenting your Card or Account number. We are adding that, from time to time, we may offer promotional checks with which you can purchase or lease goods or services. Our standard Stop Payment Fee of \$15 and Returned Check Fee of \$29 will apply to these checks. The special rule for credit card transactions under the Fair Credit Billing Act does not apply to purchases made with these checks. Therefore, if you have a problem with the quality of goods or services that you purchased with one of these checks, you do not have the right to withhold payment of the amount due.

Credit Limit-Available Credit

This section states that we may apply a credit limit on cash advances that is lower than your Account credit limit, and

that we may increase or decrease your cash advance credit limit without notice. We are adding that we may also limit the amount of credit that can be used for balance transfers to an amount that is lower than your Account credit limit, and that we may increase or decrease the amount of credit available for a balance transfer without notice.

Minimum Monthly Payment

Under the current terms of the Agreement, your Minimum Payment Due each month will be the sum of any amount past due and the minimum monthly payment. Your minimum monthly payment each month will be the greater of \$10 or 1/50th of the New Balance. If any annual percentage rate applicable to your Account is greater than 22.99%, your minimum monthly payment will be the greater of \$10 or 1/45th of the New Balance.

We are changing the minimum monthly payment so that if any annual percentage rate applicable to your Account is greater than 22.99% but less than 26.00%, your minimum monthly payment will be the greater of \$10 or 1/45th of the New Balance. If any annual percentage rate applicable to your Account is 26.00% or greater, your minimum monthly payment will be the greater of \$10 or 1/40th of the New Balance.

In all cases, both currently and as revised, the minimum monthly payment will be rounded to the next higher dollar amount.

Arbitration Of Disputes

We are revising the Arbitrations of Disputes section as follows:

We are replacing JAMS with the American Arbitration Association (AAA) as one of the two companies authorized to serve as the arbitration administrator (Administrator). The



We are also revising this section to state that without the consent of all parties, no arbitration may be administered by any Administrator that has any formal or informal policy, rule or procedure that is inconsistent with or purposes to override the terms of this section.

The changes to this section will become effective as of February 1, 2005 and will not affect arbitrations that are pending before that date.

AMENDMENT TO THE ARTESIAN BANK PROGRAM, ARTESIAN BANK BONUS PLUS PROGRAM, GOLD REWARDS AND MILES CARD REWARDS PROGRAM TERMS AND CONDITIONS

We are adding a new provision to inform you that, from time to time, we may offer checks with which you can make purchases. These purchases will not accrue Artesian Bank Bonus awards, Gold Rewards or Miles, unless otherwise specified in the terms of the offer.

If you would like to receive a copy of the most current version of the Artesian Bank Cardmember Agreement, please call 1-800-555-1234.

Artesian Bank



NOTICE OF AMENDMENT TO ARTESIAN BANK CARDMEMBER AGREEMENT

This notice informs you of the changes to the Artesian Bank Cardmember Agreement that will be effective and will apply to your Account for billing periods ending after February 1, 2007. You have the right to reject these changes as explained below. Please read this notice carefully and retain it with your records.

SUMMARY OF CHANGES TO KEY TERMS OF CARDHOLDER AGREEMENT

Some of the changes to your agreement relate to key terms of your Account. The following is a summary of these key changes, which are also described in more detail later in this notice (changes to your account are in **bold**):

Revised Terms, as of 2/1/07	
Default APR	Up to 39.99%
Penalty fees	<ul style="list-style-type: none"> Late payment fee: \$32 if your balance at the time the late payment fee is assessed is less than \$1,000. If your balance at that time is over \$1,000, fees for late payments will be \$38.
Actions that may cause your rates to change:	<p>Increase to Default APR: All of your APRs (including introductory rates) may be increased up to the Default APR if you do any of the following twice in a 12-month period:</p> <ul style="list-style-type: none"> You fail to make a payment to us when due; You exceed your credit line; You make a payment that is not honored; or You default in any of the above ways on another credit card account that you have with us.

These changes, as well as those that follow, will apply to your Account unless you notify us in writing that you reject them by January 25, 2007. Send your notice to P.O. Box 30937, Salt Lake City, UT 84130-0937. Your notice should include your name, address, telephone number and Account number(s) and should not be sent with any other correspondence. Calling us to indicate you reject these changes is insufficient notice. In order to process your notice, we require that the notice be provided by you directly and not through a third party. If you reject these changes, we will close your Account and you will pay us the balance that you owe us under the current terms of the Agreement. Note that these changes will not apply to your Account if your Account is closed by January 25, 2007. Use of your Account on or after January 26, 2007, means that you accept these changes even if you previously notified us that you did not agree to these changes.

DESCRIPTION OF CHANGES TO CARDHOLDER AGREEMENT

Use Of Your Account

This section explains that you may use your Account to obtain cash advances. We are revising it to clarify that in addition to obtaining cash from ATMs, financial institutions and other locations, the following transactions are also considered to be cash advances: the purchase of lottery tickets, racetrack wages, vouchers redeemable for cash or for casino chips, money orders, traveler's checks, savings bonds, foreign currency and wire transfers.

This section also states that you may use your Account to purchase or lease goods or services by presenting your Card or Account number. We are adding that, from time to time, we may offer promotional checks with which you can purchase or lease goods or services. Our standard Stop Payment Fee of \$15 and Returned Check Fee of \$29 will apply to these checks. The special rule for credit card transactions under the Fair

Credit Billing Act does not apply to purchases made with these checks. Therefore, if you have a problem with the quality of goods or services that you purchased with one of these checks, you do not have the right to withhold payment of the amount due.

Credit Limit-Available Credit

This section states that we may apply a credit limit on cash advances that is lower than your Account credit limit, and that we may increase or decrease your cash advance credit limit without notice. We are adding that we may also limit the amount of credit that can be used for balance transfers to an amount that is lower than your Account credit limit, and that we may increase or decrease the amount of credit available for a balance transfer without notice.

Minimum Monthly Payment

Under the current terms of the Agreement, your Minimum Payment Due each month will be the sum of any amount past due and the minimum monthly payment. Your minimum monthly payment each month will be the greater of \$10 or 1/50th of the New Balance. If any annual percentage rate applicable to your Account is greater than 22.99%, your minimum monthly payment will be the greater of \$10 or 1/45th of the New Balance.

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Default APR

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Late Fee

We charge you a late fee each time that you do not make the Minimum Payment Due that was required to be paid by the Payment Due Date. Under your new account terms this fee is \$32 if your balance is less than \$1,000, or \$38 if your balance is more than \$1,000.

Actions That May Trigger Default APR

We reserve the right to increase your APRs to your Default APR in certain situations. Under your new account terms, all of your APRs (including introductory rates) may be increased up to the Default APR if you do any of the following twice in a 12-month period: fail to make a payment when due, exceed your credit line, make a payment that is not honored, or default in any of these ways with another credit card account that you have with us..

Arbitration Of Disputes

We are revising the Arbitrations of Disputes section as follows:

We are replacing JAMS with the American Arbitration Association (AAA) as one of the two companies authorized to serve as the arbitration administrator (Administrator). The other permitted Administrator is the National Arbitration Forum (NAF). You can obtain information about AAA and how to initiate an AAA arbitration from AAA at 335 Madison Avenue, Floor 10, New York, NY 10017-5905, www.adr.org (phone 1-800-778-7879). You can obtain comparable information concerning NAF at PO Box 50191, Minneapolis, MN 55405, www.arb-forum.com (phone 1-800-474-2371).



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The changes to this section will become effective as of February 1, 2005 and will not affect arbitrations that are pending before that date.

AMENDMENT TO THE ARTESIAN BANK PROGRAM, ARTESIAN BANK BONUS PLUS PROGRAM, GOLD REWARDS AND MILES CARD REWARDS PROGRAM TERMS AND CONDITIONS

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Artesian Bank



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Revised Terms, as of 2/1/07	
Default APR	Up to 39.99%
Penalty fees	<ul style="list-style-type: none"> Late payment fee: \$32 if your balance at the time the late payment fee is assessed is less than \$1,000. If your balance at that time is over \$1,000, fees for late payments will be \$38.
Actions that may cause your rates to change:	<p>Increase to Default APR:</p> <p>All of your APRs (including introductory rates) may be increased up to the Default APR if you do any of the following twice in a 12-month period:</p> <ul style="list-style-type: none"> You fail to make a payment to us when due; You exceed your credit line; You make a payment that is not honored; or You default in any of the above ways on another credit card account that you have with us.

These changes, as well as those that follow, will apply to your Account unless you notify us in writing that you reject them by January 25, 2007. Send your notice to P.O. Box 30937, Salt Lake City, UT 84130-0937. Your notice should include your name, address, telephone number and Account number(s) and should not be sent with any other correspondence. Calling us to indicate you reject these changes is insufficient notice. In order to process your notice, we require that the notice be provided by you directly and not through a third party. If you reject these changes, we will close your Account and you will pay us the balance that you owe us under the current terms of the Agreement. Note that these changes will not apply to your Account if your Account is closed by January 25, 2007. Use of your Account on or after January 26, 2007, means that you accept these changes even if you previously notified us that you did not agree to these changes.

DESCRIPTION OF CHANGES TO CARDHOLDER AGREEMENT

Use Of Your Account

This section explains that you may use your Account to obtain cash advances. We are revising it to clarify that in addition to obtaining cash from ATMs, financial institutions and other locations, the following transactions are also considered to be cash advances: the purchase of lottery tickets, racetrack wages, vouchers redeemable for cash or for casino chips, money orders, traveler's checks, savings bonds, foreign currency and wire transfers.

This section also states that you may use your Account to purchase or lease goods or services by presenting your Card or Account number. We are adding that, from time to time, we may offer promotional checks with which you can purchase or lease goods or services. Our standard Stop Payment Fee of \$15 and Returned Check Fee of \$29 will apply to these checks. The special rule for credit card transactions under the Fair

Credit Billing Act does not apply to purchases made with these checks. Therefore, if you have a problem with the quality of goods or services that you purchased with one of these checks, you do not have the right to withhold payment of the amount due.

Credit Limit-Available Credit

This section states that we may apply a credit limit on cash advances that is lower than your Account credit limit, and that we may increase or decrease your cash advance credit limit without notice. We are adding that we may also limit the amount of credit that can be used for balance transfers to an amount that is lower than your Account credit limit, and that we may increase or decrease the amount of credit available for a balance transfer without notice.

Minimum Monthly Payment

Under the current terms of the Agreement, your Minimum Payment Due each month will be the sum of any amount past due and the minimum monthly payment. Your minimum monthly payment each month will be the greater of \$10 or 1/50th of the New Balance. If any annual percentage rate applicable to your Account is greater than 22.99%, your minimum monthly payment will be the greater of \$10 or 1/45th of the New Balance.

We are changing the minimum monthly payment so that if any annual percentage rate applicable to your Account is greater than 22.99% but less than 26.00%, your minimum monthly payment will be the greater of \$10 or 1/45th of the New Balance. If any annual percentage rate applicable to your Account is 26.00% or greater, your minimum monthly payment will be the greater of \$10 or 1/40th of the New Balance.

In all cases, both currently and as revised, the minimum monthly payment will be rounded to the next higher dollar amount.

Default APR

Your APRs can be increased up to your Default APR in a number of situations, as defined by your Account Agreement (and as revised in this notice). Under your new account terms your Default APR is changed to 39.99%.

Late Fee

We charge you a late fee each time that you do not make the Minimum Payment Due that was required to be paid by the Payment Due Date. Under your new account terms this fee is \$32 if your balance is less than \$1,000, or \$38 if your balance is more than \$1,000.

Actions That May Trigger Default APR

We reserve the right to increase your APRs to your Default APR in certain situations. Under your new account terms, all of your APRs (including introductory rates) may be increased up to the Default APR if you do any of the following twice in a 12-month period: fail to make a payment when due, exceed your credit line, make a payment that is not honored, or default in any of these ways with another credit card account that you have with us.

Arbitration Of Disputes

We are revising the Arbitrations of Disputes section as follows:

We are replacing JAMS with the American Arbitration Association (AAA) as one of the two companies authorized to serve as the arbitration administrator (Administrator). The other permitted Administrator is the National Arbitration Forum (NAF). You can obtain information about AAA and how to initiate an AAA arbitration from AAA at 335 Madison Avenue, Floor 10, New York, NY 10017-5905, www.adr.org (phone 1-800-778-7879). You can obtain comparable information concerning NAF at PO Box 50191, Minneapolis, MN 55405, www.arb-forum.com (phone 1-800-474-2371).

Cognitive Interviews:
Denver, CO (January 2007)

Solicitation Letter Used in Denver Interviews

Contents:

- SL-4 (front and back)

0% **Fixed Introductory APR**
for balance transfers
(until December 2007, then 15.99%)


To Do:
** Buy groceries*
** Pick up laundry*
** Get this card!*
(There's no annual fee)

You're Invited to Apply!

Dear Potential Customer:

If your "To Do" list is out of control, maybe it's time to simplify your finances. You've been a valued customer, and we'd like to say thanks by offering you an Artesian Bank Visa® Platinum Card with a **0% fixed introductory APR for balance transfers.**

Just go to www.mynewcard.com or call us at 1.800.555.5098. You're invited to apply and there's no annual fee. Plus, your new card includes:

- ✓ **0% fixed introductory APR** for balance transfers (not purchases or cash advances)
- ✓ **No Annual Fee**
- ✓ **Credit Line** up to \$2,500
- ✓ **Overdraft Protection**¹ — Use your card as ODP on your Artesian Bank checking account
- ✓ **Total Security Protection® package** 
- ✓ **Zero liability** for unauthorized card transactions that are reported promptly², fraud monitoring, and privacy features

Reply by February 28, 2007 to accept this great introductory rate offer. Put it on your "To Do" list and call or go online today! Your new Platinum Card is waiting for You!

Sincerely,

Kerry E. Hyvarinen
Senior Vice President

P.S. Get an instant response in a little as 10 seconds. Log on to our secure website at www.mynewcard.com. Or if you'd prefer, call 1.800.555.5098 or return the attached certificate by February 28, 2007 to accept this offer.

¹ All standard cash advance fees and finance charges are imposed whenever an overdraft protection advance takes place. Please see the Terms and Conditions on the enclosed insert for more information about Overdraft Protection.
² Claims may be filed against posted and settled transactions subject to dollar limits and verifications, and must be reported within 60 days of the statement.

Detach here and mail back the bottom half

A7869649827
ILZ-CDA-0606
ITA-POX-1NO-0606



Acceptance Certificate



*****AUTO**SCH 5-DIGIT 20813
A7869649827 C0A-V70
CN0606-008-709-659

Initial Credit: Up to \$2,500
Reply by: February 28, 2007

Artesian Bank
P.O. Box 1234
Thornville, FL 56789

Phone: 1.800.555.5098
Web: www.mynewcard.com

Step 1 <input type="checkbox"/>			
Step 2 SOCIAL SECURITY NUMBER		DATE OF BIRTH	
HOME TELEPHONE		WORK TELEPHONE	
GROSS YEARLY HOUSEHOLD INCOME ¹		MOTHER'S MAIDEN NAME	
<input type="checkbox"/> SELF-EMPLOYED \$		E-MAIL ADDRESS (OPTIONAL)	
Step 3 <input type="checkbox"/> Please check here if you would like overdraft protection		Overdraft protection is only available if you provide a valid Artesian Bank checking account.	
Step 4 <small>Income from alimony child support, or separate maintenance payment need not be revealed if you do not wish us to consider it as a basis for repayment. Minimum annual income of \$8,000 (\$14,000 in California)</small>			
By signing below, you agree to the authorizations, terms and conditions on the enclosed insert		REQUEST AN ADDITIONAL CARD (Print the name of the person who is authorized to use your account.)	
X SIGN HERE APPLICANT SIGNATURE		PRINT NAME OF AUTHORIZED USER (FIRST NAME, MIDDLE INITIAL, LAST NAME)	
Yes, I choose to enroll in the optional Cardholder Security Plan. By initialing and returning the Acceptance Certificate, I acknowledge receipt of, and understand, the CSP Term and Conditions on the enclosed insert. CSP can credit my Artesian credit card account up to \$12 Monthly Benefit Amounts ** in the event of Hospitalization, Total Disability, Involuntary Unemployment or Unpaid Family Leave of Absence, or up to \$10,000, in the event of death.		Yes: _____ No: _____ Initial here to accept CSP Initial here to decline CSP	
Save Today on Balance Transfers with a 0% Fixed Introductory APR			
ACCOUNT NUMBER		PAYEE	EXACT AMOUNT TO BE TRANSFERRED
ACCOUNT NUMBER		PAYEE	EXACT AMOUNT TO BE TRANSFERRED

Balance transfer requests will be processed in the order above. Each balance transfer request must be at least \$100. Allow 3-4 weeks to process. Please see the enclosed insert for Fee and Rate Information.

To help process your request without delay, please provide complete account information with your signature above.

Your Artesian Bank Visa® Platinum comes with everything you expect in a premium credit card:

- Great Savings**
- **0% Introductory Rate on Balance Transfers**
 - **No Annual Fee**
 - **Low Balance Transfer Fees**

- Platinum Services**
- **Zero Liability** for unauthorized card transactions that are reported promptly.*
 - **Verified by Visa** for secure online shopping using a personal password.
 - **Free Extra Cards** for members of your family.
 - **Worldwide Acceptance**, use your Visa card everywhere Visa credit cards are accepted.
 - **Instant Cash Around the Globe at Over 800,000 ATM Locations.**

* Claims may be filed against posted and settled transactions subject to dollar limits and verification, and must be reported within 60 days of the statement.

- Helpful Hints**
- Shred statements, receipts and bills before you throw them away.
 - Be discreet when providing confidential data in a public setting.
 - Always take your ATM receipts with you.
 - Never give account numbers or personal information over the phone to unknown callers.
 - Don't carry your birth certificate or Social Security card in your wallet or purse.
 - Get more helpful information on how to guard against identity theft with Visa's [Protect Your Identity](#) guide.

To request your Artesian Bank Visa® Platinum Card:



Mail Your

Acceptance Certificate



Visit

www.mynewcard.com



Call

number printed on front of the letter

Solicitation and Application Disclosures
("Schumer Boxes")
Used in
Denver Interviews

Contents:

- Model SB-5 (front)
- Model SB-6 (front)
- Model SB-7 (front)
- Model SB-8 (front)
- Back of Schumer Box models

IMPORTANT DISCLOSURES
Important Information About Your Artesian Bank Credit Card Account

Fee and Rate Information

The terms of your Account, including any of the APRs or Fees set forth below, are subject to change by us in our discretion for any reason.

ANNUAL PERCENTAGE RATES	
Purchase APR	Between 8.99% and 19.99%. This rate will vary with the market (see "Information about Variable Rates" below).
Other APRs	Balance Transfers: 0.0% fixed introductory rate until your statement closing date in December 2007; thereafter 15.99% Cash Advances: Currently 21.99%. This rate will vary with the market (see "Information about Variable Rates" below).
Default APR (Your interest rates may increase to the Default APR in certain situations, as shown below)	Up to 34.99%
Minimum finance charge	\$0.50

DEFAULT APR
<p>All of your APRs (including introductory rates) may automatically be increased up to the Default APR if:</p> <ul style="list-style-type: none"> • You make a late payment; • You exceed your credit limit; • You make a payment that is returned due to insufficient funds; or • You do any of the above on another account that you have with us. <p>If your APRs are increased for any of these reasons, they will automatically revert back to the standard interest rates disclosed above if you make six consecutive minimum payments when due and you do not exceed your credit limit within that same time period.</p>

FEES	
Annual Fee	None
Transaction Fees	
<ul style="list-style-type: none"> • Balance Transfer • Cash Advance • Foreign Transaction 	<ul style="list-style-type: none"> 3% of the amount of each transfer or check, but not less than \$5 3% of the cash advance, but not less than \$5 2% of transaction in U.S. dollars
Penalty Fees	
<ul style="list-style-type: none"> • Late Payment • Over-the-Credit Limit • Returned Payment 	<ul style="list-style-type: none"> \$29 if balance is less than or equal to \$1,000; \$35 if balance is more than \$1,000 \$29 \$35

GRACE PERIOD: If you pay your balance in full each month, you will not be charged interest on purchases for at least 25 days after the close of each statement period. This 25-day period is called your "grace period." If you do not pay your balance in full each month you lose this interest-free period, and will begin paying interest as soon as you make a purchase. No grace period exists for cash advances or balance transfers; when you make these transactions you begin paying interest immediately.

HOW WE WILL CALCULATE YOUR BALANCE: To calculate your balance we use a two-cycle average daily balance method (including new purchases).

HOW WE WILL APPLY YOUR PAYMENTS TO YOUR BALANCES: If you have two balances on this account with different interest rates, we will apply your payments to the balance with the lower rate first.

INFORMATION ABOUT VARIABLE RATES: Your APR on purchases will be calculated each month by taking the Prime Rate (currently 7.00%) and adding an amount that is between 1.99% and 12.99%. Your APR on cash advances will be calculated each month by taking the Prime Rate and adding 14.99%. If the Prime Rate changes, your APRs on purchases and cash advances will change as well.

IMPORTANT DISCLOSURES

Important Information About Your Artesian Bank Credit Card Account

Fee and Rate Information

The terms of your Account, including any of the APRs or Fees set forth below, are subject to change by us in our discretion for any reason.

ANNUAL PERCENTAGE RATES	
Annual Percentage Rate (APR) for purchases	A variable rate ¹ , currently between 8.99% and 19.99% depending on your creditworthiness.
APR for balance transfers	0.0% introductory rate until your statement closing date in December 2007; thereafter 15.99% (see "Notice Regarding Balance Transfers" below)
APR for cash advances	A variable rate ¹ , currently 21.99%
Highest Possible APR (see below)	34.99%
Minimum finance charge	\$0.50

HIGHEST POSSIBLE APR
All of your APRs (including introductory rates) may automatically be increased up to the Highest Possible APR shown above if: <ul style="list-style-type: none">• You make a late payment;• You exceed your credit limit;• You make a payment that is returned due to insufficient funds; or• You do any of the above on another account that you have with us.

FEES	
Annual Fee	None
Transaction Fees	
• Balance Transfer	Either \$5 or 3% of the amount of each transfer, whichever is greater
• Cash Advance	Either \$5 or 3% of the amount of each cash advance, whichever is greater
• Foreign Transaction	2% of transaction in U.S. dollars
Penalty Fees	
• Late Payment	\$29 if balance is less than or equal to \$1,000; \$35 if balance is more than \$1,000
• Over-the-Credit Limit	\$29
• Returned Payment	\$35

¹ Your APR on purchases will be calculated each month by taking the Prime Rate (currently 7.00%) and adding an amount that is between 1.99% and 12.99%. Your APR on cash advances will be calculated each month by taking the Prime Rate and adding 14.99%. If the Prime Rate changes, your APRs on purchases and cash advances will change as well.

OTHER ACCOUNT TERMS THAT MAY AFFECT THE INTEREST YOU PAY

"INTEREST-FREE" PERIOD: If you pay your balance in full each month, you are guaranteed at least 25 days after the close of each statement period to pay your balance on purchases with no interest charge. If you do not pay your balance in full each month you lose this interest-free period, and will begin paying interest as soon as you make a purchase. No interest-free period exists for cash advances or balance transfers; when you make these transactions you begin paying interest immediately.

HOW WE WILL CALCULATE YOUR BALANCE: To calculate your balance we use a method called "two-cycle average daily balance (including new purchases)". If you sometimes pay your balance in full and sometimes do not, this method may lead to higher interest charges than methods used by other credit card companies.

NOTICE REGARDING BALANCE TRANSFERS: If you transfer balances at our low introductory APR and then make purchases using this card, we will apply your payments first to your transferred balances during your promotional period. We will only apply payments to your purchases after your transferred balances have been paid off completely. Until that time, you will be charged interest each period on the full balance of your purchases at the Purchase APR shown above.

IMPORTANT DISCLOSURES
Important Information About Your Artesian Bank Credit Card Account

Fee and Rate Information

The terms of your Account, including any of the APRs or Fees set forth below, are subject to change by us in our discretion for any reason.

ANNUAL PERCENTAGE RATES	
Annual Percentage Rate (APR) for purchases	Between 8.99% and 19.99% ¹ . This rate will vary (see “Information about Variable Rates” below).
Other APRs	Balance Transfers: 0.0% fixed introductory rate until your statement closing date in December 2007; thereafter 15.99% Cash Advances: Currently 21.99%. This rate will vary (see “Information about Variable Rates” below).
Penalty APR	Penalty APR: Up to 34.99% Your interest rates may increase up to this percentage if: <ul style="list-style-type: none"> • You make a late payment; • You exceed your credit limit; • You make a payment that is returned due to insufficient funds; or • You do any of the above on another account that you have with us.
Minimum finance charge	\$0.50

¹ Your exact APR will be determined by your creditworthiness.

FEES	
Annual fee	None
Transaction fees	<ul style="list-style-type: none"> • Balance transfer: 3% of the amount of each transfer or check, but not less than \$5 • Cash advance: 3% of the cash advance, but not less than \$5 • Foreign transaction: 2% of the U.S. dollar amount
Penalty fees	<ul style="list-style-type: none"> • Late payment: \$29 if your balance at the time the late payment fee is assessed is less than or equal to \$1,000. If your balance at that time is over \$1,000, fees for late payments will be \$35. • Over-the-credit-limit: \$29 • Returned payment: \$35

OTHER ACCOUNT TERMS THAT MAY AFFECT THE INTEREST YOU PAY
Grace Period: Your grace period (the period during which you are not charged interest on your purchases) is at least 25 days after the close of each statement period, as long as you pay your balance in full each month. No grace period exists for cash advances or balance transfers; when you make these transactions you begin paying interest immediately.
How We Will Calculate Your Balance: To calculate your balance we use a method called “two-cycle average daily balance (including new purchases)”. If you sometimes pay your balance in full and sometimes do not, this method may lead to higher interest charges than other methods.
How We Will Apply Your Payments To Your Balances: If you have two types of balance on this account with different interest rates, we will apply your payments to the balance with the lower interest rate first. For example, if you transfer a balance at a low introductory rate and then make purchases at a higher rate, any payments you make will be used to pay down the transferred balance first and will only be applied to purchases after the transferred balance is fully paid.
Information About Variable Rates: Your APR on purchases will be calculated each month by taking the Prime Rate (currently 7.00%) and adding an amount that is between 1.99% and 12.99%. Your APR on cash advances will be calculated each month by taking the Prime Rate and adding 14.99%. If the Prime Rate changes, your APRs on purchases and cash advances will change as well.

IMPORTANT DISCLOSURES

Important Information About Your Artesian Bank Credit Card Account

Fee and Rate Information

The terms of your Account, including any of the APRs or Fees set forth below, are subject to change by us in our discretion for any reason.

TRANSACTION RATES AND FEES	
Purchases	APR: A variable rate ¹ , currently between 8.99% and 19.99%. ²
Balance Transfers	APR: 0.0% introductory rate until your statement closing date in December 2007; thereafter 15.99% (see “Notice Regarding Balance Transfers” below) Fee: Either \$5 or 3% of the amount of each transfer, whichever is greater
Cash Advances	APR: A variable rate ¹ , currently 21.99% Fee: Either \$5 or 3% of the amount of each advance, whichever is greater
Other Transaction Fees	Foreign Transaction Fee: 2% of transaction in U.S. dollars
Minimum finance charge	\$0.50

PENALTY RATES AND FEES	
Penalty APR	Your interest rates may increase up to the Penalty APR of 34.99% if: <ul style="list-style-type: none"> • You make a late payment; • You exceed your credit limit; • You make a payment that is returned due to insufficient funds; or • You do any of the above on another account you have with us. <p>If your APRs are increased for any of these reasons, they will automatically revert back to the standard interest rates disclosed above if you make six consecutive minimum payments when due and you do not exceed your credit limit within that same time period.</p>
Late Payment Fee	\$29 if balance is less than or equal to \$1,000; \$35 if balance is greater than \$1,000
Over-the-Credit Limit Fee	\$29
Returned Payment Fee	\$35

OTHER ACCOUNT TERMS THAT MAY AFFECT THE INTEREST YOU PAY	
Grace Period	If you pay your balance in full each month, you will not be charged interest on purchases for at least 25 days after the close of each statement period. This 25-day period is called your “grace period.” If you do not pay your balance in full each month you lose this interest-free period, and will begin paying interest as soon as you make a purchase. No grace period exists for cash advances or balance transfers; when you make these transactions you begin paying interest immediately.
How We Will Calculate Your Balance	To calculate your balance we use a method called “two-cycle average daily balance (including new purchases)”. If you sometimes pay your balance in full and sometimes do not, this method may lead to higher interest charges than other methods.
Notice Regarding Balance Transfers	If you transfer balances at our low introductory APR and then make purchases using this card, we will apply your payments first to your transferred balances during your promotional period. We will only apply payments to your purchases after your transferred balances have been paid off completely.

¹ Your APR on purchases will be calculated each month by taking the Prime Rate (currently 7.00%) and adding an amount that is between 1.99% and 12.99%. Your APR on cash advances will be calculated each month by taking the Prime Rate and adding 14.99%. If the Prime Rate changes, your APRs on purchases and cash advances will change as well.

² Your exact APR will be determined by your creditworthiness.

Overdraft Protection

If you link your Artesian Bank checking account to your credit card for Overdraft Protection, we will automatically transfer funds in multiples of \$100 (\$25 if you opened your checking account in Washington or Idaho) from your credit card account to cover any overdraft on your checking account, as long as your credit card account has sufficient available credit and you are not in default under your Cardholder Agreement. A fee of 3% of the amount transferred (\$10 minimum) will apply and the cash advance will accrue interest at the APR stated in your

Cardholder Agreement. If the available balance on your credit card account is insufficient to cover the amount required by the overdraft (in the multiple of funds stated above), we may advance the funds even if it causes your credit card account to exceed your credit limit. In that event, an over credit limit fee will be applied. Linking Overdraft Protection from your Artesian Bank checking account to your credit card will end any Overdraft Protection connections to your Artesian Bank savings account. Please see your Cardholder Agreement for additional details.

State Law Disclosures

Notice to New York State Residents: Consumer reports may be requested in connection with the processing of your application and any resulting account. Upon request, we will inform you of the names and addresses of any consumer reporting agencies which have provided us with such reports. **Notice to Ohio Residents:** Ohio laws against discrimination require that all creditors make credit equally available to all creditworthy customers, and that credit reporting agencies maintain separate credit histories on each individual upon request. The Ohio Civil Rights

Commission administers compliance with this law. **Notice to Married Wisconsin Residents:** No agreement, individual statement, or court order applying to marital property will adversely affect the creditor's interest unless the creditor, prior to the time credit is extended, is furnished with a copy of the agreement, statement, or order, or has actual knowledge of the adverse provision when the obligation to the creditor is incurred. **Notice to California Residents:** Regardless of your marital status, you may apply for credit in your name alone.

Billing Rights Summary

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 us in a separate letter at the "Billing Inquiries" address on your billing statement. Write us as soon as possible. We must hear from you no later than 60 days after we send you the first bill on which the error or problem appeared. You can telephone us, but doing so will not preserve your rights.

In your letter, give us the following information:

- Your name and account number.
- The dollar amount of the suspected error.
- 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 credit card 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 Notices

We must acknowledge your letter within 30 days, unless we 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, and you will have to make any missed payments on the questioned amount. In either case, we will send you a statement of the amount you owe and the date that it is due.

If you fail to pay the amount that we think you owe, we may report you as delinquent. However, if our explanation does not satisfy you and you write us within ten days telling us that 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. We must tell anyone we report you to that the matter has been settled between us when it finally is.

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 that you purchased with a credit card, and you have tried in good faith to correct the problem with the merchant, you may not have 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 your home state, within 100 miles of your current mailing address: and
- 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.

Periodic Finance Charge Calculation

We compute Periodic Finance Charges each day for purchases, cash advances, and balance transfers (which we refer to as transaction categories) by using the following equation: Average Daily Balance x number of days in the billing period x Daily Periodic Rate. (You may refer to the finance charge summary on the front of your billing statement for these amounts.) Then we add all the Periodic Finance Charges for each transaction category to get the total Periodic Finance Charges for your Account. The Average Daily Balance is shown as zero if no Periodic Finance Charges apply to the balance in a transaction category.

We use the two-cycle average daily balance (including new transactions) method of calculating the balance upon which we impose Periodic Finance Charges. This means if you did not pay the New Balance shown on the billing statement you received during the previous billing period by the Payment Due Date, we will impose Periodic Finance Charges on new purchases that first appeared on that

billing statement, as well as new purchases that first appear on the current billing statement, unless we already imposed Periodic Finance Charges on the purchases on your previous billing statement. We compute the average daily balance for each transaction category by adding up all the daily balances in a billing period for a transaction category and dividing the total by the number of days in the billing cycle. We compute the daily balance for each transaction category on each day by the first adding the following to the previous day's daily balance: transactions made that day, fees charged that day and Periodic Finance Charges accrued on the previous day's daily balance; and by then subtracting any credits and payments that are applied against the balance of the transaction category on that day. In calculating the daily balance for the previous billing period, we consider the "previous day's daily balance" to have been zero on the first day of the billing period.

Balance Transfer

Artesian Bank reserves the right to decline to process any balance transfer for any reason. If you have a dispute with a creditor and pay that balance by transferring it to your new Visa Platinum Card account, you may lose certain dispute rights. By making a balance transfer, you understand that future payments will be applied to promotional offers (which are normally at a lower interest rate) Prior to any existing or new regular balances on the account. It will take 3-4 weeks to process your

request. Therefore, you will still need to make payments on your other accounts to keep them current until your request is complete. Your Balance Transfer requests will be processed in the order listed on the Balance Transfer form. We will make the maximum possible partial payment. Partial payment will not be made on more than one account. Finance charges (if and where applicable) will begin on the date that the balance transfer posts to your Artesian Bank account.

◆Cardholder Security Plan® Terms and Conditions

The Cardholder Security Plan ("CSP" or "the Plan") is an *optional* product available on you Artesian Bank credit card account.

Whether or not you purchase CSP will not affect your application for credit or the terms of any existing credit agreement you have with Artesian Bank

- **Benefits:** In return for a Monthly Program Fee, the Plan can credit up to twelve (12) Monthly Benefit Amounts per unrelated Protected Event to your credit card account if You or one (1) Authorized User become Hospitalized, Totally Disabled, Involuntarily Unemployed, or take an Unpaid Family Leave of Absence. In the event of your Death, the Plan can credit a lump sum benefit amount equal to the Outstanding Balance on the Date of Loss or \$10,000, whichever is less.
- ◆ **The Monthly Benefit Amount is designed to make the Minimum Monthly Payment on your credit card account, but may not be sufficient in all cases. Please refer to the Addendum to the Cardholder Agreement for additional details.**
- **Cost:** The Monthly Program Fee is 79¢ per \$100 of your Monthly Outstanding Balance up to \$10,000. For your convenience, the fee is automatically billed to

your credit card account. During months when you have no outstanding balance on your statement, there is no charge for the Plan.

- **Eligibility Exclusions:** There are eligibility requirements, conditions and exclusions that could prevent you from receiving benefits under the Plan. Please refer to the Addendum to the Cardholder Agreement for a full explanation of all requirements, conditions and exclusions.
- **Termination:** If, at any time during the first thirty (30) days after the date your protection begins, you cancel the optional Plan, all CSP fees billed to your account will be refunded. You have the right to cancel CSP at any time by making a written or telephonic request to the Plan Administrator. The Plan will automatically terminate under the following circumstances: you no longer have your credit card account with Artesian Bank; your Protected Account is closed due to account charge-off; or you owe four (4) or more previous Minimum Payments due on the Protected Account.
- **The Plan Administrator is CSI Processing, LLC at P.O. Box 34888, Omaha, NE 68134-0888; 1.888.668.6938 Monday – Friday, 7:00 a.m. – 10:00 p.m. Central Time.**

Mini Card, U.S. Pat. 6,471,127B2.Credit subject to approval.
Credit cards issued by Artesian Bank, N.A. (USA).
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Account-Opening Disclosures Used in Denver Interviews

Contents:

- Card Carrier (1 page)
- Cardmember Agreement (4 pages)
- Model AO-5
- Model AO-6
- Model AO-7
- Model AO-8

ARTESIAN BANK
P.O. BOX 1234
THORNVILLE, FL 56789

801345Z1 0075 00725
PAT SMITH
135 WILDELAKE DRIVE
DENVER, CO 80010

Please call 1-800-555-6727 to activate your card. You will not be able to use your card until it is activated.

Your card number: 1234567890123456

Number of cards: 1

Credit Line: \$2,000

Loss/Theft Notification

Business Hours: 1-800-555-2578

After Hours: 1-800-555-4526

Important Information About Your New Credit Card

CARDMEMBER AGREEMENT AND DISCLOSURE STATEMENT ("CARDMEMBER AGREEMENT")

As required by law, the rates, fees and other costs of this credit offer are disclosed below. The Cardmember Agreement and Disclosure Statement ("Agreement") sets forth all Account terms and will be sent with the card. Account terms may change. Among other things, we may unilaterally increase your APR, increase fees or take other action to increase the cost of credit based on a change in your credit history, including your failure to make timely payments to another creditor or us, an increase in your total outstanding debt, or an increase in the use of your credit lines. Any change will be in accordance with the Agreement and applicable law.

All information as of 1/11/07.

FINANCE CHARGES

Finance Charges are the total of (a) Periodic Finance Charges, (b) Balance Transfer Fee Finance Charges, and (c) Cash Advance Fee Finance Charges.

(a) **Periodic Finance Charges.** Periodic Finance Charges are imposed on all transactions until the date of repayment. Repayment means payment of your entire New Balance. However, if you pay the New Balance shown on the current billing statement by the Payment Due Date, and the Payments and Credits shown on this statement equal or exceed the Previous Balance, we will not impose Periodic Finance Charges on new purchases, that is, purchases first appearing on the current statement. Otherwise, you will receive a billing statement the next month that includes Periodic Finance Charges imposed until the date of payment.

We compute Periodic Finance Charges each day for purchases, cash advances, and balance transfers (which we refer to as transaction categories) by using the following equation: $\text{Average Daily Balance} \times \text{number of days in the billing period} \times \text{Daily Periodic Rate}$. (You may refer to the finance charge summary on the front of your billing statement for these amounts.) Then we add all the Periodic Finance Charges for each transaction category to get the total Periodic Finance Charges for your Account. The Average Daily Balance is shown as zero if no Periodic Finance Charges apply to the balance in a transaction category.

We use the two-cycle average daily balance (including new transactions) method of calculating the balance upon which we impose Periodic Finance Charges. This means if you did not pay the New Balance shown on the billing statement you received during the previous billing period by the Payment Due Date, we will impose Periodic Finance Charges on new purchases that first appeared on that billing statement, as well as new purchases that first appear on the current billing statement, unless we already imposed Periodic Finance Charges on the purchases on your previous billing statement. We compute the average daily balance for each transaction category by adding up all the daily balances in a billing period for a transaction category and dividing the total by the number of days in the billing cycle. We compute the daily balance for each transaction category on each day by the first adding the following to the previous day's daily balance: transactions made that day, fees charged that day and Periodic Finance Charges accrued on the previous day's daily balance, and by then subtracting any credits and payments that are applied against the balance of the transaction category on that day. In calculating the daily balance for the previous billing period, we consider the "previous day's daily balance" to have been zero on the first day of the billing period.

CARDMEMBER AGREEMENT

All fees charged to your Account are added to the purchase transaction category with the exception of Cash Advance Transaction Fee Finance Charges which are added to the cash advance transaction category and the Balance Transfer Fee Finance Charges which are added to the balance transfer transaction category. If a transaction is posted to your Account after the close of the billing period in which it occurs, we will treat the transaction as having occurred on the first day of the billing period in which it is posted to your Account.

Index

For each billing cycle, the Index is determined in the month prior to the month in which the billing cycle ends. In that prior month, the highest Prime Rate published in *The Wall Street Journal* is selected (the "Index"). If the Index has changed, the new variable rates will take effect with the billing cycle that ends on or after the first day of the month following the Index change. An increase in the Index will increase your applicable Daily Periodic Rate for the Customary Purchase and Cash Advance APRs, which may increase the Finance Charge and the Minimum Payment due on your Account. Each time the APR changes, we will apply it to any existing balances, subject to any Promotional or Introductory APR that may apply.

Annual Percentage Rates and Periodic Rates

The Daily Periodic Rate for the variable Customary APR for credit card purchases will be based on $1/365$ th of the sum of the Index plus 7.00% ("Spread"). The minimum rate of **FINANCE CHARGE** for the variable Customary APR for credit card purchases will be a Daily Periodic Rate of .04107% (corresponding 14.99% **ANNUAL PERCENTAGE RATE**). For example, for billing cycles ending December 1, 2006, the rate of **FINANCE CHARGE** for the variable Customary APR would have been a Daily Periodic Rate of .04107% (corresponding 14.99% **ANNUAL PERCENTAGE RATE**).

A Daily Periodic Rate of .00000% (corresponding 0% **ANNUAL PERCENTAGE RATE**) will apply to balance transfers for all billing periods prior to December 2007 ("Introductory Period"). After the Introductory Period, the Customary APR for balance transfers will be a Daily Periodic Rate of .04381% (corresponding 15.99% **ANNUAL PERCENTAGE RATE**).

The Daily Periodic Rate for the variable Customary APR for cash advances (other than balance transfers), including cash advances made by credit card check, will be based on $1/365$ th of the sum of the Index plus 14.00% ("Spread"). The minimum rate of **FINANCE CHARGE** for the variable Customary APR for cash advances (other than balance transfers), including cash advances made by credit card check, will be a Daily Periodic Rate of .06025% (corresponding 21.99% **ANNUAL PERCENTAGE RATE**). For example, for billing cycles ending December 1, 2006, the rate of **FINANCE CHARGE** for the variable Customary APR for cash advances (other than balance transfers), including cash advances made by credit card check, would have been a Daily Periodic Rate of .06025% (corresponding 21.99% **ANNUAL PERCENTAGE RATE**).

If at any time you fail to make at least your Minimum Payment in time to be credited to your Account by the Payment Due Date, you exceed your Credit Line, you make a payment that is returned due to insufficient funds or you do any of these on another account you have with us, your entire Account Balance will be subject to the Default APR. At our discretion, we may increase any Promotional or Introductory APR to the applicable Customary APR before increasing it to the Default APR. Your Default APRs on all existing and future unpaid balances will automatically revert to the Customary APRs disclosed above if you make six consecutive minimum payments when due and you do not exceed your credit limit within the same time period. The Daily Periodic Rate associated with balances in default will be .09586% (corresponding 34.99% **ANNUAL PERCENTAGE RATE**).

CARDMEMBER AGREEMENT

(b) **Balance Transfer Fee Finance Charge.** A Finance Charge will be computed on the amount of each balance transfer as of the date of the transaction.

The Balance Transfer Fee **FINANCE CHARGE** is 3% of the balance transfer, subject to a minimum **FINANCE CHARGE** of \$5.

(c) **Cash Advance Fee Finance Charge.** A Finance Charge will be computed on the amount of each cash advance as of the date of the transaction.

The Cash Advance Fee **FINANCE CHARGE** for any advance by credit card check, through the ATM, or over the counter is 3% of the cash advance, subject to a minimum **FINANCE CHARGE** of \$5. The Cash Advance Fee **FINANCE CHARGE** for all other cash advances is 3% of the cash advance, subject to a minimum **FINANCE CHARGE** of \$5.

OTHER CHARGES AND SERVICE FEES

A. Minimum Finance Charge. There will be a Minimum **FINANCE CHARGE** of \$0.50 for each billing cycle in which a periodic Finance Charge is payable.

B. Late Payment Fee. We may add a late payment fee to your Account for each billing cycle you fail to make your Minimum Payment, and any amount past due, in time to be credited to your Account by the Payment Due Date. This fee is \$29 if your balance is less or equal to \$1,000 at the time the fee is assessed, or \$35 if your balance is more than \$1,000 at the time the fee is assessed.

C. Overlimit Fee. We may add an overlimit fee to your Account if your balance exceeds your Credit Line at any time during that billing cycle. We may impose this fee even if we authorize or impose charges that cause your balance to exceed your Credit Line. This fee is \$29.

D. Returned Check Charge/Returned Payment Fee. We may add a fee to your Account each time a payment check, automatic payment deduction, or similar instrument is not honored or is returned unsatisfied by your bank or other financial institution. This fee is \$35.

We may add a fee to your Account each time a credit card check (a convenience check, balance transfer check, electronic check, etc.) is returned unsatisfied by us for any reason. This fee is \$35.

You agree that any payment returned unsatisfied for any reason may be reposted to any type of transaction (i.e. cash advance, purchase, etc.), and Finance Charges may be reinstated back to the payment date at the APR being charged for that transaction type.

E. Foreign Transaction Fee. You agree to pay a foreign transaction fee for any purchase in a currency other than U.S. dollars. This fee is 2% of the purchase amount after its conversion into U.S. dollars.

F. Research Charge. You agree to pay \$7 for each sales slip copy you request and \$5 for each statement copy you request.

G. Stop Payment. We may add a \$29 fee to the cash advance balance each time payment of credit card check is stopped at your request. You may stop payment on a credit card check by notifying us in writing at P.O. Box 81622, Salinas, CA 939121622 or by calling us at the telephone number listed on the billing statement. When you write, include the number, payee, amount, and date of the credit card check on which payment is to be stopped. If you call, you must confirm the call in writing within 14 days. A written stop payment will remain in effect for six months unless renewed in writing.

AGREEMENT TO TERMS AND DEFINITIONS

This Cardmember Agreement and Disclosure Statement and any amendments to them are collectively the "Agreement" that governs the open end line of credit we

CARDMEMBER AGREEMENT

have established for you (your Account). "You" and "your" refer to all persons who applied for the Account. "We," "us," and "our" refer to Artesian Bank Nevada, N.A. "Card" means any credit cards issued under this Agreement. 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 on your Account. If you call us within 90 days of your Account open date, at the customer service number on the back of your card, you may cancel your account before using it without paying any fees.

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 only use your Account for valid and lawful purposes and that if your Account is used for any other purposes you are responsible for such use and may be required to reimburse us and either MasterCard International Incorporated or Visa International for all resulting amounts and expenses.

PROMISE TO PAY

You promise to pay according to the terms of this Agreement for all: (a) credit we extend to you or to anyone you authorize to use your Account; (b) Finance Charges, late charges, overlimit charges and administrative charges (e.g. for research, returned checks, etc.) provided in this Agreement; 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 any death, divorce or other legal proceedings or any agreement that may effect liability between you. If either joint Accountholder denies liability for amounts owed we may close your Account. If we do, you must continue to pay according to the terms of this Agreement, but you will not be able to make new charges on your Account.

USING YOUR ACCOUNT

You can access your Account using your Card or by other means approved by us which may include cash advance transactions. Cash advances include all advances to get cash over the counter, through an ATM, balance transfers, credit card checks, or other "cash-like" transactions (such as purchasing a money order, traveler's check, casino or betting chip, or a lottery ticket) as determined by us. We may limit the dollar amount and/or frequency of any type of transaction without notice to you.

YOUR CREDIT LINE

We will advise you of the total Credit line on your Account. All or a portion of your total Credit Line is available for cash advances. Your total Credit Line 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 line available for cash advances is your total Credit line.

You agree not to allow your unpaid balance to exceed your total Credit Line. Your unpaid balance includes Finance Charges and other charges. We are not required to extend credit if you have exceeded your total Credit Line or if the amount requested would cause you to exceed your total Credit Line. If you exceed your total Credit Line, you agree to pay us that excess amount immediately. Your total Credit Line and cash advance limit may not reflect your payments for up to 14 days.

PAYMENT

Each statement you receive from us will identify a Minimum Payment and Current Payment Due. The Minimum Payment is calculated as follows:

- (1) If your New Balance is not more than \$15, your Minimum Payment is the New Balance.

CARDMEMBER AGREEMENT

- (2) If your New Balance is more than \$15, your Minimum Payment is the greater of:
- 2.5% of the New Balance shown on your statement, or
 - \$15

The Current Payment Due is the sum of:

- your Minimum Payment, AND
- the greater of any amount past due, or any overlimit amount.

An overlimit amount is the amount by which your New Balance exceeds your Credit line. Your Minimum Payment and Current Payment Due will be rounded up to the nearest dollar, unless doing so will cause the resulting value to exceed the New Balance.

You must pay at least the Current Payment Due in time to be credited to your Account by the Payment Due Date, and failure to do so constitutes a default of this Agreement. If you do not pay at least the Minimum Payment and any amount past due in time to be credited to your Account by the Payment Due Date, you may be assessed a late payment fee. 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. The Payment Due Date will be determined by us but is at least 25 days after the close of your billing cycle (the "Statement Date"). You must pay any overlimit or past due amount immediately. You may pay more than the Current Payment Due and 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 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. **Disputed payments, including those marked "Payment in Full" or otherwise restrictively endorsed, must be sent to the address for written inquiries shown on your statement.** We can accept such payments, and any that are late or partial, without waiving our rights under this Agreement. 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 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. You may request a change to your billing cycle date no more than once a year. 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. 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.**

CHECK BY PHONE

You agree we may add a fee to your Account each time a payment is made by telephone, even if the payment is made by someone other than you. This fee will be disclosed at the time such payment is made.

PROMOTIONAL RATE OFFERS

At our discretion, we may offer you a Promotional Annual Percentage Rate for any type of transaction. The period of time for which the promotional rate applies may be limited. Certain promotional offers may or may not be subject to Cash Advance Fees. Any promotional rate, the corresponding periodic rates, and the period of time during which it is in effect, will be disclosed to you. Any promotional rate offer will be subject to the terms of the offer and this agreement.

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APPLICATION OF PAYMENTS

At our discretion, payments are generally applied to interest, fees and then principal balances. We may apply your payments to lower APR balances before higher APR balances. The application of payments is subject to change at any time, without notice.

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 AND INCREASING THE RATE OR AMOUNT OF FINANCE CHARGE, OR CHANGING THE METHOD OF COMPUTING THE BALANCE UPON WHICH FINANCE CHARGES ARE ASSESSED. AMONG OTHER THINGS, WE MAY UNILATERALLY INCREASE YOUR APR, INCREASE FEES OR TAKE OTHER ACTION TO INCREASE THE COST OF CREDIT BASED ON A CHANGE IN YOUR CREDIT HISTORY, INCLUDING YOUR FAILURE TO MAKE TIMELY PAYMENTS TO ANOTHER CREDITOR OR US, AN INCREASE IN YOUR TOTAL OUTSTANDING DEBT, OR AN INCREASE IN THE USE OF YOUR CREDIT LINES. WRITTEN NOTICE WILL BE PROVIDED TO YOU WHEN REQUIRED BY APPLICABLE LAW, UNLESS OTHERWISE STATED, CHANGES APPLY TO BOTH NEW AND OUTSTANDING BALANCES.

DEFAULT AND TERMINATION OF AGREEMENT

You will be in default under this Agreement if: (a) you fail to make at least the Current Payment Due in time to be credited to your Account by the Payment Due Date; (b) you violate any other provision of this Agreement; (c) you die; (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 move out of the U.S., provide us with a non-U.S. mailing address, or fail to provide us a physical address; (h) you exceed your Credit Line; (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 AUTHORIZATIONS

Some purchases will require our prior authorization and you may be asked by the merchant to provide identification. If any part of the authorization system is not working, we may not be able to authorize a transaction, even if you have sufficient available credit. We will not be liable to you if any of these events happen. We are not responsible for the refusal of any merchant to accept or honor your Card.

CARD RENEWAL

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

ACCOUNT CLOSURE

We may close your Account, suspend your credit privileges, or reduce your Credit Line 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

CARDMEMBER AGREEMENT

and fees until paid in full, 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.

CLOSING YOUR ACCOUNT

You may close your Account at any time by writing to us at P.O. Box 81622, Salinas, CA 93912-1622. If you close your Account, you must immediately pay everything you owe us, including any amounts owed but not yet billed to you, in order to avoid the accrual of Finance Charges and other fees. If you do not pay us, your Account balance will continue to accrue Finance Charges and other fees, and will remain subject to all the terms and conditions of this Agreement. Upon closing your Account, you also agree to destroy your Card(s) and any unused credit card checks. If you close your Account, you may not use your Card or credit card checks.

LIABILITY FOR UNAUTHORIZED USE

You should retain codes of all charge slips until you receive your 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 by writing us immediately upon learning of the loss, theft or possible unauthorized use at P.O. Box 81622, Salinas, CA 93912-1622 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 at the phone number or address above. In any case, your liability for unauthorized use of your credit card will not exceed \$50.

SECURITY

We are extending you an unsecured line of credit. We therefore waive any security interest that might arise under this Agreement due to language in other loan agreements you may have with us.

LOST OR STOLEN CREDIT CARD CHECKS

You agree to notify us immediately if any credit card checks are lost or stolen. You may notify us by calling (800) 395-4500.

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.

FOREIGN TRANSACTIONS FOR MASTERCARD® ACCOUNTS

If you effect a transaction with your MasterCard card in a currency other than U.S. dollars, or effect a transaction in U.S. dollars outside the U.S., MasterCard International Incorporated will convert the charge into a U.S. dollar amount. A currency conversion will occur if the transaction is made in U.S. dollars. MasterCard International will use its currency conversion procedure, which is disclosed to institutions that issue MasterCard® cards. Currently, the currency conversion rate used by MasterCard International to determine the transaction amount in U.S. dollars for such transactions is generally either a government-mandated rate or a wholesale rate determined by MasterCard International for the processing cycle in which the transaction is processed, increased by an adjustment factor established from time to time by MasterCard International. The currency conversion rate used by MasterCard International on the processing date may differ from the rate that would have been used on the purchase date or cardholder statement posting date.

FOR VISA® ACCOUNTS

If you incur a charge in a foreign currency, or effect a transaction in U.S. dollars outside the U.S., the charge will be converted by Visa International into a U.S. dollar amount. A currency conversion will occur if the transaction is made in U.S. dollars. Visa

CARDMEMBER AGREEMENT

International will use the procedures set forth in its Operating Regulations in effect at the time that the transaction is processed. Currently, those Regulations provide that the currency conversion rate to be used is either (1) a wholesale market rate or (2) a government-mandated rate in effect one day prior to the processing date, increased by one percent in each case. Visa retains this one percent as compensation for performing the currency conversion service. The currency conversion rate in effect on the processing date may differ from the rate in effect on the transaction date or the posting date.

APPLICABLE LAW

This Agreement and your Account will be governed by federal law and 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 and all credit under this Agreement will be extended from Nevada.

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.

CERTAIN AUTHORIZATION 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, which is provided with this Cardmember Agreement.

CREDIT REPORTING

If you fail to fulfill the terms of this Agreement, a negative report reflecting on your credit record may be submitted to a credit reporting agency. If any specific information related to your Account transactions or credit experience with us is inaccurate, you may notify us and request 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 99706, Las Vegas, NV 89193.

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.

ARBITRATION

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 this Agreement or the relationships which result from this Agreement, including the validity or enforceability of this arbitration clause, any part thereof or the entire Agreement ("Claim"), shall be resolved, upon the election of you or us, by binding arbitration pursuant to this arbitration provision and the applicable rules or procedures of the arbitration administrator selected at the time

CARDMEMBER AGREEMENT

the Claim is filed. The party initiating the arbitration proceeding shall have the right to select one of the following two arbitration administrators: the National Arbitration Forum ("NAF") or JAMS. The arbitrator shall be a lawyer with more than ten years experience or a retired or former judge. 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. The rules and forms of the NAF and JAMS may be obtained by writing to these organizations at the addresses listed below. Our address for service of process under this provision is Artesian Card Services Inc., P.O. Box 98740, Las Vegas, NV 89193-8740.

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.

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 116 (the "FM"). The arbitrator shall apply applicable substantive law consistent with the FAA and provide written reasoned findings of fact and conclusions of law. 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.

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 FM, it shall not invalidate the remaining portions of this arbitration agreement or the Agreement. 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 written consent of you and us.

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.

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

National Arbitration Forum P.O.
Box 50191 Minneapolis, MN 55405
www.arb-forum.org
Code of Procedure

JAMS
45 Broadway
New York, NY 10005
www.jamsadr.com
Financial Services
Arbitration Rules and Procedures.

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 (on a separate sheet) to Artesian Card Services Inc., P.O. Box 80084, Salinas, CA 93912. 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 line. 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.

CARDMEMBER AGREEMENT

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 RULE FOR CREDIT CARD PURCHASES

If you have a problem with the quality of property or services that 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 your home state, within 100 miles of your current mailing address; and (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.

Artesian Card Services Inc. and/or Artesian Card Services (I) Inc. provide processing services for Artesian Bank Nevada, N.A.

You may write to us at:

Artesian Bank Nevada, N.A.
1111 Town Center Drive
Las Vegas, Nevada 89144

MasterCard and Gold MasterCard are registered marks of MasterCard International, Incorporated.

©2005 Artesian Card Services Inc.

Thomas M. Kimble
Executive Vice President

Summary of Key Account Terms

ANNUAL PERCENTAGE RATES	
Purchase APR	Currently 14.99%. This rate will vary with the market (see "Information about Variable Rates" below).
Other APRs	<p>Balance Transfers: 0.0% fixed introductory rate until your statement closing date in December 2007; thereafter 15.99%</p> <p>Cash Advances: Currently 21.99%. This rate will vary with the market (see "Information about Variable Rates" below).</p>
Default APR (Your interest rates may increase to the Default APR in certain situations, as shown below)	Up to 34.99%
Minimum finance charge	\$0.50

DEFAULT APR
<p>All of your APRs (including introductory rates) may automatically be increased up to the Default APR if:</p> <ul style="list-style-type: none"> • You make a late payment; • You exceed your credit limit; • You make a payment that is returned due to insufficient funds; or • You do any of the above on another account that you have with us. <p>If your APRs are increased for any of these reasons, they will automatically revert back to the standard interest rates disclosed above if you make six consecutive minimum payments when due and you do not exceed your credit limit within that same time period.</p>

FEES	
Annual Fee	None
Transaction Fees	
<ul style="list-style-type: none"> • Balance Transfer • Cash Advance • Foreign Transaction 	<p>3% of the amount of each transfer or check, but not less than \$5</p> <p>3% of the cash advance, but not less than \$5</p> <p>2% of transaction in U.S. dollars</p>
Penalty Fees	
<ul style="list-style-type: none"> • Late Payment • Over-the-Credit Limit • Returned Payment 	<p>\$29 if balance is less than or equal to \$1,000; \$35 if balance is more than \$1,000</p> <p>\$29</p> <p>\$35</p>

GRACE PERIOD: If you pay your balance in full each month, you will not be charged interest on purchases for at least 25 days after the close of each statement period. This 25-day period is called your "grace period." If you do not pay your balance in full each month you lose this interest-free period, and will begin paying interest as soon as you make a purchase. No grace period exists for cash advances or balance transfers; when you make these transactions you begin paying interest immediately.

HOW WE WILL CALCULATE YOUR BALANCE: To calculate your balance we use a two-cycle average daily balance method (including new purchases).

HOW WE WILL APPLY YOUR PAYMENTS TO YOUR BALANCES: If you have two balances on this account with different interest rates, we will apply your payments to the balance with the lower rate first.

INFORMATION ABOUT VARIABLE RATES: Your APR on purchases will be calculated each month by taking the Prime Rate (currently 7.00%) and adding 7.99%. Your APR on cash advances will be calculated each month by taking the Prime Rate and adding 14.99%. If the Prime Rate changes, your APRs on purchases and cash advances will change as well.

Summary of Key Account Terms

ANNUAL PERCENTAGE RATES	
Annual Percentage Rate (APR) for purchases	A variable rate ¹ , currently 14.99%.
APR for balance transfers	0.0% introductory rate until your statement closing date in December 2007; thereafter 15.99% (see "Notice Regarding Balance Transfers" below)
APR for cash advances	A variable rate ¹ , currently 21.99%
Highest Possible APR (see below)	34.99%
Minimum finance charge	\$0.50

HIGHEST POSSIBLE APR
<p>All of your APRs (including introductory rates) may automatically be increased up to the Highest Possible APR shown above if:</p> <ul style="list-style-type: none"> • You make a late payment; • You exceed your credit limit; • You make a payment that is returned due to insufficient funds; or • You do any of the above on another account that you have with us.

FEES	
Annual Fee	None
Transaction Fees	
• Balance Transfer	Either \$5 or 3% of the amount of each transfer, whichever is greater
• Cash Advance	Either \$5 or 3% of the amount of each cash advance, whichever is greater
• Foreign Transaction	2% of transaction in U.S. dollars
Penalty Fees	
• Late Payment	\$29 if balance is less than or equal to \$1,000; \$35 if balance is more than \$1,000
• Over-the-Credit Limit	\$29
• Returned Payment	\$35

¹ Your APR on purchases will be calculated each month by taking the Prime Rate (currently 7.00%) and adding 7.99%.
Your APR on cash advances will be calculated each month by taking the Prime Rate and adding 14.99%.
If the Prime Rate changes, your APRs on purchases and cash advances will change as well.

OTHER ACCOUNT TERMS THAT MAY AFFECT THE INTEREST YOU PAY

"INTEREST-FREE" PERIOD: If you pay your balance in full each month, you are guaranteed at least 25 days after the close of each statement period to pay your balance on purchases with no interest charge. If you do not pay your balance in full each month you lose this interest-free period, and will begin paying interest as soon as you make a purchase. No interest-free period exists for cash advances or balance transfers; when you make these transactions you begin paying interest immediately.

HOW WE WILL CALCULATE YOUR BALANCE: To calculate your balance we use a method called "two-cycle average daily balance (including new purchases)". If you sometimes pay your balance in full and sometimes do not, this method may lead to higher interest charges than methods used by other credit card companies.

NOTICE REGARDING BALANCE TRANSFERS: If you transfer balances at our low introductory APR and then make purchases using this card, we will apply your payments first to your transferred balances during your promotional period. We will only apply payments to your purchases after your transferred balances have been paid off completely. Until that time, you will be charged interest each period on the full balance of your purchases at the Purchase APR shown above.

Summary of Key Account Terms

ANNUAL PERCENTAGE RATES	
Annual Percentage Rate (APR) for purchases	Currently 14.99%. This rate will vary (see “Information about Variable Rates” below).
Other APRs	<p>Balance Transfers: 0.0% fixed introductory rate until your statement closing date in December 2007; thereafter 15.99%</p> <p>Cash Advances: Currently 21.99%. This rate will vary (see “Information about Variable Rates” below).</p>
Penalty APR	<p>Penalty APR: Up to 34.99%</p> <p>Your interest rates may increase up to this percentage if:</p> <ul style="list-style-type: none"> • You make a late payment; • You exceed your credit limit; • You make a payment that is returned due to insufficient funds; or • You do any of the above on another account that you have with us.
Minimum finance charge	\$0.50

FEES	
Annual fee	None
Transaction fees	<ul style="list-style-type: none"> • Balance transfer: 3% of the amount of each transfer or check, but not less than \$5 • Cash advance: 3% of the cash advance, but not less than \$5 • Foreign transaction: 2% of the U.S. dollar amount
Penalty fees	<ul style="list-style-type: none"> • Late payment: \$29 if your balance at the time the late payment fee is assessed is less than or equal to \$1,000. If your balance at that time is over \$1,000, fees for late payments will be \$35. • Over-the-credit-limit: \$29 • Returned payment: \$35

OTHER ACCOUNT TERMS THAT MAY AFFECT THE INTEREST YOU PAY	
<p>Grace Period: Your grace period (the period during which you are not charged interest on your purchases) is at least 25 days after the close of each statement period, as long as you pay your balance in full each month. No grace period exists for cash advances or balance transfers; when you make these transactions you begin paying interest immediately.</p>	
<p>How We Will Calculate Your Balance: To calculate your balance we use a method called “two-cycle average daily balance (including new purchases)”. If you sometimes pay your balance in full and sometimes do not, this method may lead to higher interest charges than other methods.</p>	
<p>How We Will Apply Your Payments To Your Balances: If you have two types of balance on this account with different interest rates, we will apply your payments to the balance with the lower interest rate first. For example, if you transfer a balance at a low introductory rate and then make purchases at a higher rate, any payments you make will be used to pay down the transferred balance first and will only be applied to purchases after the transferred balance is fully paid.</p>	
<p>Information About Variable Rates: Your APR on purchases will be calculated each month by taking the Prime Rate (currently 7.00%) and adding 7.99%. Your APR on cash advances will be calculated each month by taking the Prime Rate and adding 14.99%. If the Prime Rate changes, your APRs on purchases and cash advances will change as well.</p>	

Summary of Key Account Terms

TRANSACTION RATES AND FEES	
Purchases	APR: A variable rate ¹ , currently 14.99%.
Balance Transfers	APR: 0.0% introductory rate until your statement closing date in December 2007; thereafter 15.99% (see “Notice Regarding Balance Transfers” below) Fee: Either \$5 or 3% of the amount of each transfer, whichever is greater
Cash Advances	APR: A variable rate ¹ , currently 21.99% Fee: Either \$5 or 3% of the amount of each advance, whichever is greater
Other Transaction Fees	Foreign Transaction Fee: 2% of transaction in U.S. dollars
Minimum finance charge	\$0.50

PENALTY RATES AND FEES	
Penalty APR	Your interest rates may increase up to the Penalty APR of 34.99% if: <ul style="list-style-type: none"> • You make a late payment; • You exceed your credit limit; • You make a payment that is returned due to insufficient funds; or • You do any of the above on another account you have with us. <p>If your APRs are increased for any of these reasons, they will automatically revert back to the standard interest rates disclosed above if you make six consecutive minimum payments when due and you do not exceed your credit limit within that same time period.</p>
Late Payment Fee	\$29 if balance is less than or equal to \$1,000; \$35 if balance is greater than \$1,000
Over-the-Credit Limit Fee	\$29
Returned Payment Fee	\$35

OTHER ACCOUNT TERMS THAT MAY AFFECT THE INTEREST YOU PAY	
Grace Period	If you pay your balance in full each month, you will not be charged interest on purchases for at least 25 days after the close of each statement period. This 25-day period is called your “grace period.” If you do not pay your balance in full each month you lose this interest-free period, and will begin paying interest as soon as you make a purchase. No grace period exists for cash advances or balance transfers; when you make these transactions you begin paying interest immediately.
How We Will Calculate Your Balance	To calculate your balance we use a method called “two-cycle average daily balance (including new purchases)”. If you sometimes pay your balance in full and sometimes do not, this method may lead to higher interest charges than other methods.
Notice Regarding Balance Transfers	If you transfer balances at our low introductory APR and then make purchases using this card, we will apply your payments first to your transferred balances during your promotional period. We will only apply payments to your purchases after your transferred balances have been paid off completely.

¹ Your APR on purchases will be calculated each month by taking the Prime Rate (currently 7.00%) and adding 7.99%. Your APR on cash advances will be calculated each month by taking the Prime Rate and adding 14.99%. If the Prime Rate changes, your APRs on purchases and cash advances will change as well.

Periodic Statements Used in Denver Interviews

Contents:

- Model PS-5 (pages 1 and 2)
- Model PS-6 (pages 1 and 2)
- Model PS-7 (pages 1 and 2)
- Model PS-8 (pages 1 and 2)
- Back of periodic statement pages



Artesian Bank



ACCOUNT ACTIVITY

Statement Closing Date	1/19/07
Days in Billing Cycle	30
Previous Balance	\$1,092.61
Payments	\$100.00
Credits	\$0.00
Purchases	\$41.09
Debits	\$0.00
Cash Advances	\$43.00
Total INTEREST CHARGE	\$14.25
Total FEES	\$39.00
New Balance	\$1,129.95

For prompt credit, mail payments to:
 PO BOX 5147
 SIOUX FALLS, SD 57117-5147
 Payment sent to any other address may delay crediting your account up to 5 days.

ACCOUNT SUMMARY

Account Number	1234567890123456
Credit Limit	\$1,500.00
Available Credit as of 1/19/07	\$370.05
New Balance	\$1,129.95
Payment Due Date	2/13/07 (before 12:00 noon)
Amount Due This Period	= \$34.00
Past Due Amount	+ \$0.00
Total Minimum Amount Due	= \$34.00*

*Making only the minimum payment will increase the interest you pay and the time it takes to repay your balance. For example, if you had a balance of \$1,000 at an interest rate of 17% and always paid only the minimum required, it would take over 7 years to repay the balance in full. For an estimate of the time it would take to repay your actual balance making only minimum payments, call this toll-free telephone number: 1-800-555-5555.

QUESTIONS?
 Call Customer Service 1-800-987-5521
 Lost or Stolen Credit Card 1-800-987-5521

Please send billing inquiries and correspondence to:
 PO BOX 5524, SIOUX FALLS, SD 57117-8824

TRANSACTIONS

Trans Date	Post Date	Reference Number	Description of Transaction or Credit	Amount
12/26	12/28	5884186PS0388W6YM	CITGO FOOD MART #74 ATLANTA GA	\$2.05
12/29	12/29	9525156489SFD4545Q	LATE FEE	\$35.00
01/03	01/03	854338203FS8000Z5	PYMT THANK YOU 5147 E SIOUX FALLS SD	\$100.00-
01/05	01/05	0544400060ZLV72VL	CVS PHARMACY #7338 003 ATLANTA GA	\$12.11
01/05	01/05	55541860705RDYD0X	ECKERD DRUGS #2708 ATLANTA GA	\$4.63
01/06	01/06	1542202074TWWWZV48	BESTBANK/ACCESS CASH ATLANTA GA	\$21.50
01/06	01/06		CASH ADVANCE FEE *TRANSACTION FEE*	\$2.00
01/06	01/06	554328608008W90M0	EASY SAVER 877-844-9564 PA	\$14.95
01/08	01/08	1542202083J78OPXW	BESTBANK/ACCESS CASH ATLANTA GA	\$21.50
01/08	01/08		CASH ADVANCE FEE *TRANSACTION FEE*	\$2.00
01/09	01/09	054830709LYMRPT4L	WAYFIELD FOODS #1 S9B ATLANTA GA	\$7.35

CALCULATION OF INTEREST CHARGES

Type of Balance	Annual Percentage Rate (APR)	Monthly Interest Rate	Balance Subject to Interest Rate	Interest Charge
Purchases	14.99% (v)	1.249%	\$1,034.69	\$12.92
Cash Advances	21.99% (v)	1.833%	\$72.46	\$1.33

(v) = Variable Rate

EFFECTIVE APR

Type of Balance	Interest Charges	Transaction Fees	Effective APR
Purchases	\$12.92	\$0.00	14.99%
Cash Advances	\$1.33	\$4.00	88.27%

Your **Annual Percentage Rate (APR)** is the annual interest rate on your account.
 Your **Effective APR** is the rate that includes both interest and transaction fees that you paid this month.

The **Default APR** for your account is **34.99%**. All your APRs may be increased to this rate if you pay late or for other reasons; see your Cardholder Agreement for more details.

NOTICE: SEE REVERSE SIDE FOR IMPORTANT INFORMATION

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Please detach this portion and return with your payment to insure proper credit. Retain upper portion for your records.

Account Number:	1234567890123456
New Balance	\$1,129.95
PAYMENT INFORMATION	
Payment Due Date	2/13/07 (before 12:00 noon)
Amount Due This Period	+ \$34.00
Past Due Amount	+ \$0.00
Total Minimum Amount Due	= \$34.00 (see warning below)

WARNING: If the minimum required payment is not paid by the due date listed on this statement, you may be subject to a \$35 late fee and your APRs may be increased up to the Default APR listed above.

AMOUNT ENCLOSED: \$

Please indicate address change and additional cardholder requests on the reverse side.

Artesian Bank
 P.O. Box 5147
 Sioux Falls, SD 57117-5147





Artesian Bank



*****NOTICE OF CHANGES TO ACCOUNT TERMS*****

The following is a summary of changes that are being made to your account terms. You have the right to opt out of these changes. For more detailed information, please refer to the booklet enclosed with this statement. The effective date of these changes is 3/1/07.

Revised Terms, as of 3/1/07	
APR on Purchases	16.99%
Late Payment Fee	\$32 if your balance is less than or equal to \$1,000; \$39 if your balance is more than \$1,000

Want to receive your billing statement in Spanish?

Prefiere recibir su estado de cuenta en Espanol? Llamenos al 1-800-947-9100, o elija su idioma de preferencia en www.artesianbank.com, modificando su Perfil Personal en la seccion Administrar mi Cuenta.

Fast Online Card Payments with Click-to-Pay

Pay your Artesian Bank bill online anytime, day or night. Payments received by 12 noon EST will post that same business day! Sign-on to www.artesianbank.com and choose the Make a Payment menu.

Save Time. Save Paper. Sign up for All Electronic.

You'll have instant access to your statement online, without that pile of paper. Get an e-mail notice when your statement is ready. Register or sign-on to www.artesianbank.com and choose Manage My Account.

Need to add an authorized user to your account?

Just sign on to www.artesianbank.com, go to Maintenance Requests under the Manage My Account menu and select Add Authorized User. Complete the form and submit. It's that simple!

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Please detach this portion and return with your payment to insure proper credit. Retain upper portion for your records.

Account Number:

New Balance

PAYMENT INFORMATION

Payment Due Date

Amount Due This Period

Past Due Amount

Total Minimum Amount Due

AMOUNT ENCLOSED: \$

Please indicate address change and additional cardholder requests on the reverse side.





Artesian Bank



ACCOUNT ACTIVITY

Statement Closing Date	1/19/07
Days in Billing Cycle	30
Previous Balance	\$1,092.61
Payments	\$100.00
Credits	\$0.00
Purchases	\$41.09
Debits	\$0.00
Cash Advances	\$43.00
Total INTEREST AND FEES	\$53.25
New Balance	\$1,129.95

For prompt credit, mail payments to:
 PO BOX 5147
 SIOUX FALLS, SD 57117-5147
 Payment sent to any other address may delay crediting your account up to 5 days.

ACCOUNT SUMMARY

Account Number	1234567890123456
Credit Limit	\$1,500.00
Available Credit as of 1/19/07	\$370.05
New Balance	\$1,129.95
Payment Due Date	2/13/07 (before 12:00 noon)
Amount Due This Period	= \$34.00
Past Due Amount	+ \$0.00
Total Minimum Amount Due	= \$34.00 (see warning below)

WARNING: Making only the minimum payment will increase the interest you pay and the time it takes to repay your balance. For example, if you had a balance of \$1,000 at an interest rate of 17% and always paid only the minimum required, it would take over 7 years to repay the balance in full. For an estimate of the time it would take to repay your actual balance making only minimum payments, call this toll-free telephone number: 1-800-555-5555.

QUESTIONS?
 Call Customer Service 1-800-987-5521
 Lost or Stolen Credit Card 1-800-987-5521

Please send billing inquiries and correspondence to:
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TRANSACTIONS

Trans Date	Post Date	Reference Number	Description of Transaction or Credit	Amount
PAYMENTS AND OTHER CREDITS				
01/03	01/03	854338203FS8000Z5	PYMT THANK YOU 5147 E SIOUX FALLS SD	\$100.00-
PURCHASES				
12/26	12/28	5884186PS0388W6YM	CITGO FOOD MART #74 ATLANTA GA	\$2.05
01/05	01/05	0544400060ZLV72VL	CVS PHARMACY #7338 003 ATLANTA GA	\$12.11
01/05	01/05	55541860705RDYD0X	ECKERD DRUGS #2708 ATLANTA GA	\$4.63
01/06	01/06	554328608008W90M0	EASY SAVER 877-844-9564 PA	\$14.95
01/09	01/09	054830709LYMRPT4L	WAYFIELD FOODS #1 S9B ATLANTA GA	\$7.35
CASH ADVANCES				
01/06	01/06	1542202074TWWZV48	BESTBANK/ACCESS CASH ATLANTA GA	\$21.50
01/08	01/08	1542202083J78OPXW	BESTBANK/ACCESS CASH ATLANTA GA	\$21.50
FEES				
12/29	12/29	9525156489SFD4545Q	LATE FEE	\$35.00
01/06	01/06		CASH ADVANCE FEE *TRANSACTION FEE*	\$2.00
01/08	01/08		CASH ADVANCE FEE *TRANSACTION FEE*	\$2.00
INTEREST CHARGES				
1/19	1/19		INTEREST ON PURCHASES	\$12.92
1/19	1/19		INTEREST ON CASH ADVANCES	\$1.33

APRs AND CALCULATION OF INTEREST CHARGES

Type of Balance	Annual Percentage Rate (APR)	Balance Subject to Interest Rate	Interest Charges	Transaction Fees	Effective APR
Purchases	14.99% (v)	\$1,034.69	\$12.92	\$0.00	14.99%
Cash Advances	21.99% (v)	\$72.46	\$1.33	\$4.00	88.27%

(v) = Variable Rate

Your **Annual Percentage Rate (APR)** is the annual interest rate on your account.
 Your **Effective APR** is the rate that includes both interest and transaction fees that you paid this month.

The **Default APR** for your account is **34.99%**. All your APRs may be increased to this rate if you pay late or for other reasons; see your Cardholder Agreement for more details.

NOTICE: SEE REVERSE SIDE FOR IMPORTANT INFORMATION

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Please detach this portion and return with your payment to insure proper credit. Retain upper portion for your records.

Please indicate address change and additional cardholder requests on the reverse side.

Artesian Bank
 P.O. Box 5147
 Sioux Falls, SD 57117-5147

Account Number: 1234567890123456
 New Balance \$1,129.95

PAYMENT INFORMATION

Payment Due Date	2/13/07 (before 12:00 noon)
Amount Due This Period	+ \$34.00
Past Due Amount	+ \$0.00
Total Minimum Amount Due	= \$34.00* (see below)

*NOTICE: If the minimum required payment is not paid by the due date listed on this statement, you may be subject to a \$35 late fee and your APRs may be increased up to the Penalty APR listed above.

AMOUNT ENCLOSED: \$





Artesian Bank



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Prefiere recibir su estado de cuenta en Espanol? Llamenos al 1-800-947-9100, o elija su idioma de preferencia en www.artesianbank.com, modificando su Perfil Personal en la seccion Administrar mi Cuenta.

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Pay your Artesian Bank bill online anytime, day or night. Payments received by 12 noon EST will post that same business day! Sign-on to www.artesianbank.com and choose the Make a Payment menu.

Save Time. Save Paper. Sign up for All Electronic.

You'll have instant access to your statement online, without that pile of paper. Get an e-mail notice when your statement is ready. Register or sign-on to www.artesianbank.com and choose Manage My Account.

Need to add an authorized user to your account?

Just sign on to www.artesianbank.com, go to Maintenance Requests under the Manage My Account menu and select Add Authorized User. Complete the form and submit. It's that simple!

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Revised Terms, as of 3/1/07	
APR on Purchases	16.99%
Late Payment Fee	\$32 if your balance is less than or equal to \$1,000; \$39 if your balance is more than \$1,000

5825 TRD 2 100 7 Page 2 of 2 8382 4000 USM2 0003 050118 O1AC5825 35ADM

Please detach this portion and return with your payment to insure proper credit. Retain upper portion for your records.

Account Number:

New Balance

PAYMENT INFORMATION

Payment Due Date

Amount Due This Period

Past Due Amount

Total Minimum Amount Due

AMOUNT ENCLOSED: \$

Please indicate address change and additional cardholder requests on the reverse side.





Artesian Bank



ACCOUNT ACTIVITY

Statement Closing Date	1/19/07
Days in Billing Cycle	30
Previous Balance	\$1,092.61
Payments	\$100.00
Credits	\$0.00
Purchases	\$41.09
Debits	\$0.00
Cash Advances	\$43.00
Total INTEREST CHARGE	\$14.25
Total FEES	\$39.00
New Balance	\$1,129.95

For prompt credit, mail payments to:
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 SIOUX FALLS, SD 57117-5147
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ACCOUNT SUMMARY

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Credit Limit	\$1,500.00
Available Credit as of 1/19/07	\$370.05
New Balance	\$1,129.95
Payment Due Date	2/13/07 (before 12:00 noon)
Amount Due This Period	= \$34.00
Past Due Amount	+ \$0.00
Total Minimum Amount Due	= \$34.00 (see warning below)

LATE PAYMENT WARNING: If the minimum required payment is not paid by the due date listed on this statement, you may be subject to a \$35 late fee and your APRs may be increased up to the Default APR of 34.99%.

QUESTIONS?
 Call Customer Service 1-800-987-5521
 Lost or Stolen Credit Card 1-800-987-5521

Please send billing inquiries and correspondence to:
 PO BOX 5524, SIOUX FALLS, SD 57117-8824

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Late Payment Fee	\$32 if your balance is less than or equal to \$1,000; \$39 if your balance is more than \$1,000

TRANSACTIONS

Trans Date	Post Date	Reference Number	Description of Transaction or Credit	Amount
PAYMENTS AND OTHER CREDITS				
01/03	01/03	854338203FS800025	PYMT THANK YOU 5147 E SIOUX FALLS SD	\$100.00-
PURCHASES				
12/28	12/28	5884186PS0388W6YM	CITGO FOOD MART #74 ATLANTA GA	\$2.05
01/05	01/05	0544400060ZLV72VL	CVS PHARMACY #7338 003 ATLANTA GA	\$12.11
01/05	01/05	55541860705RDYD0X	ECKERD DRUGS #2708 ATLANTA GA	\$4.63
01/06	01/06	554328608008W90M0	EASY SAVER 877-844-9564 PA	\$14.95
01/09	01/09	054830709LYMRPT4L	WAYFIELD FOODS #1 S9B ATLANTA GA	\$7.35
CASH ADVANCES				
01/06	01/06	1542202074TWWZV48	BESTBANK/ACCESS CASH ATLANTA GA	\$21.50
01/08	01/08	1542202083J78OPXW	BESTBANK/ACCESS CASH ATLANTA GA	\$21.50
FEES AND OTHER CHARGES				
12/29	12/29	9525156489SFD4545Q	LATE FEE	\$35.00
01/06	01/06		CASH ADVANCE FEE	\$2.00
01/08	01/08		CASH ADVANCE FEE	\$2.00

NOTICE: SEE REVERSE SIDE FOR IMPORTANT INFORMATION

5825 TRD 2 100 7 Page 1 of 2 8382 4000 USM2 0003 050118 01AC5825 35ADM

Please detach this portion and return with your payment to insure proper credit. Retain upper portion for your records.

Please indicate address change and additional cardholder requests on the reverse side.

Artesian Bank
 P.O. Box 5147
 Sioux Falls, SD 57117-5147

Account Number:	1234567890123456
New Balance	\$1,129.95
PAYMENT INFORMATION	
Payment Due Date	2/13/07 (before 12:00 noon)
Amount Due This Period	= \$34.00
Past Due Amount	+ \$0.00
Total Minimum Amount Due	= \$34.00* (see below)

*NOTICE: Making only the minimum payment will increase the interest you pay and the time it takes to repay your balance. For example, if you had a balance of \$1,000 at an interest rate of 17% and always paid only the minimum required, it would take over 7 years to repay the balance in full. For an estimate of the time it would take to repay your actual balance making only minimum payments, call this toll-free telephone number: 1-800-555-5555.

AMOUNT ENCLOSED: \$





Artesian Bank



CALCULATION OF INTEREST CHARGES

Type of Balance	Annual Percentage Rate (APR)	Monthly Interest Rate	Balance Subject to Interest Rate	Interest Charge
Purchases	14.99% (v)	1.249%	\$1,034.69	\$12.92
Cash Advances	21.99% (v)	1.833%	\$72.46	\$1.33

(v) = Variable Rate

Want to receive your billing statement in Spanish?

Prefiere recibir su estado de cuenta en Espanol? Llamos al 1-800-947-9100, o elija su idioma de preferencia en www.artesianbank.com, modificando su Perfil Personal en la seccion Administrar mi Cuenta.

Fast Online Card Payments with Click-to-Pay

Pay your Artesian Bank bill online anytime, day or night. Payments received by 12 noon EST will post that same business day! Sign-on to www.artesianbank.com and choose the Make a Payment menu.

Save Time. Save Paper. Sign up for All Electronic.

You'll have instant access to your statement online, without that pile of paper. Get an e-mail notice when your statement is ready. Register or sign-on to www.artesianbank.com and choose Manage My Account.

Need to add an authorized user to your account?

Just sign on to www.artesianbank.com, go to Maintenance Requests under the Manage My Account menu and select Add Authorized User. Complete the form and submit. It's that simple!

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Please detach this portion and return with your payment to insure proper credit. Retain upper portion for your records.

Account Number:

New Balance

PAYMENT INFORMATION

Payment Due Date

Amount Due This Period

Past Due Amount

Total Minimum Amount Due

AMOUNT ENCLOSED: \$

Please indicate address change and additional cardholder requests on the reverse side.

35806





Artesian Bank



ACCOUNT ACTIVITY

Statement Closing Date	1/19/07
Previous Balance	\$1,092.61
Payments	\$100.00
Credits	\$0.00
Purchases	\$41.09
Debits	\$0.00
Cash Advances	\$43.00
Total INTEREST AND FEES	\$53.25
New Balance	\$1,129.95

For prompt credit, mail payments to:
 PO BOX 5147
 SIOUX FALLS, SD 57117-5147
 Payment sent to any other address may delay crediting your account up to 5 days.

ACCOUNT SUMMARY

Account Number	1234567890123456
Credit Limit	\$1,500.00
Available Credit as of 1/19/07	\$370.05
New Balance	\$1,129.95
Payment Due Date	2/13/07 (before 12:00 noon)
Amount Due This Period	= \$34.00
Past Due Amount	+ \$0.00
Total Minimum Amount Due	= \$34.00*

*If the minimum required payment is not paid by the due date listed on this statement, you may be subject to a \$35 late fee and your APRs may be increased up to the Penalty APR listed below.

QUESTIONS?
 Call Customer Service 1-800-987-5521
 Lost or Stolen Credit Card 1-800-987-5521

Please send billing inquiries and correspondence to:
 PO BOX 5524, SIOUX FALLS, SD 57117-8824

TRANSACTIONS

Trans Date	Post Date	Reference Number	Description of Transaction or Credit	Amount
12/26	12/28	5884186PS0388W6YM	CITGO FOOD MART #74 ATLANTA GA	\$2.05
12/29	12/29	9525156489SFD4545Q	LATE FEE	\$35.00
01/03	01/03	854338203FS8O00Z5	PYMT THANK YOU 5147 E SIOUX FALLS SD	\$100.00
01/05	01/05	0544400060ZLV72VL	CVS PHARMACY #7338 003 ATLANTA GA	\$12.11
01/05	01/05	55541860705RDYD0X	ECKERD DRUGS #2708 ATLANTA GA	\$4.63
01/06	01/06	1542202074TWWZV48	BESTBANK/ACCESS CASH ATLANTA GA	\$21.50
01/06	01/06		CASH ADVANCE FEE	\$2.00
01/06	01/06	554328608008W90M0	EASY SAVER 877-844-9564 PA	\$14.95
01/08	01/08	1542202083J78OPXW	BESTBANK/ACCESS CASH ATLANTA GA	\$21.50
01/08	01/08		CASH ADVANCE FEE	\$2.00
01/09	01/09	054830709LYMRPT4L	WAYFIELD FOODS #1 S9B ATLANTA GA	\$7.35
01/19	01/19		TOTAL INTEREST CHARGE	\$14.25

NOTICE OF CHANGES TO ACCOUNT TERMS

The following is a summary of changes that are being made to your account terms. You have the right to opt out of these changes. For more detailed information, please refer to the booklet enclosed with this statement. The effective date of these changes is 3/1/07.

Revised Terms, as of 3/1/07	
APR on Purchases	16.99%
Late Payment Fee	\$32 if your balance is less than or equal to \$1,000; \$39 if your balance is more than \$1,000

NOTICE: SEE REVERSE SIDE FOR IMPORTANT INFORMATION

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Please detach this portion and return with your payment to insure proper credit. Retain upper portion for your records.

Please indicate address change and additional cardholder requests on the reverse side.

Artesian Bank
 P.O. Box 5147
 Sioux Falls, SD 57117-5147

Account Number: 1234567890123456
New Balance \$1,129.95

PAYMENT INFORMATION

Payment Due Date 2/13/07 (before 12:00 noon)
 Amount Due This Period + \$34.00
 Past Due Amount + \$0.00
Total Minimum Amount Due = \$34.00

AMOUNT ENCLOSED: \$

WARNING: Making only the minimum payment will increase the interest you pay and the time it takes to repay your balance. For example, if you had a balance of \$1,000 at an interest rate of 17% and always paid only the minimum required, it would take over 7 years to repay the balance in full. For an estimate of the time it would take to repay your actual balance making only minimum payments, call this toll-free telephone number: 1-800-555-5555.





Artesian Bank



Want to receive your billing statement in Spanish?

Prefiere recibir su estado de cuenta en Espanol? Llamenos al 1-800-947-9100, o elija su idioma de preferencia en www.artesianbank.com, modificando su Perfil Personal en la seccion Administrar mi Cuenta.

Fast Online Card Payments with Click-to-Pay

Pay your Artesian Bank bill online anytime, day or night. Payments received by 12 noon EST will post that same business day! Sign-on to www.artesianbank.com and choose the Make a Payment menu.

Save Time. Save Paper. Sign up for All Electronic.

You'll have instant access to your statement online, without that pile of paper. Get an e-mail notice when your statement is ready. Register or sign-on to www.artesianbank.com and choose Manage My Account.

Need to add an authorized user to your account?

Just sign on to www.artesianbank.com, go to Maintenance Requests under the Manage My Account menu and select Add Authorized User. Complete the form and submit. It's that simple!

CALCULATION OF INTEREST CHARGES

Type of Balance	APR	Balance Subject to Interest Charge	Interest Charge
Purchases	14.99% (v)	\$1,034.69	\$12.92
Cash Advances	21.99% (v)	\$72.46	\$1.33

(v) = Variable Rate

Your **Annual Percentage Rate (APR)** is the annual interest rate on your account.

Your **Effective APR** is the rate that includes both interest and transaction fees that you paid this month.

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Please detach this portion and return with your payment to insure proper credit. Retain upper portion for your records.

Account Number:

New Balance

PAYMENT INFORMATION

Payment Due Date

Amount Due This Period

Past Due Amount

Total Minimum Amount Due

AMOUNT ENCLOSED: \$

Please indicate address change and additional cardholder requests on the reverse side.

35806



IMPORTANT INFORMATION ABOUT YOUR ACCOUNT

Grace Period on New Purchases (at least 25 days)

You can avoid Interest Charges on new Purchases that posted to this statement if your Previous Balance is zero (or a credit balance) and we receive full payment of the New Balance by the Payment Due Date. If so, you have from the date you made your purchases until the payment Due Date on the front to avoid any interest charge on that purchase. If your Previous Balance is greater than zero, there is no time period to pay the New Balance and avoid additional interest charges. There is no grace period for Cash Advances and Balance Transfers.

Explanation of Interest Charges and Transaction Fees

We calculate periodic interest charges using the applicable monthly periodic rates separately for each feature (e.g., purchases, balance transfers, cash advances, promotional balances, or overdraft advances). We calculate the monthly periodic rate for each feature by dividing the APR for each feature by 12. There is a minimum charge in any billing cycle in which you owe any periodic interest charges, and a transaction charge for each balance transfer, cash advance, or check transaction, in the amounts stated in your Cardmember Agreement, as amended.

To get the daily balance for each day of the current billing cycle, we take the beginning balance for each feature, add any new transactions or other debits (including fees, unpaid interest charges and other charges), subtract any payments or credits, and make other adjustments. Transactions are added as of the transaction date, the beginning of the billing cycle in which they are posted to your account, or a later date of our choice (except that check transactions are added as of the date deposited by the payee or a later date of our choice). Fees are added either on the date of a related transaction, the date they are posted to your account, or the last day of the billing cycle. This gives us that day's daily balance. A credit balance is treated as a balance of zero. If a daily periodic rate applies to any feature we multiply the daily balance by the daily periodic rate to get your periodic interest charges for that day. We then add these periodic interest charges to your daily balance to get the beginning balance for the next day. (If more than one daily periodic rate could apply based on the average daily balance, we will use the daily periodic rate that applies for the average daily balance amount at the end of the billing cycle to calculate the daily periodic interest charges each day.) If this statement shows a previous cycle average daily balance for purchases, we do the same thing for each day of the previous cycle to get the daily balance of purchases for the previous billing cycle. However, the daily balance for previous billing cycle purchases is considered to be zero for each day of the previous billing cycle if a periodic interest charge was already billed on purchases itemized on your previous statement or we receive payment of your New Balance on your previous statement in full by the date and time your payment was due.

To get your total periodic interest charge for a billing cycle when a daily periodic rate(s) applies, we add all of the daily periodic interest charges for all features. To determine an average daily balance, we add your daily balances and divide by the number of the days in the applicable billing cycle(s). If you multiply the average daily balance for each feature by the applicable daily periodic rate, and then multiply each of these results by the number of days in the applicable billing cycle(s), and then add all of the results together, the total will also equal the periodic interest charges for the billing cycles except for minor variations due to rounding. To get your total periodic interest charge for a billing cycle when a monthly periodic rate(s) applies, multiply the average daily balance for each feature by the applicable monthly periodic rate and add the results together. The total will equal the periodic interest charges for the billing cycle, except for minor variations due to rounding.

Account Renewal Information for Open Accounts

If your account has an Annual Fee and it is billed on this Statement, we will reverse the fee if you cancel your account and pay off any existing Balance within 30 days of receipt of this Statement. Otherwise, the Annual Fee is non-refundable. You may continue to use your account during the 30-day period before you cancel. To cancel, write us at the Billing Inquiries address or call us at the phone number on the front.

Your Liability

Our records show that you are liable for any outstanding balance on this account if your name appears on the front of this statement or you otherwise agreed.

Report a Lost or Stolen Card Immediately

Call the 24-hour toll free number 1.800.555.6666. Do not use your account after you report a lost or stolen card.

Cardholder Security Plan™/Payment Protection Plan

If you have questions about your enrollment or need to file for benefits, please call the applicable toll free number below (Monday-Friday, 7:00 a.m.-10:00 p.m. Central Time): Cardholder Security Plan-1.888.668.6938; Payment Protection Plan-1.888.838.0056.

Service for International Calling

Dial the AT&T Direct access code for the country you are in and dial 1.888.801.3723. For a list of access codes visit www.artesian.com and select Credit Cards. You may also call us collect at 1.757.677.4701.

Service for Hearing-Impaired (TTY/TDD)

Contact our service for the hearing-impaired at 1.800.222.7365.

Pay on-line at www.artesian.com or mail your payment to:

Artesian Bank, PO BOX 5147, SIOUX FALLS, SD 57117-5147.

**BILLING RIGHTS SUMMARY
STATEMENT DISCLOSURE:**

In Case of Error or Billing Inquiries

If you think your bill is wrong, or if you need more information about a transaction on your bill, you must write to us (on a separate sheet) at PO BOX 1390, Norfolk, VA 23501-1390 as soon as possible to preserve your rights. We must hear from you no later than 60 days after we sent you the first bill on which the error or problem appeared. In your letter, give us the following information:

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

You do not have to pay any amount in question while we are investigating, but you are still obligated to pay the parts of your bill that are not in question. While we investigate your questions, we cannot report you as delinquent or take any action to collect the amount you question.

Special Rate for Credit Card Purchases

If you have a problem with the quality of goods or services that you purchased with a credit card, and you have tried in good faith to correct the problem with the merchant, you may not have to pay the remaining amount due on the goods or services. You have this protection only when the purchase price was more than \$50 and the purchase was made in your home state or within 100 miles of your mailing address (if we own or operate the merchant, or if we mailed you the advertisement for the property or service, all purchases are covered regardless of the amount or location of purchase).

**IMPORTANT CREDIT BUREAU REPORTING INFORMATION REQUIRED BY
FEDERAL LAW TO BE DISCLOSED TO YOU**

WE MAY REPORT INFORMATION ABOUT YOUR ACCOUNT TO CREDIT BUREAUS. LATE PAYMENTS, MISSED PAYMENTS OR OTHER DEFAULTS ON YOUR ACCOUNT MAY BE REFLECTED IN YOUR CREDIT REPORT.

For address changes, you may access your account online at: www.artesian.com, call 1.800.555.6666 or write your address changes below. If you choose to call the 800# provided, you must have your credit card present. Please include your account number to ensure accurate processing.

Address

City State Zip

Home Phone Work Phone

E-mail Address

By providing us with your e-mail address, you agree that we may communicate with you by electronic mail.

Prompt Crediting of Payments

We will credit any payments as of the date we receive it as long as it is mailed with the enclosed payment coupon and received by us no later than 12:00 noon at either the P.O. Box on the front or the P.O. Box above. Crediting of all other payments may be delayed up to 5 days. All payments must be in the form of a check or money order drawn in U.S. dollars on a financial institution located in the U.S. or the U.S. Post Office or made by electronic funds transfers, however cash payments may be made in person at our banking centers only.

Change-in-Terms Notices Used in Denver Interviews

Contents:

- Model CT-5 (front and back)
- Model CT-6 (front and back)
- Model CT-7
- Model CT-8

Note: Model CT-7 and Model CT-8 are summary inserts that were included with Model CT-5.

AMENDMENT TO THE ARTESIAN BANK PROGRAM, ARTESIAN BANK BONUS PLUS PROGRAM, GOLD REWARDS AND MILES CARD REWARDS PROGRAM TERMS AND CONDITIONS

We are adding a new provision to inform you that, from time to time, we may offer checks with which you can make purchases. These purchases will not accrue Artesian Bank Bonus awards, Gold Rewards or Miles, unless otherwise specified in the terms of the offer.

If you would like to receive a copy of the most current version of the Artesian Bank Cardmember Agreement, please call 1-800-555-1234.

Artesian Bank



Artesian Bank

NOTICE OF AMENDMENT TO ARTESIAN BANK CARDMEMBER AGREEMENT

This notice informs you of the changes to the Artesian Bank Cardmember Agreement that will be effective and will apply to your Account for billing periods ending after April 1, 2007. You have the right to reject these changes as explained below. Please read this notice carefully and retain it with your records.

The following changes will apply to your Account unless you notify us in writing that you reject them by March 25, 2007. Send your notice to P.O. Box 30937, Salt Lake City, UT 84130-0937. Your notice should include your name, address, telephone number and Account number(s) and should not be sent with any other correspondence. Calling us to indicate you reject these changes is insufficient notice. In order to process your notice, we require that the notice be provided by you directly and not through a third party. If you reject these changes, we will close your Account and you will pay us the balance that you owe us under the current terms of the Agreement. Note that these changes will not apply to your Account if your Account is closed by March 25, 2007. Use of your Account on or after March 26, 2007 means that you accept these changes even if you previously notified us that you did not agree to these changes.

DESCRIPTION OF CHANGES IN CARDMEMBER AGREEMENT

Use Of Your Account

This section explains that you may use your Account to obtain cash advances. We are revising it to clarify that in addition to obtaining cash from ATMs, financial institutions and other locations, the following transactions are also considered to be cash advances: the purchase of lottery tickets, racetrack wages, vouchers redeemable for cash or for casino chips, money orders, traveler's checks, savings bonds, foreign currency and wire transfers.

This section also states that you may use your Account to purchase or lease goods or services by presenting your Card or Account number. We are adding that, from time to time, we may offer promotional checks with which you can purchase or lease goods or services. Our standard Stop Payment Fee of \$29 and Returned Check Fee of \$35 will apply to these checks. The special rule for credit card transactions under the Fair Credit Billing Act does not apply to purchases made with these checks. Therefore, if you have a problem with the quality of goods or services that you purchased with one of these checks, you do not have the right to withhold payment of the amount due.

Credit Limit-Available Credit

This section states that we may apply a credit limit on cash advances that is lower than your Account credit limit, and that we may increase or decrease your cash advance credit limit without notice. We are adding that we may also limit the amount of credit that can be used for balance transfers to an amount that is lower than your Account credit limit, and that we may increase or decrease the amount of credit available for a balance transfer without notice.

Minimum Monthly Payment

We are changing the minimum monthly payment so that if any ANNUAL PERCENTAGE RATE applicable to your Account is greater than 22.99% but less than 26.00%, your minimum monthly payment will be the greater of \$10 or 1/45th of the New Balance. If any ANNUAL PERCENTAGE RATE applicable to your Account is 26.00% or greater, your minimum monthly payment will be the greater of \$10 or 1/40th of the New Balance.

In all cases, both currently and as revised, the minimum monthly payment will be rounded to the next higher dollar amount.

Annual Fee

Under your new account terms you will be charged an annual membership fee of \$49. This fee will be assessed in the billing period in which each anniversary of the opening of your account occurs. The fee will be billed to the purchase segment of your account, and will be treated as a purchase and applied against your available credit limit. The membership fee will not be refunded, in whole or in part, even if you or we cancel the account.

Balance Transfer Fee

You will be charged a fee each time that you transfer a balance to this account. Under your new account terms, this fee is \$10 or 5% of the balance that is transferred, whichever is greater. This fee will be computed on the amount of each balance transfer as of the date of the transaction.

Cash Advance Fee

You will be charged a fee each time that you take out a cash advance by credit card check, through the ATM, or over the counter. Under your new account terms, this fee is \$10 or 5% of the cash advance, whichever is greater. This fee will be computed on the amount of each cash advance as of the date of the transaction.

Arbitration Of Disputes

We are revising the Arbitration of Disputes section as follows:

We are replacing JAMS with the American Arbitration Association (AAA) as one of the two companies authorized to serve as the arbitration administrator (Administrator). The other permitted Administrator is the National Arbitration Forum (NAF). You can obtain information about AAA and how to initiate an AAA arbitration from AAA at 335 Madison Avenue, Floor 10, New York, NY 10017-5905, www.adr.org (phone 1-800-778-7879). You can obtain comparable information concerning NAF at PO Box 50191, Minneapolis, MN 55405, www.arb-forum.com (phone 1-800-474-2371).

We are also revising this section to state that without the consent of all parties, no arbitration may be administered by any Administrator that has any formal or informal policy, rule or procedure that is inconsistent with or purposes to override the terms of this section.

The changes to this section will become effective as of April 1, 2007 and will not affect arbitrations that are pending before that date.

We are also revising this section to state that without the consent of all parties, no arbitration may be administered by any Administrator that has any formal or informal policy, rule or procedure that is inconsistent with or purposes to override the terms of this section.

The changes to this section will become effective as of April 1, 2007 and will not affect arbitrations that are pending before that date.

AMENDMENT TO THE ARTESIAN BANK PROGRAM, ARTESIAN BANK BONUS PLUS PROGRAM, GOLD REWARDS AND MILES CARD REWARDS PROGRAM TERMS AND CONDITIONS

We are adding a new provision to inform you that, from time to time, we may offer checks with which you can make purchases. These purchases will not accrue Artesian Bank Bonus awards, Gold Rewards or Miles, unless otherwise specified in the terms of the offer.

If you would like to receive a copy of the most current version of the Artesian Bank Cardmember Agreement, please call 1-800-555-1234.



NOTICE OF AMENDMENT TO ARTESIAN BANK CARDMEMBER AGREEMENT

This notice informs you of the changes to the Artesian Bank Cardmember Agreement that will be effective and will apply to your Account for billing periods ending after April 1, 2007. You have the right to reject these changes as explained below. Please read this notice carefully and retain it with your records.

SUMMARY OF CHANGES TO KEY TERMS

Some of the changes to your agreement relate to key terms of your Account. The following is a summary of these key changes, which are also described in more detail later in this notice:

Revised Terms, as of 4/1/07	
Annual Fee	\$49
Balance Transfer Fee	Either \$10 or 5% of the transfer, whichever is greater
Cash Advance Fee	Either \$10 or 5% of the advance, whichever is greater



These changes, as well as those that follow, will apply to your Account unless you notify us in writing that you reject them by March 25, 2007. Send your notice to P.O. Box 30937, Salt Lake City, UT 84130-0937. Your notice should include your name, address, telephone number and Account number(s) and should not be sent with any other correspondence. Calling us to indicate you reject these changes is insufficient notice. In order to process your notice, we require that the notice be provided by you directly and not through a third party. If you reject these changes, we will close your Account and you will pay us the balance that you owe us under the current terms of the Agreement. Note that these changes will not apply to your Account if your Account is closed by March 25, 2007. Use of your Account on or after March 26, 2007, means that you accept these changes even if you previously notified us that you did not agree to these changes.

DESCRIPTION OF CHANGES TO CARDMEMBER AGREEMENT

Use Of Your Account

This section explains that you may use your Account to obtain cash advances. We are revising it to clarify that in addition to obtaining cash from ATMs, financial institutions and other locations, the following transactions are also considered to be cash advances: the purchase of lottery tickets, racetrack wages, vouchers redeemable for cash or for casino chips, money orders, traveler's checks, savings bonds, foreign currency and wire transfers.

This section also states that you may use your Account to purchase or lease goods or services by presenting your Card or Account number. We are adding that, from time to time, we may offer promotional checks with which you can purchase or lease goods or services. Our standard Stop Payment Fee of \$29 and Returned Check Fee of \$35 will apply to these checks. The special rule for credit card transactions under the Fair

Credit Billing Act does not apply to purchases made with these checks. Therefore, if you have a problem with the quality of goods or services that you purchased with one of these checks, you do not have the right to withhold payment of the amount due.

Credit Limit-Available Credit

This section states that we may apply a credit limit on cash advances that is lower than your Account credit limit, and that we may increase or decrease your cash advance credit limit without notice. We are adding that we may also limit the amount of credit that can be used for balance transfers to an amount that is lower than your Account credit limit, and that we may increase or decrease the amount of credit available for a balance transfer without notice.

Minimum Monthly Payment

We are changing the minimum monthly payment so that if any annual percentage rate applicable to your Account is greater than 22.99% but less than 26.00%, your minimum monthly payment will be the greater of \$10 or 1/45th of the New Balance. If any annual percentage rate applicable to your Account is 26.00% or greater, your minimum monthly payment will be the greater of \$10 or 1/40th of the New Balance.

In all cases, both currently and as revised, the minimum monthly payment will be rounded to the next higher dollar amount.

Annual Fee

Under your new account terms you will be charged an annual membership fee of \$49. This fee will be assessed in the billing period in which each anniversary of the opening of your account occurs. The fee will be billed to the purchase segment of your account, and will be treated as a purchase and applied against your available credit limit. The membership fee will not be refunded, in whole or in part, even if you or we cancel the account.

Balance Transfer Fee

You will be charged a fee each time that you transfer a balance to this account. Under your new account terms, this fee is \$10 or 5% of the balance that is transferred, whichever is greater. This fee will be computed on the amount of each balance transfer as of the date of the transaction.

Cash Advance Fee

You will be charged a fee each time that you take out a cash advance by credit card check, through the ATM, or over the counter. Under your new account terms, this fee is \$10 or 5% of the cash advance, whichever is greater. This fee will be computed on the amount of each cash advance as of the date of the transaction.

Arbitration Of Disputes

We are revising the Arbitration of Disputes section as follows:

We are replacing JAMS with the American Arbitration Association (AAA) as one of the two companies authorized to serve as the arbitration administrator (Administrator). The other permitted Administrator is the National Arbitration Forum (NAF). You can obtain information about AAA and how to initiate an AAA arbitration from AAA at 335 Madison Avenue, Floor 10, New York, NY 10017-5905, www.adr.org (phone 1-800-778-7879). You can obtain comparable information concerning NAF at PO Box 50191, Minneapolis, MN 55405, www.arb-forum.com (phone 1-800-474-2371).



**SUMMARY OF CHANGES TO
YOUR ARTESIAN BANK CREDIT
CARD ACCOUNT**

The notice enclosed in this envelope informs you of changes that are being made to the terms of your Artesian Bank credit card account. These changes will be effective for billing periods ending after April 1, 2007.

This sheet contains a summary of changes to key terms of your Account. You may have the right to reject these changes as described in the enclosed notice. For a more detailed description of these changes, or for a list of any additional account changes that are not included on this sheet, please refer to the notice enclosed with this summary.

Revised Terms, as of 4/1/07	
Annual Fee	\$49
Balance Transfer Fee	Either \$10 or 5% of the transfer, whichever is greater
Cash Advance Fee	Either \$10 or 5% of the advance, whichever is greater

PAT SMITH
135 WILDELAKE DRIVE
DENVER, CO 80010

Regarding your
account ending
in 3456

Summary of Changes to your Artesian Bank Credit Card Account

The notice enclosed in this envelope informs you of changes that are being made to the terms of your Artesian Bank credit card account. These changes will be effective for billing periods ending after April 1, 2007.

This sheet contains a summary of changes to key terms of your Account. You have the right to reject these changes as described in the enclosed notice. For a more detailed description of these changes, or for a list of any additional account changes that are not included on this sheet, please refer to the notice enclosed with this summary.

Revised Terms, as of 4/1/07	
Annual Fee	\$49
Balance Transfer Fee	Either \$10 or 5% of the transfer, whichever is greater
Cash Advance Fee	Either \$10 or 5% of the advance, whichever is greater

Cognitive Interviews:
Boston, MA (February 2007)

Solicitation Letter Used in Boston Interviews

Contents:

- Model SL-5 (front and back)

0% Introductory APR for Balance Transfers (until December 2007, then 15.99%¹)



You're Invited to Apply!

Dear Potential Customer:

If your "To Do" list is out of control, maybe it's time to simplify your finances. You've been a valued customer, and we'd like to say thanks by offering you an Artesian Bank Visa® Platinum Card with a 0% introductory APR for balance transfers.

Just go to www.mynewcard.com or call us at 1.800.555.5098—you're invited to apply! Plus, your new card includes:

- ✓ **0% introductory APR** for balance transfers (not purchases or cash advances)
- ✓ **Credit Line** up to \$2,500
- ✓ **Overdraft Protection²** — Use your card as ODP on your Artesian Bank checking account
- ✓ **Total Security Protection[®] package** — Zero liability for unauthorized card transactions that are reported promptly³, fraud monitoring, and privacy features 

Reply by February 28, 2007 to accept this great introductory rate offer. Put it on your "To Do" list and call or go online today! Your new Platinum Card is waiting for You!

Sincerely,

Kerry E. Hyvarinen

Senior Vice President

P.S. Get an instant response in a little as 10 seconds. Log on to our secure website at www.mynewcard.com. Or if you'd prefer, call 1.800.555.5098 or return the attached certificate by February 28, 2007 to accept this offer.

¹ Please see table enclosed for more information on account rates and fees.

² All standard cash advance fees and finance charges are imposed whenever an overdraft protection advance takes place.

Please see the Terms and Conditions on the enclosed insert for more information about Overdraft Protection.

³ Claims may be filed against posted and settled transactions subject to dollar limits and verifications, and must be reported within 60 days of the statement.

Detach here and mail back the bottom half

A7869649827
ILZ-CDA-0606
ITA-POX-1NO-0606



Acceptance Certificate

*****AUTO**SCH 5-DIGIT 20813
A7869649827 C0A-V70
CN0606-008-709-659

Initial Credit: Up to \$2,500
Reply by: February 28, 2007

Artesian Bank
P.O. Box 1234
Thornville, FL 56789

Phone: 1.800.555.5098
Web: www.mynewcard.com

Step 1 <input type="checkbox"/> YES! I'd like to receive the Complimentary Companion Mini Card.			
Step 2	SOCIAL SECURITY NUMBER [][][]-[][][]-[][][][][]	DATE OF BIRTH [][]-[][]-[][][][]	HOME TELEPHONE ([][]) [][][]-[][][][]
	GROSS YEARLY HOUSEHOLD INCOME ¹ \$ [][][]-[][][]-[][][][][]	MOTHER'S MAIDEN NAME [][][][] [][][][] [][][][]	E-MAIL ADDRESS (OPTIONAL) [][][][] [][][][] [][][][] [][][][] [][][][] [][][][]
	<input type="checkbox"/> SELF-EMPLOYED	Complete with your checking account number below	
Step 3	<input type="checkbox"/> Please check here if you would like overdraft protection		Overdraft protection is only available if you provide a valid Artesian Bank checking account.
Step 4	Income from alimony child support, or separate maintenance payment need not be revealed if you do not wish us to consider it as a basis for repayment. Minimum annual income of \$9,000 (\$14,000 in California)		
By signing below, you agree to the authorizations, terms and conditions on the enclosed insert. X SIGN HERE APPLICANT SIGNATURE		REQUEST AN ADDITIONAL CARD (Print the name of the person who is authorized to use your account.) PRINT NAME OF AUTHORIZED USER (FIRST NAME, MIDDLE INITIAL, LAST NAME)	
Save Today on Balance Transfers with a 0% Introductory APR			
ACCOUNT NUMBER [][][][]-[][][][]-[][][][][][]	PAYEE [][][][] [][][][] [][][][]	EXACT AMOUNT TO BE TRANSFERRED \$ [][][]-[][][]-[][][][][]	
ACCOUNT NUMBER [][][][]-[][][][]-[][][][][][]	PAYEE [][][][] [][][][] [][][][]	EXACT AMOUNT TO BE TRANSFERRED \$ [][][]-[][][]-[][][][][]	

Balance transfer requests will be processed in the order above. Each balance transfer request must be at least \$100. Allow 3-4 weeks to process. Please see the enclosed insert for Fee and Rate Information.

To help process your request without delay, please provide complete account information with your signature above.

Your Artesian Bank Visa® Platinum comes with everything you expect in a premium credit card:

Platinum Services

- **Zero Liability** for unauthorized card transactions that are reported promptly.*
- **Verified by Visa** for secure online shopping using a personal password.
- **Free Extra Cards** for members of your family.
- **Worldwide Acceptance**, use your Visa card everywhere Visa credit cards are accepted.
- **Instant Cash Around the Globe at Over 800,000 ATM Locations.**

* Claims may be filed against posted and settled transactions subject to dollar limits and verification, and must be reported within 60 days of the statement.

Helpful Hints

- Shred statements, receipts and bills before you throw them away.
- Be discreet when providing confidential data in a public setting.
- Always take your ATM receipts with you.
- Never give account numbers or personal information over the phone to unknown callers.
- Don't carry your birth certificate or Social Security card in your wallet or purse.
- Get more helpful information on how to guard against identity theft with Visa's [Protect Your Identity](#) guide.

To request your Artesian Bank Visa® Platinum Card:



Mail Your

Acceptance Certificate



Visit

www.mynewcard.com



Call

number printed on front of the letter

Solicitation and Application Disclosures ("Schumer Boxes") Used in Boston Interviews

Contents:

- Model SB-10P (front and back)
- Model SB-10SP (front and back)
- Model SB-10A1
- Model SB-10A2
- Model SB-10B1
- Model SB-10B2
- Model SB-10C1
- Model SB-10C2
- Model SB-10D1
- Model SB-10D2

Important Information About Your Artesian Bank Credit Card Account

Interest Rates And Interest Charges	
Annual Percentage Rate (APR) for Purchases	<p>8.99% to 19.99%, based on your creditworthiness. Your initial APR will be within this range based on current rates.</p> <p>After that, your APR will vary with the market based on the Prime Rate.</p>
APR for Balance Transfers	<p>0.00% (until December 2007) 15.99% (after December 2007)</p> <p>Balance transfer fees will also apply.</p> <p>NOTICE: If you transfer balances at our low introductory APR and then make purchases using this card, we will apply your payment first to your transferred balances during the promotional period. You will be charged interest on the full amount of your purchases during this period until your transferred balances have been paid off completely.</p>
APR for Cash Advances	<p>21.99% currently.</p> <p>This APR will vary with the market based on the Prime Rate, but will not go below 16.99% or above 25.99%. Cash advance fees will also apply.</p>
Penalty APR and When It Applies	<p>34.99%</p> <p>All of your APRs (including introductory APRs) may increase up to this rate if:</p> <ul style="list-style-type: none"> • You make a late payment; • You exceed your credit limit; • You make a payment that is returned; or • You do any of the above on another account that you have with us.
Minimum Interest Charge	If you are charged interest, this charge will be no less than \$0.50.
Grace Period on Purchases	If you pay your balance in full each month, you have at least 25 days after the close of each period to pay your balance on purchases with no interest charge. If you do not pay your balance in full each month, you will lose this interest-free period and will pay interest on purchases.

Fees	
Annual Fee	None
Transaction Fees	
<ul style="list-style-type: none"> • Balance Transfer 	Either \$5 or 3% of the amount of each transfer, whichever is greater (maximum fee: \$100)
<ul style="list-style-type: none"> • Cash Advance 	Either \$5 or 3% of the amount of each cash advance, whichever is greater
<ul style="list-style-type: none"> • Foreign Transaction 	2% of transaction in U.S. dollars
Penalty Fees	
<ul style="list-style-type: none"> • Late Payment 	\$29 if balance is less than or equal to \$1,000; \$35 if balance is more than \$1,000 (Penalty APR may also apply)
<ul style="list-style-type: none"> • Over-the-Credit Limit 	\$29 (Penalty APR may also apply)
<ul style="list-style-type: none"> • Returned Payment 	\$35 (Penalty APR may also apply)
Other Fees	
<ul style="list-style-type: none"> • Required Payment Suspension Plan 	\$0.79 per \$100 of balance at the end of each statement period up to a balance of \$10,000. See back for details.

How We Will Calculate Your Balance: We use a method called "two-cycle average daily balance (including new purchases)." For more information about this method, go to <http://www.federalreserve.gov/location>.

Overdraft Protection

If you link your Artesian Bank checking account to your credit card for Overdraft Protection, we will automatically transfer funds in multiples of \$100 (\$25 if you opened your checking account in Washington or Idaho) from your credit card account to cover any overdraft on your checking account, as long as your credit card account has sufficient available credit and you are not in default under your Cardholder Agreement. A fee of 3% of the amount transferred (\$10 minimum) will apply and the cash advance will accrue interest at the APR stated in your

Cardholder Agreement. If the available balance on your credit card account is insufficient to cover the amount required by the overdraft (in the multiple of funds stated above), we may advance the funds even if it causes your credit card account to exceed your credit limit. In that event, an over credit limit fee will be applied. Linking Overdraft Protection from your Artesian Bank checking account to your credit card will end any Overdraft Protection connections to your Artesian Bank savings account. Please see your Cardholder Agreement for additional details.

State Law Disclosures

Notice to New York State Residents: Consumer reports may be requested in connection with the processing of your application and any resulting account. Upon request, we will inform you of the names and addresses of any consumer reporting agencies which have provided us with such reports. **Notice to Ohio Residents:** Ohio laws against discrimination require that all creditors make credit equally available to all creditworthy customers, and that credit reporting agencies maintain separate credit histories on each individual upon request. The Ohio Civil Rights

Commission administers compliance with this law. **Notice to Married Wisconsin Residents:** No agreement, individual statement, or court order applying to marital property will adversely affect the creditor's interest unless the creditor, prior to the time credit is extended, is furnished with a copy of the agreement, statement, or order, or has actual knowledge of the adverse provision when the obligation to the creditor is incurred. **Notice to California Residents:** Regardless of your marital status, you may apply for credit in your name alone.

Billing Rights Summary

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 us in a separate letter at the "Billing Inquiries" address on your billing statement. Write us as soon as possible. We must hear from you no later than 60 days after we send you the first bill on which the error or problem appeared. You can telephone us, but doing so will not preserve your rights.

In your letter, give us the following information:

- Your name and account number.
- The dollar amount of the suspected error.
- 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 credit card 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 Notices

We must acknowledge your letter within 30 days, unless we 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, and you will have to make any missed payments on the questioned amount. In either case, we will send you a statement of the amount you owe and the date that it is due.

If you fail to pay the amount that we think you owe, we may report you as delinquent. However, if our explanation does not satisfy you and you write us within ten days telling us that 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. We must tell anyone we report you to that the matter has been settled between us when it finally is.

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 that you purchased with a credit card, and you have tried in good faith to correct the problem with the merchant, you may not have 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 your home state, within 100 miles of your current mailing address; and
- 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.

Periodic Interest Calculation

We compute Periodic Interest Charges each day for purchases, cash advances, and balance transfers (which we refer to as transaction categories) by using the following equation: Average Daily Balance x number of days in the billing period x Daily Periodic Rate. Then we add all the Periodic Interest Charges for each transaction category to get the total Periodic Interest Charges for your Account. The Average Daily Balance is shown as zero if no Periodic Interest Charges apply to the balance in a transaction category.

We use the two-cycle average daily balance (including new transactions) method of calculating the balance upon which we impose Periodic Finance Charges. This means if you did not pay the New Balance shown on the billing statement you received during the previous billing period by the Payment Due Date, we will impose Periodic Interest Charges on new purchases that first appeared on that billing statement, as well as new purchases that first appear on the current billing

statement, unless we already imposed Periodic Interest Charges on the purchases on your previous billing statement. We compute the average daily balance for each transaction category by adding up all the daily balances in a billing period for a transaction category and dividing the total by the number of days in the billing cycle. We compute the daily balance for each transaction category on each day by the first adding the following to the previous day's daily balance: transactions made that day, fees charged that day and Periodic Interest Charges accrued on the previous day's daily balance; and by then subtracting any credits and payments that are applied against the balance of the transaction category on that day. In calculating the daily balance for the previous billing period, we consider the "previous day's daily balance" to have been zero on the first day of the billing period.

Balance Transfer

Artesian Bank reserves the right to decline to process any balance transfer for any reason. If you have a dispute with a creditor and pay that balance by transferring it to your new Visa Platinum Card account, you may lose certain dispute rights. By making a balance transfer, you understand that future payments will be applied to promotional offers (which are normally at a lower interest rate). Prior to any existing or new regular balances on the account. It will take 3-4 weeks to process your

request. Therefore, you will still need to make payments on your other accounts to keep them current until your request is complete. Your Balance Transfer requests will be processed in the order listed on the Balance Transfer form. We will make the maximum possible partial payment. Partial payment will not be made on more than one account. Interest charges (if and where applicable) will begin on the date that the balance transfer posts to your Artesian Bank account.

Payment Suspension Plan® Terms and Conditions

The Payment Suspension Plan ("the Plan") is a required product on your Artesian Bank credit card account.

- **Benefits:** In return for a Monthly Program Fee, the Plan can credit up to twelve (12) Monthly Benefit Amounts per unrelated Protected Event to your credit card account if you or one (1) Authorized User become Hospitalized, Totally Disabled, Involuntarily Unemployed, or take an Unpaid Family Leave of Absence. In the event of your Death, the Plan can credit a lump sum benefit amount equal to the Outstanding Balance on the Date of Loss or \$10,000, whichever is less.
 - ♦♦The Monthly Benefit Amount is designed to make the Minimum Monthly Payment on your credit card account, but may not be sufficient in all cases. Please refer to the Addendum to the Cardholder Agreement for additional details.
- **Cost:** The Monthly Program Fee is 79¢ per \$100 of your Monthly Outstanding Balance up to \$10,000. For your convenience, the fee is automatically billed to your credit card account. During months when you have no outstanding balance on your statement, there is no charge for the Plan.

- **Eligibility Exclusions:** There are eligibility requirements, conditions and exclusions that could prevent you from receiving benefits under the Plan. Please refer to the Addendum to the Cardholder Agreement for a full explanation of all requirements, conditions and exclusions.
- **Termination:** The Plan will automatically terminate if you no longer have your credit card account with Artesian Bank; your Protected Account is closed due to account charge-off; or you owe four (4) or more previous Minimum Payments due on the Protected Account.
- **The Plan Administrator is CSI Processing, LLC at P.O. Box 34888, Newark, DE 19711-0888; 1.888.668.6938 Moaday – Friday, 7:00 a.m. – 10:00 p.m. Central Time.**

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Interest Rates And Interest Charges	
Annual Percentage Rate (APR) for Purchases	8.99% to 19.99% , based on your creditworthiness. Your initial APR will be within this range based on current rates. After that, your APR will vary with the market based on the Prime Rate.
APR for Balance Transfers	0.00% (until December 2007) 15.99% (after December 2007) Balance transfer fees will also apply. NOTICE: If you transfer balances at our low introductory APR and then make purchases using this card, we will apply your payment first to your transferred balances during the promotional period. You will be charged interest on the full amount of your purchases during this period until your transferred balances have been paid off completely.
APR for Cash Advances	21.99% currently. This APR will vary with the market based on the Prime Rate, but will not go below 16.99% or above 25.99%. Cash advance fees will also apply.
Penalty APR and When It Applies	34.99% All of your APRs (including introductory APRs) may increase up to this rate if: <ul style="list-style-type: none"> • You make a late payment; • You exceed your credit limit; • You make a payment that is returned; or • You do any of the above on another account that you have with us.
Minimum Interest Charge	If you are charged interest, this charge will be no less than \$0.50.
Interest-Free Period on Purchases	If you pay your balance in full each month, you have at least 25 days after the close of each period to pay your balance on purchases with no interest charge. If you do not pay your balance in full each month, you will lose this interest-free period and will pay interest on purchases.

Fees	
Set-up and Maintenance Fees	
NOTICE: Some of these set-up and maintenance fees will be assessed before you begin using your card and will reduce the amount of credit you initially have available. For example, if you are assigned the minimum credit limit of \$250, your initial available credit will be only \$72 (or \$52 if you choose to have an additional card).	
• Annual Fee	\$48
• Account Set-up Fee	\$29 (one-time fee)
• Program Fee	\$95 (one-time fee)
• Participation Fee	\$72 annually (\$6 per month)
• Additional Card Fee	\$20 annually (if applicable)
• Account Maintenance Fee	\$3 per month (on closed accounts with an outstanding balance of \$20 or more)
Transaction Fees	
• Balance Transfer	Either \$5 or 3% of the amount of each transfer, whichever is greater (maximum fee: \$100)
• Cash Advance	Either \$5 or 3% of the amount of each cash advance, whichever is greater
• Foreign Transaction	2% of transaction in U.S. dollars
Penalty Fees	
• Late Payment	\$29 if balance is less than or equal to \$1,000; \$35 if balance is more than \$1,000 (Penalty APR may also apply)
• Over-the-Credit Limit	\$29 (Penalty APR may also apply)
• Returned Payment	\$35 (Penalty APR may also apply)

How We Will Calculate Your Balance: We use a method called "two-cycle average daily balance (including new purchases)." For more information about this method, go to <http://www.federalreserve.gov/location>.

Overdraft Protection

If you link your Artesian Bank checking account to your credit card for Overdraft Protection, we will automatically transfer funds in multiples of \$100 (\$25 if you opened your checking account in Washington or Idaho) from your credit card account to cover any overdraft on your checking account, as long as your credit card account has sufficient available credit and you are not in default under your Cardholder Agreement. A fee of 3% of the amount transferred (\$10 minimum) will apply and the cash advance will accrue interest at the APR stated in your

Cardholder Agreement. If the available balance on your credit card account is insufficient to cover the amount required by the overdraft (in the multiple of funds stated above), we may advance the funds even if it causes your credit card account to exceed your credit limit. In that event, an over credit limit fee will be applied. Linking Overdraft Protection from your Artesian Bank checking account to your credit card will end any Overdraft Protection connections to your Artesian Bank savings account. Please see your Cardholder Agreement for additional details.

State Law Disclosures

Notice to New York State Residents: Consumer reports may be requested in connection with the processing of your application and any resulting account. Upon request, we will inform you of the names and addresses of any consumer reporting agencies which have provided us with such reports. **Notice to Ohio Residents:** Ohio laws against discrimination require that all creditors make credit equally available to all creditworthy customers, and that credit reporting agencies maintain separate credit histories on each individual upon request. The Ohio Civil Rights

Commission administers compliance with this law. **Notice to Married Wisconsin Residents:** No agreement, individual statement, or court order applying to marital property will adversely affect the creditor's interest unless the creditor, prior to the time credit is extended, is furnished with a copy of the agreement, statement, or order, or has actual knowledge of the adverse provision when the obligation to the creditor is incurred. **Notice to California Residents:** Regardless of your marital status, you may apply for credit in your name alone.

Billing Rights Summary

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 us in a separate letter at the "Billing Inquiries" address on your billing statement. Write us as soon as possible. We must hear from you no later than 60 days after we send you the first bill on which the error or problem appeared. You can telephone us, but doing so will not preserve your rights.

In your letter, give us the following information:

- Your name and account number.
- The dollar amount of the suspected error.
- 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.

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We must acknowledge your letter within 30 days, unless we 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, and you will have to make any missed payments on the questioned amount. In either case, we will send you a statement of the amount you owe and the date that it is due.

If you fail to pay the amount that we think you owe, we may report you as delinquent. However, if our explanation does not satisfy you and you write us within ten days telling us that 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. We must tell anyone we report you to that the matter has been settled between us when it finally is.

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 that you purchased with a credit card, and you have tried in good faith to correct the problem with the merchant, you may not have 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 your home state, within 100 miles of your current mailing address; and
- 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.

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statement, unless we already imposed Periodic Interest Charges on the purchases on your previous billing statement. We compute the average daily balance for each transaction category by adding up all the daily balances in a billing period for a transaction category and dividing the total by the number of days in the billing cycle. We compute the daily balance for each transaction category on each day by the first adding the following to the previous day's daily balance: transactions made that day, fees charged that day and Periodic Interest Charges accrued on the previous day's daily balance; and by then subtracting any credits and payments that are applied against the balance of the transaction category on that day. In calculating the daily balance for the previous billing period, we consider the "previous day's daily balance" to have been zero on the first day of the billing period.

Balance Transfer

Artesian Bank reserves the right to decline to process any balance transfer for any reason. If you have a dispute with a creditor and pay that balance by transferring it to your new Visa Platinum Card account, you may lose certain dispute rights. By making a balance transfer, you understand that future payments will be applied to promotional offers (which are normally at a lower interest rate). Prior to any existing or new regular balances on the account. It will take 3-4 weeks to process your

request. Therefore, you will still need to make payments on your other accounts to keep them current until your request is complete. Your Balance Transfer requests will be processed in the order listed on the Balance Transfer form. We will make the maximum possible partial payment. Partial payment will not be made on more than one account. Interest charges (if and where applicable) will begin on the date that the balance transfer posts to your Artesian Bank account.

Important Information About Your Artesian Bank Credit Card Account

Interest Rates And Interest Charges	
Annual Percentage Rate (APR) for Purchases	8.99% to 19.99% , based on your creditworthiness. Your initial APR will be within this range based on current rates. After that, your APR will vary with the market based on the Prime Rate.
APR for Balance Transfers	0.00% (until December 2007) 15.99% (after December 2007) Balance transfer fees will also apply. NOTICE: If you transfer balances at our low introductory APR and then make purchases using this card, we will apply your payment first to your transferred balances during the promotional period. You will be charged interest on the full amount of your purchases during this period until your transferred balances have been paid off completely.
APR for Cash Advances	20.99% currently. This APR will vary with the market based on the Prime Rate. Cash advance fees will also apply.
Penalty APR and When It Applies	36.99% All of your APRs (including introductory APRs) may increase up to this rate if: <ul style="list-style-type: none"> • You make a late payment; • You exceed your credit limit; • You make a payment that is returned; or • You do any of the above on another account that you have with us.
Minimum Interest Charge	If you are charged interest, this charge will be no less than \$0.75.
Grace Period on Purchases	If you pay your balance in full each month, you have at least 28 days after the close of each period to pay your balance on purchases with no interest charge. If you do not pay your balance in full each month, you will lose this interest-free period and will pay interest on purchases.

Fees	
Annual Fee	None
Transaction Fees	
<ul style="list-style-type: none"> • Balance Transfer • Cash Advance • Foreign Transaction 	Either \$5 or 3% of the amount of each transfer, whichever is greater (maximum fee: \$80) Either \$5 or 3% of the amount of each cash advance, whichever is greater 1% of transaction in U.S. dollars
Penalty Fees	
<ul style="list-style-type: none"> • Late Payment • Over-the-Credit Limit • Returned Payment 	\$26 if balance is less than or equal to \$1,000; \$32 if balance is more than \$1,000 (Penalty APR may also apply) \$25 (Penalty APR may also apply) \$25 (Penalty APR may also apply)

How We Will Calculate Your Balance: We use a method called "two-cycle average daily balance (including new purchases)." For more information about this method, go to <http://www.federalreserve.gov/location>.

Important Information About Your Artesian Bank Credit Card Account

Interest Rates And Interest Charges	
Annual Percentage Rate (APR) for Purchases	14.99%
APR for Balance Transfers	<p>0.00% (until December 2007) 15.99% (after December 2007)</p> <p>Balance transfer fees will also apply.</p> <p>NOTICE: If you transfer balances at our low introductory APR and then make purchases using this card, we will apply your payment first to your transferred balances during the promotional period. You will be charged interest on the full amount of your purchases during this period until your transferred balances have been paid off completely.</p>
APR for Cash Advances	<p>21.99% currently.</p> <p>This APR will vary with the market based on the Prime Rate, but will not go below 14.99% or 34.99%. Cash advance fees will also apply.</p>
Penalty APR and When It Applies	<p>36.99%</p> <p>All of your APRs (including introductory APRs) may increase up to this rate if:</p> <ul style="list-style-type: none"> • You make a late payment; • You exceed your credit limit; • You make a payment that is returned; or • You do any of the above on another account that you have with us.
Minimum Interest Charge	If you are charged interest, this charge will be no less than \$0.50.
Grace Period on Purchases	If you pay your balance in full each month, you have at least 26 days after the close of each period to pay your balance on purchases with no interest charge. If you do not pay your balance in full each month, you will lose this interest-free period and will pay interest on purchases.

Fees	
Annual Fee	None
Transaction Fees	
<ul style="list-style-type: none"> • Balance Transfer 	Either \$5 or 3% of the amount of each transfer, whichever is greater (maximum fee: \$80)
<ul style="list-style-type: none"> • Cash Advance 	Either \$5 or 3% of the amount of each cash advance, whichever is greater
<ul style="list-style-type: none"> • Foreign Transaction 	1% of transaction in U.S. dollars
Penalty Fees	
<ul style="list-style-type: none"> • Late Payment 	\$27 if balance is less than or equal to \$1,000; \$33 if balance is more than \$1,000 (Penalty APR may also apply)
<ul style="list-style-type: none"> • Over-the-Credit Limit 	\$27 (Penalty APR may also apply)
<ul style="list-style-type: none"> • Returned Payment 	\$27 (Penalty APR may also apply)

How We Will Calculate Your Balance: We use a method called "two-cycle average daily balance (including new purchases)." For more information about this method, go to <http://www.federalreserve.gov/location>.

Important Information About Your Artesian Bank Credit Card Account

Interest Rates And Interest Charges	
Annual Percentage Rate (APR) for Purchases	<p>12.99% currently.</p> <p>This APR will vary with the market based on the Prime Rate.</p>
APR for Balance Transfers	<p>0.00% (until December 2007) 15.99% (after December 2007)</p> <p>Balance transfer fees will also apply.</p> <p>NOTICE: If you transfer balances at our low introductory APR and then make purchases using this card, we will apply your payment first to your transferred balances during the promotional period. You will be charged interest on the full amount of your purchases during this period until your transferred balances have been paid off completely.</p>
APR for Cash Advances	<p>21.99% currently.</p> <p>This APR will vary with the market based on the Prime Rate. Cash advance fees will also apply.</p>
Penalty APR and When It Applies	<p>27.99%</p> <p>All of your APRs (including introductory APRs) may increase up to this rate if:</p> <ul style="list-style-type: none"> • You exceed your credit limit; • You pay late; • You make a payment that is returned; or • You do any of the above on another account that you have with us.
Minimum Interest Charge	If you are charged interest, this charge will be no less than \$0.50.
Grace Period on Purchases	If you pay your balance in full each month, you have at least 25 days after the close of each period to pay your balance on purchases with no interest charge. If you do not pay your balance in full each month, you will lose this interest-free period and will pay interest on purchases.

Fees	
Annual Fee	None
Transaction Fees	<ul style="list-style-type: none"> • Balance Transfer Either \$10 or 5% of the amount of each transfer, whichever is greater (maximum fee: \$150) • Cash Advance Either \$10 or 5% of the amount of each cash advance, whichever is greater • Foreign Transaction 2% of transaction in U.S. dollars
Penalty Fees	<ul style="list-style-type: none"> • Late Payment \$21 (Penalty APR may also apply) • Over-the-Credit Limit \$21 (Penalty APR may also apply) • Returned Payment \$21 (Penalty APR may also apply)

How We Will Calculate Your Balance: We use a method called "average daily balance (including new purchases)." For more information about this method, go to <http://www.federalreserve.gov/location>.

Important Information About Your Artesian Bank Credit Card Account

Interest Rates And Interest Charges	
Annual Percentage Rate (APR) for Purchases	12.99% currently. This APR will vary with the market based on the Prime Rate.
APR for Balance Transfers	0.00% (until December 2007) 15.99% (after December 2007) Balance transfer fees will also apply. NOTICE: If you transfer balances at our low introductory APR and then make purchases using this card, we will apply your payment first to your transferred balances during the promotional period. You will be charged interest on the full amount of your purchases during this period until your transferred balances have been paid off completely.
APR for Cash Advances	21.99% currently. This APR will vary with the market based on the Prime Rate. Cash advance fees will also apply.
Penalty APR and When It Applies	34.99% All of your APRs (including introductory APRs) may increase up to this rate if: <ul style="list-style-type: none"> • You pay late; • You exceed your credit limit; • You make a payment that is returned; or • You do any of the above on another account that you have with us.
Minimum Interest Charge	If you are charged interest, this charge will be no less than \$0.65.
Grace Period on Purchases	If you pay your balance in full each month, you have at least 26 days after the close of each period to pay your balance on purchases with no interest charge. If you do not pay your balance in full each month, you will lose this interest-free period and will pay interest on purchases.

Fees	
Annual Fee	None
Transaction Fees	
• Balance Transfer	Either \$10 or 5% of the amount of each transfer, whichever is greater (maximum fee: \$150)
• Cash Advance	Either \$10 or 5% of the amount of each cash advance, whichever is greater
• Foreign Transaction	2% of transaction in U.S. dollars
Penalty Fees	
• Late Payment	\$21 (Penalty APR may also apply)
• Over-the-Credit Limit	\$19 (Penalty APR may also apply)
• Returned Payment	\$19 (Penalty APR may also apply)

How We Will Calculate Your Balance: We use a method called "average daily balance (including new purchases)." For more information about this method, go to <http://www.federalreserve.gov/location>.

Important Information About Your Artesian Bank Credit Card Account

Interest Rates And Interest Charges	
Annual Percentage Rate (APR) for Purchases	7.99% to 18.99% , based on your creditworthiness. Your initial APR will be within this range based on current rates. After that, your APR will vary with the market based on the Prime Rate.
APR for Balance Transfers	0.00% (until December 2007) 15.99% (after December 2007) Balance transfer fees will also apply. NOTICE: If you transfer balances at our low introductory APR and then make purchases using this card, we will apply your payment first to your transferred balances during the promotional period. You will be charged interest on the full amount of your purchases during this period until your transferred balances have been paid off completely.
APR for Cash Advances	19.99% currently. This APR will vary with the market based on the Prime Rate. Cash advance fees will also apply.
Penalty APR and When It Applies	30.99% All of your APRs (including introductory APRs) may increase up to this rate if: <ul style="list-style-type: none"> • You make a late payment; • You exceed your credit limit; • You make a payment that is returned; or • You do any of the above on another account that you have with us.
Minimum Interest Charge	If you are charged interest, this charge will be no less than \$0.50.
Interest-Free Period on Purchases	If you pay your balance in full each month, you have at least 25 days after the close of each period to pay your balance on purchases with no interest charge. If you do not pay your balance in full each month, you will lose this interest-free period and will pay interest on purchases.

Fees	
Set-up and Maintenance Fees	
NOTICE: Some of these set-up and maintenance fees will be assessed before you begin using your card and will reduce the amount of credit you initially have available. For example, if you are assigned the minimum credit limit of \$250, your initial available credit will be only \$72 (or \$52 if you choose to have an additional card).	
<ul style="list-style-type: none"> • Annual Fee • Account Set-up Fee • Program Fee • Participation Fee • Additional Card Fee • Account Maintenance Fee 	<p>\$29</p> <p>\$29 (one-time fee)</p> <p>\$89 (one-time fee)</p> <p>\$36 annually (\$3 per month)</p> <p>\$20 annually (if applicable)</p> <p>\$4 per month (on closed accounts with an outstanding balance of \$20 or more)</p>
Transaction Fees	
<ul style="list-style-type: none"> • Balance Transfer • Cash Advance • Foreign Transaction 	<p>Either \$5 or 3% of the amount of each transfer, whichever is greater (maximum fee: \$100)</p> <p>Either \$5 or 3% of the amount of each cash advance, whichever is greater</p> <p>2% of transaction in U.S. dollars</p>
Penalty Fees	
<ul style="list-style-type: none"> • Late Payment • Over-the-Credit Limit • Returned Payment 	<p>\$29 if balance is less than or equal to \$1,000; \$35 if balance is more than \$1,000 (Penalty APR may also apply)</p> <p>\$29 (Penalty APR may also apply)</p> <p>\$35 (Penalty APR may also apply)</p>

How We Will Calculate Your Balance: We use a method called "two-cycle average daily balance (including new purchases)." For more information about this method, go to <http://www.federalreserve.gov/location>.

Important Information About Your Artesian Bank Credit Card Account

Interest Rates And Interest Charges	
Annual Percentage Rate (APR) for Purchases	<p>7.99% to 18.99%, based on your creditworthiness. Your initial APR will be within this range based on current rates.</p> <p>After that, your APR will vary with the market based on the Prime Rate.</p>
APR for Balance Transfers	<p>0.00% (until December 2007) 15.99% (after December 2007)</p> <p>Balance transfer fees will also apply.</p> <p>NOTICE: If you transfer balances at our low introductory APR and then make purchases using this card, we will apply your payment first to your transferred balances during the promotional period. You will be charged interest on the full amount of your purchases during this period until your transferred balances have been paid off completely.</p>
APR for Cash Advances	<p>21.99% currently.</p> <p>This APR will vary with the market based on the Prime Rate. Cash advance fees will also apply.</p>
Penalty APR and When It Applies	<p>35.99%</p> <p>All of your APRs (including introductory APRs) may increase up to this rate if you do any of the following twice in a six-month period:</p> <ul style="list-style-type: none"> • You make a late payment; • You make a payment that is returned; or • You do either of the above on another account that you have with us.
Minimum Interest Charge	If you are charged interest, this charge will be no less than \$1.00.
Grace Period on Purchases	If you pay your balance in full each month, you have at least 26 days after the close of each period to pay your balance on purchases with no interest charge. If you do not pay your balance in full each month, you will lose this interest-free period and will pay interest on purchases.

Fees	
Annual Fee	None
Transaction Fees	
<ul style="list-style-type: none"> • Balance Transfer 	Either \$10 or 5% of the amount of each transfer, whichever is greater (maximum fee: \$200)
<ul style="list-style-type: none"> • Cash Advance 	Either \$10 or 5% of the amount of each cash advance, whichever is greater
<ul style="list-style-type: none"> • Foreign Transaction 	2% of transaction in U.S. dollars
Penalty Fees	
<ul style="list-style-type: none"> • Late Payment 	<p>\$30 if balance is less than or equal to \$1,000; \$36 if balance is more than \$1,000 (Penalty APR may also apply)</p>
<ul style="list-style-type: none"> • Over-the-Credit Limit 	\$30 (Penalty APR may also apply)
<ul style="list-style-type: none"> • Returned Payment 	\$30 (Penalty APR may also apply)

How We Will Calculate Your Balance: We use a method called "average daily balance (including new purchases)." For more information about this method, go to <http://www.federalreserve.gov/location>.

Important Information About Your Artesian Bank Credit Card Account

Interest Rates	
Annual Percentage Rate (APR) for Purchases	<p>7.99% to 18.99%, based on your creditworthiness. Your initial APR will be within this range based on current rates.</p> <p>After that, your APR will vary with the market based on the Prime Rate.</p>
APR for Balance Transfers	<p>0.00% (until December 2007) 15.99% (after December 2007)</p> <p>Balance transfer fees will also apply.</p> <p>NOTICE: If you transfer balances at our low introductory APR and then make purchases using this card, we will apply your payment first to your transferred balances during the promotional period. You will be charged interest on the full amount of your purchases during this period until your transferred balances have been paid off completely.</p>
APR for Cash Advances	<p>21.99% currently.</p> <p>This APR will vary with the market based on the Prime Rate. Cash advance fees will also apply.</p>
Penalty APR and When It Applies	<p>35.99%</p> <p>All of your APRs (including introductory APRs) may increase up to this rate if you do any of the following:</p> <ul style="list-style-type: none"> • You make a late payment; • You exceed your credit limit; • You make a payment that is returned; or • You do either of the above on another account that you have with us.
Minimum Interest Charge	If you are charged interest, this charge will be no less than \$1.00.
Grace Period on Purchases	If you pay your balance in full each month, you have at least 26 days after the close of each period to pay your balance on purchases with no interest charge. If you do not pay your balance in full each month, you will lose this interest-free period and will pay interest on purchases.

Fees	
Annual Fee	None
Transaction Fees	<ul style="list-style-type: none"> • Balance Transfer Either \$10 or 5% of the amount of each transfer, whichever is greater (maximum fee: \$200) • Cash Advance Either \$10 or 5% of the amount of each cash advance, whichever is greater • Foreign Transaction 1% of transaction in U.S. dollars
Penalty Fees	<ul style="list-style-type: none"> • Late Payment \$30 if balance is less than or equal to \$1,000; \$36 if balance is more than \$1,000 (Penalty APR may also apply) • Over-the-Credit Limit \$28 (Penalty APR may also apply) • Returned Payment \$28 (Penalty APR may also apply)

How We Will Calculate Your Balance: We use a method called "average daily balance (including new purchases)." For more information about this method, go to <http://www.federalreserve.gov/location>.

Periodic Statements Used in Boston Interviews

Contents:

- Model PS-9 (pages 1 and 2)
- Model PS-10 (pages 1 and 2)
- Back of periodic statement pages



Artesian Bank



ACCOUNT SUMMARY

Account Number	1234567890123456
Credit Limit	\$2,000.00
Available Credit as of 2/7/07	\$215.47
New Balance	\$1,784.53
Payment Due Date	2/22/07 (before 12:00 noon)
Minimum Amount Due	= \$48.00 (see warning below)

QUESTIONS?
 Call Customer Service 1-800-987-5521
 Lost or Stolen Credit Card 1-800-987-5521

Please send billing inquiries and correspondence to:
 PO BOX 5524, NEWARK, DE 19711

WARNING ABOUT MINIMUM PAYMENTS: Given the current APRs and balances on this account, if you made only the minimum payment each month it would take you about **15 years** to repay your balances in full.

For prompt credit, mail payments to:
 PO BOX 5147
 NEWARK, DE 19711
 Payment sent to any other address may delay crediting your account up to 5 days.

*****NOTICE OF CHANGES TO INTEREST RATES*****

You have triggered the Penalty APR of 34.99%. Beginning on the first day of your next billing period, we will apply the penalty rate to all balances on this account. Your APRs will automatically revert back to the standard APRs if you make 6 consecutive minimum payments when due and you do not exceed your credit limit during that time. For more information on penalty rate triggers, see your cardholder agreement and summary.

TRANSACTIONS

Trans Date	Post Date	Reference Number	Description of Transaction or Credit	Amount
1/8	1/9	5884186PS0388W6YM	CITGO FOOD MART #74 ATLANTA GA	\$2.05
1/9	1/9	9525156489SFD4545Q	LATE FEE	\$35.00
1/9	1/10	0544400060ZLV72VL	CVS PHARMACY #7338 003 ATLANTA GA	\$12.11
1/9	1/10	55541860705RDYD0X	ECKERD DRUGS #2708 ATLANTA GA	\$4.63
1/11	1/11	854338203FS8OO0Z5	PYMT THANK YOU	\$450.00
1/11	1/12	554328608008W90M0	EASY SAVER 877-844-9564 PA	\$114.95
1/12	1/12	1542202074TWWZV48	BESTBANK/ACCESS CASH ATLANTA GA	\$121.50
1/12	1/12	56415615647OJSNDS	CASH ADVANCE FEE *TRANSACTION FEE*	\$5.00
1/13	1/14	054830709LYMRPT4L	WAYFIELD FOODS #1 S9B ATLANTA GA	\$7.35
1/13	1/14	564891561545KOSHD	ACME #1456 ATLANTA GA	\$14.35
1/13	1/14	841517877845AKOJIO	CITGO #1276 DECATUR GA	\$40.35
1/13	1/15	4545754784KOHUIOS	BALANCE TRANSFER	\$785.00
1/13	1/15	84151564SADS8745H	BALANCE TRANSFER FEE *TRANSACTION FEE*	\$23.55
1/14	1/15	895848561561894KOH	SAVE-A-LOT GROCERY #287 ATLANTA GA	\$27.68
1/14	1/15	1871556189456SAMKL	BEST BUY ATLANTA GA	\$124.76
1/14	1/15	14547847586KDDL564	BESTBANK/ACCESS CASH DECATUR GA	\$196.50
1/14	1/15	256489156189451516L	CASH ADVANCE FEE *TRANSACTION FEE*	\$5.90
1/15	1/16	2564894185189LKDFID	SHELL OIL #8765 ATHENS GA	\$32.87
1/17	1/18	2564561023184102315	ECKERD DRUGS #2708 ATLANTA GA	\$14.76
1/18	1/19	55542818705RASD0X	WALMART #2998 ATHENS GA	\$3.76
1/18	1/19	289189194ASDS8744	MACYS #78 DECATUR GA	\$13.45
1/18	1/19	178105417841045784	CITGO FOOD MART #74 ATLANTA GA	\$2.35
1/19	1/20	8456152156181SDSA	SHELL OIL #8765 ATHENS GA	\$25.00

(transactions continued on next page)

NOTICE: SEE REVERSE SIDE FOR IMPORTANT INFORMATION

Please detach this portion and return with your payment to insure proper credit. Retain upper portion for your records.

Account Number: 1234567890123456
New Balance \$1,784.53

PAYMENT INFORMATION

Minimum Amount Due = \$48.00

Payment Due Date 2/22/07 (before 12:00 noon)

Please indicate address change and additional cardholder requests on the reverse side.

Artesian Bank
 P.O. Box 5147
 Newark, DE 19711

WARNING ABOUT LATE PAYMENT: If the minimum required payment is not paid by the due date listed on this statement, you may be subject to a \$35 late fee and your APRs may be increased up to the Penalty APR of 34.99%.

AMOUNT ENCLOSED: \$





Artesian Bank



Page 2 of 2

TRANSACTIONS

Trans Date	Post Date	Reference Number	Description of Transaction or Credit	Amount
1/19	1/20	31289105205648AWD	EASY SAVER 877-844-9564 PA	\$7.34
1/20	1/21	045148714518979874	MACYS #78 DECATUR GA	\$13.45-
1/23	1/24	04518478415615ASD	SAVE-A-LOT GROCERY #287 ATLANTA GA	\$10.56
1/24	1/25	0547810544898718AF	SHELL OIL #8765 ATHENS GA	\$24.50
1/25	1/26	056489413216848OP	WALMART #2998 ATHENS GA	\$8.76
1/25	1/26	054894561564ASDW	ACME #1456 ATLANTA GA	\$14.23
1/27	1/28	5648974891AD98156	MACYS #78 DECATUR GA	\$23.76
			INTEREST CHARGE ON PURCHASES	\$6.31
			INTEREST CHARGE ON CASH ADVANCES	\$4.58
TOTAL FEES FOR THIS PERIOD:				\$69.45
INTEREST CHARGE FOR THIS PERIOD:				\$10.89
2007 TOTALS YEAR-TO-DATE				
FEES CHARGED				\$74.40
INTEREST CHARGED				\$13.12

INTEREST CHARGE CALCULATION

Your **Annual Percentage Rate (APR)** is the annual interest rate on your account.

Type of Balance	Annual Percentage Rate (APR)	Daily Interest Rate	Balance Subject to Interest Rate	Interest Charge
Purchases	14.99% (v)	0.0411%	\$512.14	\$6.31
Cash Advances	21.99% (v)	0.0602%	\$253.50	\$4.58
Balance Transfers	0.00%	0.0000%	\$637.50	\$0.00

(v) = Variable Rate

EFFECTIVE APR

Your **Effective APR** is the rate that includes both interest and transaction fees that you were charged this month.

Type of Balance	Interest Charges	Transaction Fees	Effective APR
Purchases	\$6.31	\$0.00	14.99%
Cash Advances	\$4.58	\$10.90	58.42%
Balance Transfers	\$0.00	\$23.55	36.00%

SUMMARY OF ACCOUNT ACTIVITY

Statement Closing Date: 2/7/07

Days in Billing Cycle: 30

Previous Balance	Payments and Other Credits	Purchases and Advances	Balance Transfers	Total Fees and Interest	New Balance
\$535.07	\$463.45	\$847.57	\$785.00	\$80.34	\$1,784.53

Want to receive your billing statement in Spanish?

Prefiere recibir su estado de cuenta en Espanol? Llamenos al 1-800-947-9100, o elija su idioma de preferencia en www.artesianbank.com, modificando su Perfil Personal en la seccion Administrar mi Cuenta.

Fast Online Card Payments with Click-to-Pay

Pay your Artesian Bank bill online anytime, day or night. Payments received by 12 noon EST will post that same business day! Sign-on to www.artesianbank.com and choose the Make a Payment menu.

Save Time. Save Paper. Sign up for All Electronic.

You'll have instant access to your statement online, without that pile of paper. Get an e-mail notice when your statement is ready. Register or sign-on to www.artesianbank.com and choose Manage My Account.

Need to add an authorized user to your account?

Just sign on to www.artesianbank.com, go to Maintenance Requests under the Manage My Account menu and select Add Authorized User. Complete the form and submit. It's that simple!



Artesian Bank



ACCOUNT SUMMARY

Account Number	1234567890123456
Credit Limit	\$2,000.00
Available Credit as of 2/7/07	\$215.47
New Balance	\$1,784.53
Payment Due Date	2/22/07 (before 12:00 noon)
Minimum Amount Due	= \$48.00 (see warning below)

QUESTIONS?
 Call Customer Service 1-800-987-5521
 Lost or Stolen Credit Card 1-800-987-5521

Please send billing inquiries and correspondence to:
 PO BOX 5524, NEWARK, DE 19711

WARNING ABOUT MINIMUM PAYMENTS: Given the current APRs and balances on this account, if you made only the minimum payment each month it would take you about **15 years** to repay your balances in full.

For prompt credit, mail payments to:
 PO BOX 5147
 NEWARK, DE 19711
 Payment sent to any other address may delay crediting your account up to 5 days.

*****NOTICE OF CHANGES TO ACCOUNT TERMS*****

We will be making changes to your account terms. Some of these changes will affect your APR on Purchases and your Late Fee. These changes will be effective April 1, 2007. You have the right to opt out of these changes; for more information please refer to the notice enclosed with this statement.

TRANSACTIONS

Trans Date	Post Date	Reference Number	Description of Transaction or Credit	Amount
PAYMENTS AND OTHER CREDITS				
1/11	1/11	854333203FS8O00Z5	PYMT THANK YOU	\$450.00-
1/20	1/21	045148714518979874	MACYS #78 DECATUR GA	\$13.45-
PURCHASES				
1/8	1/9	5884186PS0388W6YM	CITGO FOOD MART #74 ATLANTA GA	\$2.05
1/9	1/10	0544400060ZLV72VL	CVS PHARMACY #7338 003 ATLANTA GA	\$12.11
1/9	1/10	55541860705RDYD0X	ECKERD DRUGS #2708 ATLANTA GA	\$4.63
1/11	1/12	554328608008W90M0	EASY SAVER 877-844-9564 PA	\$114.95
1/13	1/14	054830708LYMRPT4L	WAYFIELD FOODS #1 S9B ATLANTA GA	\$7.35
1/13	1/14	564891561545KOSHD	ACME #1456 ATLANTA GA	\$14.35
1/13	1/14	841517877845AKOJIO	CITGO #1276 DECATUR GA	\$40.35
1/14	1/15	895848561561894KOH	SAVE-A-LOT GROCERY #287 ATLANTA GA	\$27.68
1/14	1/15	1871556189456SAMKL	BEST BUY ATLANTA GA	\$124.76
1/15	1/16	2564894185189LKDFID	SHELL OIL #8765 ATHENS GA	\$32.87
1/17	1/18	2564561023184102315	ECKERD DRUGS #2708 ATLANTA GA	\$14.76
1/18	1/19	55542818705RASD0X	WALMART #2998 ATHENS GA	\$3.76
1/18	1/19	289189194ASDS8744	MACYS #78 DECATUR GA	\$13.45
1/18	1/19	178105417841045784	CITGO FOOD MART #74 ATLANTA GA	\$2.35
1/19	1/20	8456152156181SDSA	SHELL OIL #8765 ATHENS GA	\$25.00
1/19	1/20	31289105205648AWD	EASY SAVER 877-844-9564 PA	\$7.34
1/23	1/24	04518478415615ASD	SAVE-A-LOT GROCERY #287 ATLANTA GA	\$10.56
1/24	1/25	0547810544898718AF	SHELL OIL #8765 ATHENS GA	\$24.50
1/25	1/26	056489413216848OP	WALMART #2998 ATHENS GA	\$8.76
1/25	1/26	054894561564ASDW	ACME #1456 ATLANTA GA	\$14.23
1/27	1/28	5648974891AD98156	MACYS #78 DECATUR GA	\$23.76

(transactions continued on next page)

NOTICE: SEE REVERSE SIDE FOR IMPORTANT INFORMATION

5825 TRD 2 100 7 Page 1 of 2 8382 4000 USM2 0003 050118 01AC5825 35ADM

Please detach this portion and return with your payment to insure proper credit. Retain upper portion for your records.

Account Number: 1234567890123456
New Balance \$1,784.53
PAYMENT INFORMATION
Minimum Amount Due = \$48.00
Payment Due Date 2/22/07 (before 12:00 noon)

Please indicate address change and additional cardholder requests on the reverse side.

Artesian Bank
 P.O. Box 5147
 Newark, DE 19711

WARNING ABOUT LATE PAYMENT: If the minimum required payment is not paid by the due date listed on this statement, you may be subject to a \$35 late fee and your APRs may be increased up to the Penalty APR of 34.99%.

AMOUNT ENCLOSED: \$





Artesian Bank



Page 2 of 2

TRANSACTIONS

Trans Date	Post Date	Reference Number	Description of Transaction or Credit	Amount
CASH ADVANCES				
1/12	1/12	1542202074TWWZV48	BESTBANK/ACCESS CASH ATLANTA GA	\$121.50
1/14	1/15	14547847586KDDL564	BESTBANK/ACCESS CASH DECATUR GA	\$196.50
BALANCE TRANSFERS				
1/13	1/15	4545754784KOHUIOS	BALANCE TRANSFER	\$785.00
FEES				
1/9	1/9	9525156489SFD4545Q	LATE FEE	\$35.00
1/12	1/12	56415615647OJSNDS	CASH ADVANCE FEE *TRANSACTION FEE*	\$5.00
1/13	1/15	84151564SADS8745H	BALANCE TRANSFER FEE *TRANSACTION FEE*	\$23.55
1/14	1/15	256489156189451516L	CASH ADVANCE FEE *TRANSACTION FEE*	\$5.90
			TOTAL FEES:	\$69.45
INTEREST CHARGES				
			INTEREST CHARGE ON PURCHASES	\$6.31
			INTEREST CHARGE ON CASH ADVANCES	\$4.58
			TOTAL INTEREST:	\$10.89
2007 TOTALS YEAR-TO-DATE				
FEES CHARGED				\$74.40
INTEREST CHARGED				\$13.12

INTEREST CHARGE CALCULATION

Your **Annual Percentage Rate (APR)** is the annual interest rate on your account.

Type of Balance	Annual Percentage Rate (APR)	Balance Subject to Interest Rate	Interest Charge
Purchases	14.99% (v)	\$512.14	\$6.31
Cash Advances	21.99% (v)	\$253.50	\$4.58
Balance Transfers	0.00%	\$637.50	\$0.00

(v) = Variable Rate

EFFECTIVE APR

Your **Effective APR** is the rate that includes both interest and transaction fees that you were charged this month.

Type of Balance	Interest Charges	Transaction Fees	Effective APR
Purchases	\$6.31	\$0.00	14.99%
Cash Advances	\$4.58	\$10.90	58.42%
Balance Transfers	\$0.00	\$23.55	36.00%

SUMMARY OF ACCOUNT ACTIVITY

Statement Closing Date: 2/7/07

Days in Billing Cycle: 30

Previous Balance	Payments and Other Credits	Purchases and Advances	Balance Transfers	Total Fees and Interest	New Balance
\$535.07	\$463.45	\$847.57	\$785.00	\$80.34	\$1,784.53

Want to receive your billing statement in Spanish?

Prefiere recibir su estado de cuenta en Espanol? Llamenos al 1-800-947-9100, o elija su idioma de preferencia en www.artesianbank.com, modificando su Perfil Personal en la seccion Administrar mi Cuenta.

Fast Online Card Payments with Click-to-Pay

Pay your Artesian Bank bill online anytime, day or night. Payments received by 12 noon EST will post that same business day! Sign-on to www.artesianbank.com and choose the Make a Payment menu.

Save Time. Save Paper. Sign up for All Electronic.

You'll have instant access to your statement online, without that pile of paper. Get an e-mail notice when your statement is ready. Register or sign-on to www.artesianbank.com and choose Manage My Account.

Need to add an authorized user to your account?

Just sign on to www.artesianbank.com, go to Maintenance Requests under the Manage My Account menu and select Add Authorized User. Complete the form and submit. It's that simple!

IMPORTANT INFORMATION ABOUT YOUR ACCOUNT

Grace Period on New Purchases (at least 25 days)

You can avoid Interest Charges on new Purchases that posted to this statement if your Previous Balance is zero (or a credit balance) and we receive full payment of the New Balance by the Payment Due Date. If so, you have from the date you made your purchases until the payment Due Date on the front to avoid any interest charge on that purchase. If your Previous Balance is greater than zero, there is no time period to pay the New Balance and avoid additional interest charges. There is no grace period for Cash Advances and Balance Transfers.

Explanation of Interest Charges and Transaction Fees

We calculate periodic interest charges using the applicable monthly periodic rates separately for each feature (e.g., purchases, balance transfers, cash advances, promotional balances, or overdraft advances). We calculate the monthly periodic rate for each feature by dividing the APR for each feature by 12. There is a minimum charge in any billing cycle in which you owe any periodic interest charges, and a transaction charge for each balance transfer, cash advance, or check transaction, in the amounts stated in your Cardmember Agreement, as amended.

To get the daily balance for each day of the current billing cycle, we take the beginning balance for each feature, add any new transactions or other debits (including fees, unpaid interest charges and other charges), subtract any payments or credits, and make other adjustments. Transactions are added as of the transaction date, the beginning of the billing cycle in which they are posted to your account, or a later date of our choice (except that check transactions are added as of the date deposited by the payee or a later date of our choice). Fees are added either on the date of a related transaction, the date they are posted to your account, or the last day of the billing cycle. This gives us that day's daily balance. A credit balance is treated as a balance of zero. If a daily periodic rate applies to any feature we multiply the daily balance by the daily periodic rate to get your periodic interest charges for that day. We then add these periodic interest charges to your daily balance to get the beginning balance for the next day. (If more than one daily periodic rate could apply based on the average daily balance, we will use the daily periodic rate that applies for the average daily balance amount at the end of the billing cycle to calculate the daily periodic interest charges each day.) If this statement shows a previous cycle average daily balance for purchases, we do the same thing for each day of the previous cycle to get the daily balance of purchases for the previous billing cycle. However, the daily balance for previous billing cycle purchases is considered to be zero for each day of the previous billing cycle if a periodic interest charge was already billed on purchases itemized on your previous statement or we receive payment of your New Balance on your previous statement in full by the date and time your payment was due.

To get your total periodic interest charge for a billing cycle when a daily periodic rate(s) applies, we add all of the daily periodic interest charges for all features. To determine an average daily balance, we add your daily balances and divide by the number of the days in the applicable billing cycle(s). If you multiply the average daily balance for each feature by the applicable daily periodic rate, and then multiply each of these results by the number of days in the applicable billing cycle(s), and then add all of the results together, the total will also equal the periodic interest charges for the billing cycles except for minor variations due to rounding. To get your total periodic interest charge for a billing cycle when a monthly periodic rate(s) applies, multiply the average daily balance for each feature by the applicable monthly periodic rate and add the results together. The total will equal the periodic interest charges for the billing cycle, except for minor variations due to rounding.

Account Renewal Information for Open Accounts

If your account has an Annual Fee and it is billed on this Statement, we will reverse the fee if you cancel your account and pay off any existing Balance within 30 days of receipt of this Statement. Otherwise, the Annual Fee is non-refundable. You may continue to use your account during the 30-day period before you cancel. To cancel, write us at the Billing Inquiries address or call us at the phone number on the front.

Your Liability

Our records show that you are liable for any outstanding balance on this account if your name appears on the front of this statement or you otherwise agreed.

Report a Lost or Stolen Card Immediately

Call the 24-hour toll free number 1.800.555.6666. Do not use your account after you report a lost or stolen card.

Cardholder Security Plan™/Payment Protection Plan

If you have questions about your enrollment or need to file for benefits, please call the applicable toll free number below (Monday-Friday, 7:00 a.m.-10:00 p.m. Central Time): Cardholder Security Plan-1.888.668.6938; Payment Protection Plan-1.888.838.0056.

Service for International Calling

Dial the AT&T Direct access code for the country you are in and dial 1.888.801.3723. For a list of access codes visit www.artesian.com and select Credit Cards. You may also call us collect at 1.757.677.4701.

Service for Hearing-Impaired (TTY/TDD)

Contact our service for the hearing-impaired at 1.800.222.7365.

Pay on-line at www.artesian.com or mail your payment to: Artesian Bank, PO BOX 5147, SIOUX FALLS, SD 57117-5147.

BILLING RIGHTS SUMMARY STATEMENT DISCLOSURE:

In Case of Error or Billing Inquiries

If you think your bill is wrong, or if you need more information about a transaction on your bill, you must write to us (on a separate sheet) at PO BOX 1390, Norfolk, VA 23501-1390 as soon as possible to preserve your rights. We must hear from you no later than 60 days after we sent you the first bill on which the error or problem appeared. In your letter, give us the following information:

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

You do not have to pay any amount in question while we are investigating, but you are still obligated to pay the parts of your bill that are not in question. While we investigate your questions, we cannot report you as delinquent or take any action to collect the amount you question.

Special Rate for Credit Card Purchases

If you have a problem with the quality of goods or services that you purchased with a credit card, and you have tried in good faith to correct the problem with the merchant, you may not have to pay the remaining amount due on the goods or services. You have this protection only when the purchase price was more than \$50 and the purchase was made in your home state or within 100 miles of your mailing address (if we own or operate the merchant, or if we mailed you the advertisement for the property or service, all purchases are covered regardless of the amount or location of purchase).

IMPORTANT CREDIT BUREAU REPORTING INFORMATION REQUIRED BY FEDERAL LAW TO BE DISCLOSED TO YOU

WE MAY REPORT INFORMATION ABOUT YOUR ACCOUNT TO CREDIT BUREAUS. LATE PAYMENTS, MISSED PAYMENTS OR OTHER DEFAULTS ON YOUR ACCOUNT MAY BE REFLECTED IN YOUR CREDIT REPORT.

For address changes, you may access your account online at: www.artesian.com, call 1.800.555.6666 or write your address changes below. If you choose to call the 800# provided, you must have your credit card present. Please include your account number to ensure accurate processing.

Address

City State Zip

Home Phone Work Phone

E-mail Address

By providing us with your e-mail address, you agree that we may communicate with you by electronic mail.

Prompt Crediting of Payments

We will credit any payments as of the date we receive it as long as it is mailed with the enclosed payment coupon and received by us no later than 12:00 noon at either the P.O. Box on the front or the P.O. Box above. Crediting of all other payments may be delayed up to 5 days. All payments must be in the form of a check or money order drawn in U.S. dollars on a financial institution located in the U.S. or the U.S. Post Office or made by electronic funds transfers, however cash payments may be made in person at our banking centers only.

Convenience Checks Used in Boston Interviews

Contents:

- Model CC-1 (front and back)
- Model CC-2 (front and back)



Let summer go out
with a splash

Make things happen with extra cash!

This time of year offers countless opportunities, so now is the time to act! Use these checks to take advance of your low, promotional 1.7% Annual Percentage Rate (APR) through your November 2007 statement closing date!*

Use these checks before the season fades away! Or contact us at www.artesianbank.com or 1-888-555-2890.

481	DATE _____ 20____	62-16 311
PAY TO THE ORDER OF _____	\$ _____	
_____ DOLLARS		
Wilmington, Delaware		
FOR _____		

482	DATE _____ 20____	62-16 311
PAY TO THE ORDER OF _____	\$ _____	
_____ DOLLARS		
Wilmington, Delaware		
FOR _____		

483	DATE _____ 20____	62-16 311
PAY TO THE ORDER OF _____	\$ _____	
_____ DOLLARS		
Wilmington, Delaware		
FOR _____		

*See Disclosures on Reverse Side

Share your account — not your card!

Give trusted family members and friends charging privileges on your account simply by adding them as users. You can add up to six people at no extra cost. Each will receive a personalized credit card with the same

exceptional benefits as the card you carry. And they will have access to the same line of credit. All charges are conveniently itemized on one monthly statement, so there is just one bill to pay.

Call the toll-free number on the lower right corner of your billing statement to request additional cards today!

§ As the primary cardholder, you are responsible for all account activity incurred by additional cardholders.

	X _____ DO NOT WRITE, STAMP, OR SIGN BELOW THIS LINE ▼ RESERVED FOR FINANCIAL INSTITUTION USE ▼
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	X _____ DO NOT WRITE, STAMP, OR SIGN BELOW THIS LINE ▼ RESERVED FOR FINANCIAL INSTITUTION USE ▼
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	X _____ DO NOT WRITE, STAMP, OR SIGN BELOW THIS LINE ▼ RESERVED FOR FINANCIAL INSTITUTION USE ▼
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* Check Cash Advances (i.e., credit card access checks) and Balance Transfers are processed as Cash Advances according to the terms of your Credit Card Agreement and are subject to credit availability. For your current APR on Cash Advances, please refer to your current billing statement. The transaction date for each Check Cash Advance and Balance Transfer made by check is the date you or the person to whom the check is made payable first deposits or cashes the check. There is no grace period for Cash Advance transactions; interest charges accrue from the transaction date. The Two-Cycle Average Daily Balance method (including new purchases) as described in your Credit Card Agreement (and on your periodic statement) is used to compute your Cash Advance Balance. Check Cash Advances and Balance Transfers may not be used for repayment of any Artesian Bank-issued accounts; use of these checks as repayment will result in a Returned Payment Fee as described in your Credit Card Agreement.

We will allocate your payment to balances (including new transactions) with lower APRs before balances with higher APRs.

If you would like to opt out of receiving checks like these in the future, call 1-800-555-5245.

This account is issued and administered by Artesian Bank. MasterCard and World Mastercard are federally registered service marks of MasterCard International, Inc., and are used pursuant to license. Visa is a federally registered service mark of Visa U.S.A., Inc., and is used pursuant to license.



This time of year offers countless opportunities, so now is the time to act! Use these checks to take advance of your low, promotional 1.7% Annual Percentage Rate (APR) through your November 2007 statement closing date! Use these checks before the season fades away! Or contact us at www.artesianbank.com or 1-888-555-2890.

Important Information About These Checks:

- **You will be charged a fee for using these checks.** This fee will be equal to either \$5 or 3% of the amount of each check, whichever is greater.
- **After November 2007, you will be charged interest for the use of these checks at your regular APR for cash advances.** You can find this APR in the Interest Rate Calculation section of your most recent credit card statement.
- If you use these checks at our low introductory APR and then make purchases using this card, we will apply your payments first to the balance of these checks during the promotional period. **You will be charged interest on the full amount of your credit card purchases until the balance of these checks has been paid off completely.**
- There is no grace period for payments you make with these checks; you will be accruing interest on the transaction date.
- If you would like to opt out of receiving checks like these from Artesian Bank in the future, call 1-800-555-5245.

481	DATE _____ 20____	62-16 311
PAY TO THE ORDER OF _____ \$ _____		
_____ DOLLARS		
Wilmington, Delaware		
FOR _____		

482	DATE _____ 20____	62-16 311
PAY TO THE ORDER OF _____ \$ _____		
_____ DOLLARS		
Wilmington, Delaware		
FOR _____		

483	DATE _____ 20____	62-16 311
PAY TO THE ORDER OF _____ \$ _____		
_____ DOLLARS		
Wilmington, Delaware		
FOR _____		

Share your account — not your card!

Give trusted family members and friends charging privileges on your account simply by adding them as users. You can add up to six people at no extra cost. Each will receive a personalized credit card with the same

exceptional benefits as the card you carry. And they will have access to the same line of credit. All charges are conveniently itemized on one monthly statement, so there is just one bill to pay.

Call the toll-free number on the lower right corner of your billing statement to request additional cards today!

§ As the primary cardholder, you are responsible for all account activity incurred by additional cardholders.

	X
DO NOT WRITE, STAMP, OR SIGN BELOW THIS LINE ▼ RESERVED FOR FINANCIAL INSTITUTION USE ▼	

* The transaction date for each Check Cash Advance and Balance Transfer made by check is the date you or the person to whom the check is made payable first deposits or cashes the check. The Two-Cycle Average Daily Balance method (including new purchases) as described in your Credit Card Agreement (and on your periodic statement) is used to compute your Cash Advance Balance. Check Cash Advances and Balance Transfers may not be used for repayment of any Artesian Bank-issued accounts; use of these checks as repayment will result in a Returned Payment Fee as described in your Credit Card Agreement.

	X
DO NOT WRITE, STAMP, OR SIGN BELOW THIS LINE ▼ RESERVED FOR FINANCIAL INSTITUTION USE ▼	

This account is issued and administered by Artesian Bank. MasterCard and World Mastercard are federally registered service marks of MasterCard International, Inc., and are used pursuant to license. Visa is a federally registered service mark of Visa U.S.A., Inc., and is used pursuant to license.

	X
DO NOT WRITE, STAMP, OR SIGN BELOW THIS LINE ▼ RESERVED FOR FINANCIAL INSTITUTION USE ▼	

Cognitive Interviews:
Dallas, TX (March 2007)

Solicitation Letters Used in Dallas Interviews

Contents:

- Model SL-6 (front and back)
- Model SL-7 (front and back)

Your Artesian Bank Visa® Platinum comes with everything you expect in a premium credit card:

Platinum Services

- **Zero Liability** for unauthorized card transactions that are reported promptly.*
- **Verified by Visa** for secure online shopping using a personal password.
- **Free Extra Cards** for members of your family.
- **Worldwide Acceptance**, use your Visa card everywhere Visa credit cards are accepted.
- **Instant Cash Around the Globe at Over 800,000 ATM Locations.**

* Claims may be filed against posted and settled transactions subject to dollar limits and verification, and must be reported within 60 days of the statement.

Helpful Hints

- Shred statements, receipts and bills before you throw them away.
- Be discreet when providing confidential data in a public setting.
- Always take your ATM receipts with you.
- Never give account numbers or personal information over the phone to unknown callers.
- Don't carry your birth certificate or Social Security card in your wallet or purse.
- Get more helpful information on how to guard against identity theft with Visa's Protect Your Identity guide.

To request your Artesian Bank Visa® Platinum Card:



Mail Your

Acceptance Certificate



Visit

www.mynewcard.com



Call

number printed on front of the letter

0% Introductory APR for Balance Transfers* (until February 2008, then 12.99%¹)

*APR on Purchases is between 9.99% and 17.99%

You're Invited to Apply!



Dear Potential Customer:

If your "To Do" list is out of control, maybe it's time to simplify your finances. You've been a valued customer, and we'd like to say thanks by offering you an Artesian Bank Visa® Platinum Card with a 0% introductory APR for balance transfers. Just go to www.mynewcard.com or call us at 1.800.555.5098—you're invited to apply! Plus, your new card includes:

- ✓ **0% introductory APR** for balance transfers (not purchases or cash advances)
- ✓ **Credit Line** up to \$2,500
- ✓ **Overdraft Protection**² — Use your card as ODP on your Artesian Bank checking account
- ✓ **Total Security Protection® package** — Zero liability for unauthorized card transactions that are reported promptly³, fraud monitoring, privacy features

Reply by March 25, 2007 to accept this great introductory rate offer. Put it on your "To Do" list and call or go online today! Your new Platinum Card is waiting for You!

Sincerely,

Kerry E. Hyvarinen
Senior Vice President

P.S. Get an instant response in a little as 10 seconds. Log on to our secure website at www.mynewcard.com. Or if you'd prefer, call 1.800.555.5098 or return the attached certificate by March 25, 2007 to accept this offer.

¹ Please see table enclosed for more information on rates and fees.

² All standard cash advance fees and finance charges are imposed whenever an overdraft protection advance takes place.

Please see the Terms and Conditions on the enclosed insert for more information about Overdraft Protection.

³ Claims may be filed against posted and settled transactions subject to dollar limits and verifications, and must be reported within 60 days of the statement.

Detach here and mail back the bottom half

A7869649827
ILZ-CDA-0606

ITA-POX-1NO-0606



Acceptance Certificate

*****AUTO**SCH 5-DIGIT 20813
A7869649827 C0A-V70
CN0606-008-709-659

Initial Credit: Up to \$2,500
Reply by: March 25, 2007

Artesian Bank
P.O. Box 1234
Thornville, FL 56789

Phone: 1.800.555.5098
Web: www.mynewcard.com

Step 1 <input type="checkbox"/>			
Step 2	SOCIAL SECURITY NUMBER	DATE OF BIRTH	HOME TELEPHONE
			WORK TELEPHONE
<input type="checkbox"/> SELF-EMPLOYED	GROSS YEARLY HOUSEHOLD INCOME ¹	MOTHER'S MAIDEN NAME	E-MAIL ADDRESS (OPTIONAL)
Step 3	<input type="checkbox"/> Please check here if you would like overdraft protection		Complete with your checking account number below
Step 4	Overdraft protection is only available if you provide a valid Artesian Bank checking account.		
By signing below, you agree to the authorizations, terms and conditions on the enclosed insert.		REQUEST AN ADDITIONAL CARD (Print the name of the person who is authorized to use your account.)	
<input checked="" type="checkbox"/> SIGN HERE		PRINT NAME OF AUTHORIZED USER (FIRST NAME, MIDDLE INITIAL, LAST NAME)	
APPLICANT SIGNATURE			
Save Today on Balance Transfers with a 0% Introductory APR			
ACCOUNT NUMBER	PAYEE	EXACT AMOUNT TO BE TRANSFERRED	
		\$	
ACCOUNT NUMBER	PAYEE	EXACT AMOUNT TO BE TRANSFERRED	
		\$	

Balance transfer requests will be processed in the order above. Each balance transfer request must be at least \$100. Allow 3-4 weeks to process. Please see the enclosed insert for Fee and Rate Information.

To help process your request without delay, please provide complete account information with your signature above.

Your Artesian Bank Visa® Platinum comes with everything you expect in a premium credit card:

Platinum Services

- **Zero Liability** for unauthorized card transactions that are reported promptly.*
- **Verified by Visa** for secure online shopping using a personal password.
- **Free Extra Cards** for members of your family.
- **Worldwide Acceptance**, use your Visa card everywhere Visa credit cards are accepted.
- **Instant Cash Around the Globe at Over 800,000 ATM Locations.**

* Claims may be filed against posted and settled transactions subject to dollar limits and verification, and must be reported within 60 days of the statement.

Helpful Hints

- Shred statements, receipts and bills before you throw them away.
- Be discreet when providing confidential data in a public setting.
- Always take your ATM receipts with you.
- Never give account numbers or personal information over the phone to unknown callers.
- Don't carry your birth certificate or Social Security card in your wallet or purse.
- Get more helpful information on how to guard against identity theft with Visa's [Protect Your Identity](#) guide.

To request your Artesian Bank Visa® Platinum Card:



Mail Your

Acceptance Certificate



Visit

www.mynewcard.com



Call

number printed on front of the letter

Solicitation and Application Disclosures
("Schumer Boxes")
Used in
Dallas Interviews

Contents:

- Model SB-11P (front)
- Model SB-11SP (front)
- Model SB-12P (front)
- Model SB-12SP (front)
- Back of Models SB-11P and SB-12P
- Back of Models SB-11SP and SB-12SP
- Model SB-11F1
- Model SB-11F2
- Model SB-11G1
- Model SB-11G2

Important Information About Your Artesian Bank Credit Card Account

Interest Rates And Interest Charges	
Annual Percentage Rate (APR) for Purchases	<p>8.99% to 19.99% when you open your account, based on your creditworthiness.</p> <p>After that, your APR will vary with the market based on the Prime Rate.</p>
APR for Balance Transfers	<p>0.00% (Intro APR until December 2007) 15.99% (APR after December 2007)</p> <p>Balance transfer fees will also apply (see below).</p> <p>NOTICE: Your low introductory APR applies only to balance transfers, not to purchases. During the introductory period we will apply your payments to your transferred balances before any purchases you make. You will be charged interest on all purchases until your transferred balances have been paid off completely.</p>
APR for Cash Advances	<p>21.99%</p> <p>This APR will vary with the market based on the Prime Rate.</p> <p>Cash advance fees will also apply (see below).</p>
Penalty APR and When It Applies	<p>34.99%</p> <p>This APR may be applied to your entire balance (including introductory APR balances) if you:</p> <ol style="list-style-type: none"> 1) Make a late payment; 2) Exceed your credit limit; 3) Make a payment that is returned; or 4) Do any of the above on another account that you have with us or another creditor. <p>For some of these actions you may also be charged a fee; see Penalty Fees section below for more details.</p> <p>If your APRs are increased for any of these reasons, they will remain at that level until you make minimum payments when due and do not exceed your credit limit for six consecutive months.</p>
Minimum Interest Charge	If you are charged interest, this charge will be no less than \$0.50.
Grace Period on Purchases	If you pay your entire balance in full each month, you have at least 25 days after the close of each period to pay your balance on purchases without being charged interest.
Website for Additional Information	For more information about how to compare credit cards or what to consider when applying for a card, go to http://www.frb.gov/location .

Fees	
Annual Fee	None
Transaction Fees	<ul style="list-style-type: none"> • Balance Transfer: Either \$5 or 3% of the amount of each transfer, whichever is greater (maximum fee: \$100). This fee is in addition to the interest you will be charged on this amount (see Balance Transfer APR above). • Cash Advance: Either \$5 or 3% of the amount of each cash advance, whichever is greater. This fee is in addition to the interest you will be charged on this amount (see Cash Advance APR above).
Penalty Fees	<ul style="list-style-type: none"> • Late Payment: \$29 if balance is less than or equal to \$1,000; \$35 if balance is more than \$1,000 (Your APRs may also increase; see Penalty APR section above) • Over-the-Credit Limit: \$29 (Your APRs may also increase; see Penalty APR section above) • Returned Payment: \$35 (Your APRs may also increase; see Penalty APR section above)
Other Fees	<ul style="list-style-type: none"> • Required Account Protector Plan: \$0.79 per \$100 of balance at the end of each statement period. See back for details.

How We Will Calculate Your Balance: We use a method called “two-cycle average daily balance (including new purchases).”

Important Information About Your Artesian Bank Credit Card Account

Interest Rates And Interest Charges	
Annual Percentage Rate (APR) for Purchases	8.99% to 19.99% when you open your account, based on your creditworthiness. After that, your APR will vary with the market based on the Prime Rate.
APR for Balance Transfers	0.00% (Intro APR until December 2007) 15.99% (APR after December 2007) Balance transfer fees will also apply (see below). NOTICE: Your low introductory APR applies only to balance transfers, not to purchases. During the introductory period we will apply your payments to your transferred balances before any purchases you make. You will be charged interest on all purchases until your transferred balances have been paid off completely.
APR for Cash Advances	21.99% This APR will vary with the market based on the Prime Rate. Cash advance fees will also apply (see below).
Penalty APR and When It Applies	34.99% This APR may be applied to your entire balance (including introductory APR balances) if you: <ol style="list-style-type: none"> 1) Make a late payment; 2) Exceed your credit limit; 3) Make a payment that is returned; or 4) Do any of the above on another account that you have with us or another creditor. For some of these actions you may also be charged a fee; see Penalty Fees section below for more details. If your APRs are increased for any of these reasons, we reserve the right to keep them at this higher level indefinitely.
Minimum Interest Charge	If you are charged interest, this charge will be no less than \$0.50.
Grace Period on Purchases	If you pay your entire balance in full each month, you have at least 25 days after the close of each period to pay your balance on purchases without being charged interest.
Website for Additional Information	For more information about how to compare credit cards or what to consider when applying for a card, go to http://www.frb.gov/location .

Fees	
Set-up and Maintenance Fees	NOTICE: Some of these set-up and maintenance fees will be assessed before you begin using your card and will reduce the amount of credit you initially have available. For example, if you are assigned the minimum credit limit of \$250, your initial available credit will be only \$72 (or \$52 if you choose to have an additional card).
<ul style="list-style-type: none"> • Annual Fee • Account Set-up Fee • Program Fee • Participation Fee • Additional Card Fee • Account Maintenance Fee 	<p>\$48</p> <p>\$29 (one-time fee)</p> <p>\$95 (one-time fee)</p> <p>\$72 annually (\$6 per month)</p> <p>\$20 annually (if applicable)</p> <p>\$3 per month (on closed accounts with an outstanding balance of \$20 or more)</p>
Transaction Fees	
<ul style="list-style-type: none"> • Balance Transfer • Cash Advance 	<p>Either \$5 or 3% of the amount of each transfer, whichever is greater (maximum fee: \$100). The APR for balance transfers is listed above.</p> <p>Either \$5 or 3% of the amount of each cash advance, whichever is greater. The APR for cash advances is listed above.</p>
Penalty Fees	
<ul style="list-style-type: none"> • Late Payment • Over-the-Credit Limit • Returned Payment 	<p>\$29 if balance is less than or equal to \$1,000; \$35 if balance is more than \$1,000 (Your APRs may also increase; see Penalty APR section above)</p> <p>\$29 (Your APRs may also increase; see Penalty APR section above)</p> <p>\$35 (Your APRs may also increase; see Penalty APR section above)</p>

How We Will Calculate Your Balance: We use a method called “two-cycle average daily balance (including new purchases).”

Important Information About Your Artesian Bank Credit Card Account

IMPORTANT INFORMATION ABOUT THIS ACCOUNT	
Annual Percentage Rate (APR) for purchases	A variable rate, currently between 9.99% and 17.99% .
Other APRs	Balance Transfers: 0.0% fixed introductory rate until your statement closing date in February 2008; thereafter 12.99%. Cash Advances: A variable rate, currently 17.99% Default APR: Up to 29.99%
Variable rate information	Your APRs on purchases and cash advances may vary each billing period. The APR on Purchases equals the U.S. Prime Rate plus 2.99% to 10.99%. The APR on Cash Advances equals the U.S. Prime Rate plus 10.99%.
Annual Fee	None
Minimum finance charge	\$0.75
Grace period for purchases	At least 27 days from the statement Billing Date (provided you fully paid your New Balance from the previous statement by its Payment Due Date)
Balance calculation method for purchases	Two-Cycle Average Daily Balance (including new purchases)

Late payment fees: \$32 if your balance at the time is less than or equal to \$1,000; \$39 if your balance is over \$1,000. Over-the-credit limit fee: \$32. Cash advance fee: 5% of the cash advance, but not less than \$10. Balance transfer fee: 5% of each transfer or check, but not less than \$10 (maximum fee: \$100). Returned payment fee: \$29.

We apply payments to low APR balances before higher APR balances, which means your finance charges will increase if you make transactions that are subject to higher APRs.

All of your APRs (including introductory rates) may automatically be increased up to the Default APR if you make a late payment, exceed your credit limit, make a payment that is returned, or do any of these on another account that you have with us or another creditor. If your APRs are increased for any of these reasons, they will remain at that level until you make minimum payments when due and do not exceed your credit limit for six consecutive months.

The Prime Rate used in the APR calculations associated with your Account is determined on the last day of each month by taking the highest Prime Rate published in the Money Rates section of The Wall Street Journal in effect on the first day of your billing cycle that ends in the calendar month following the Index Date. All disclosed variable rates are based on the Prime Rate of 7.00% in effect on February 21, 2007.

Authorizations, Terms and Conditions

By applying for a credit card with Artesian Bank, N.A. (USA) ("We", "Us", or "Our"), you agree to the following:

- (1) You authorize us to obtain credit reports in connection with (a) your request for and our issuance of an account; (b) the collection, review or renewal of your account; and (c) any change to your credit limit or terms of your account. We may report our credit experience with you to others.
- (2) You are a U.S. Citizen or a permanent resident of the U.S.
- (3) You will receive a Cardholder Agreement with your credit card(s). The Cardholder Agreement becomes effective and you agree to its terms by either using your account or by not closing your account within three days of receipt of your Cardholder Agreement.
- (4) You certify that you are of legal contracting age and that you have read all of the terms, authorizations and disclosures contained herein. You understand that the information that you provide is given obtain credit from us and represent and warrant that it is true and complete.
- (5) Delaware and applicable Federal law will govern your agreement with us. Disputes, claims or controversies shall, upon election by you or us, be resolved by binding arbitration.
- (6) Your initial credit line and your initial margin on purchases will be based on information contained in your current credit report and information you provide on your Acceptance Certificate. The minimum credit line is \$250.
- (7) If you are not the person to whom this offer was addressed, then you understand, in connection with your response to our original offer, we reserve the right, in our sole discretion, to either: (1) decline your response because the original offer was not intended for you, or (2) treat your response as an application for an account with the same terms described in this offer. In all instances, you agree that we may review your credit and, if we issue credit to you, you will be subject to all the terms contained in the offer extended to you.

Important Information About Your Artesian Bank Credit Card Account

IMPORTANT INFORMATION ABOUT THIS ACCOUNT	
Annual Percentage Rate (APR) for purchases	A variable rate, currently between 9.99% and 17.99% .
Other APRs	Balance Transfers: 0.0% fixed introductory rate until your statement closing date in February 2008; thereafter 12.99%. Cash Advances: A variable rate, currently 17.99% Default APR: Up to 29.99%
Variable rate information	Your APRs on purchases and cash advances may vary each billing period. The APR on Purchases equals the U.S. Prime Rate plus 2.99% to 10.99%. The APR on Cash Advances equals the U.S. Prime Rate plus 10.99%.
Fees for Issuance or Availability of Credit	Annual Fee: \$50; Account Set-Up Fee: \$31 (one-time fee); Program Fee: \$90 (one-time fee); Participation Fee: \$72 annually (\$6 per month); Additional Card Fee: \$20 annually (if applicable)
Minimum finance charge	\$0.75
Grace period for purchases	At least 27 days from the statement Billing Date (provided you fully paid your New Balance from the previous statement by its Payment Due Date)
Balance calculation method for purchases	Two-Cycle Average Daily Balance (including new purchases)

Late payment fees: \$32 if your balance at the time is less than or equal to \$1,000; \$39 if your balance is over \$1,000. Over-the-credit limit fee: \$32. Cash advance fee: 5% of the cash advance, but not less than \$10. Balance transfer fee: 5% of each transfer or check, but not less than \$10 (maximum fee: \$100). Returned payment fee: \$29.

We apply payments to low APR balances before higher APR balances, which means your finance charges will increase if you make transactions that are subject to higher APRs.

All of your APRs (including introductory rates) may automatically be increased up to the Default APR if you make a late payment, exceed your credit limit, make a payment that is returned, or do any of these on another account that you have with us or another creditor. If your APRs are increased for any of these reasons, we reserve the right to keep them at this higher level indefinitely.

The Prime Rate used in the APR calculations associated with your Account is determined on the last day of each month by taking the highest Prime Rate published in the Money Rates section of The Wall Street Journal in effect on the first day of your billing cycle that ends in the calendar month following the Index Date. All disclosed variable rates are based on the Prime Rate of 7.00% in effect on February 21, 2007.

Authorizations, Terms and Conditions

By applying for a credit card with Artesian Bank, N.A. (USA) ("We", "Us", or "Our"), you agree to the following:

- (1) You authorize us to obtain credit reports in connection with (a) your request for and our issuance of an account; (b) the collection, review or renewal of your account; and (c) any change to your credit limit or terms of your account. We may report our credit experience with you to others.
- (2) You are a U.S. Citizen or a permanent resident of the U.S.
- (3) You will receive a Cardholder Agreement with your credit card(s). The Cardholder Agreement becomes effective and you agree to its terms by either using your account or by not closing your account within three days of receipt of your Cardholder Agreement.
- (4) You certify that you are of legal contracting age and that you have read all of the terms, authorizations and disclosures contained herein. You understand that the information that you provide is given obtain credit from us and represent and warrant that it is true and complete.

- (5) Delaware and applicable Federal law will govern your agreement with us. Disputes, claims or controversies shall, upon election by you or us, be resolved by binding arbitration.
- (6) Your initial credit line and your initial margin on purchases will be based on information contained in your current credit report and information you provide on your Acceptance Certificate. The minimum credit line is \$250.
- (7) If you are not the person to whom this offer was addressed, then you understand, in connection with your response to our original offer, we reserve the right, in our sole discretion, to either: (1) decline your response because the original offer was not intended for you, or (2) treat your response as an application for an account with the same terms described in this offer. In all instances, you agree that we may review your credit and, if we issue credit to you, you will be subject to all the terms contained in the offer extended to you.

Overdraft Protection

If you link your Artesian Bank checking account to your credit card for Overdraft Protection, we will automatically transfer funds in multiples of \$100 (\$25 if you opened your checking account in Washington or Idaho) from your credit card account to cover any overdraft on your checking account, as long as your credit card account has sufficient available credit and you are not in default under your Cardholder Agreement. A fee of 3% of the amount transferred (\$10 minimum) will apply and the cash advance will accrue interest at the APR stated in your

Cardholder Agreement. If the available balance on your credit card account is insufficient to over the amount required by the overdraft (in the multiple of funds stated above), we may advance the funds even if it causes your credit card account to exceed your credit limit. In that event, an over credit limit fee will be applied. Linking Overdraft Protection from your Artesian Bank checking account to your credit card will end any Overdraft Protection connections to your Artesian Bank savings account. Please see your Cardholder Agreement for additional details.

State Law Disclosures

Notice to New York State Residents: Consumer reports may be requested in connection with the processing of your application and any resulting account. Upon request, we will inform you of the names and addresses of any consumer reporting agencies which have provided us with such reports. **Notice to Ohio Residents:** Ohio laws against discrimination require that all creditors make credit equally available to all creditworthy customers, and that credit reporting agencies maintain separate credit histories on each individual upon request. The Ohio Civil Rights

Commission administers compliance with this law. **Notice to Married Wisconsin Residents:** No agreement, individual statement, or court order applying to marital property will adversely affect the creditor's interest unless the creditor, prior to the time credit is extended, is furnished with a copy of the agreement, statement, or order, or has actual knowledge of the adverse provision when the obligation to the creditor is incurred. **Notice to California Residents:** Regardless of your marital status, you may apply for credit in your name alone.

Billing Rights Summary

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 us in a separate letter at the "Billing Inquiries" address on your billing statement. Write us as soon as possible. We must hear from you no later than 60 days after we send you the first bill on which the error or problem appeared. You can telephone us, but doing so will not preserve your rights.

In your letter, give us the following information:

- Your name and account number.
- The dollar amount of the suspected error.
- 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 credit card 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 Notices

We must acknowledge your letter within 30 days, unless we 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, and you will have to make any missed payments on the questioned amount. In either case, we will send you a statement of the amount you owe and the date that it is due.

If you fail to pay the amount that we think you owe, we may report you as delinquent. However, if our explanation does not satisfy you and you write us within ten days telling us that 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. We must tell anyone we report you to that the matter has been settled between us when it finally is.

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 that you purchased with a credit card, and you have tried in good faith to correct the problem with the merchant, you may not have 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 your home state, within 100 miles of your current mailing address: and
- 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.

Periodic Finance Charge Calculation

We compute Periodic Finance Charges each day for purchases, cash advances, and balance transfers (which we refer to as transaction categories) by using the following equation: Average Daily Balance x number of days in the billing period x Daily Periodic Rate. (You may refer to the finance charge summary on the front of your billing statement for these amounts.) Then we add all the Periodic Finance Charges for each transaction category to get the total Periodic Finance Charges for your Account. The Average Daily Balance is shown as zero if no Periodic Finance Charges apply to the balance in a transaction category.

We use the two-cycle average daily balance (including new transactions) method of calculating the balance upon which we impose Periodic Finance Charges. This means if you did not pay the New Balance shown on the billing statement you received during the previous billing period by the Payment Due Date, we will impose Periodic Finance Charges on new purchases that first appeared on that

billing statement, as well as new purchases that first appear on the current billing statement, unless we already imposed Periodic Finance Charges on the purchases on your previous billing statement. We compute the average daily balance for each transaction category by adding up all the daily balances in a billing period for a transaction category and dividing the total by the number of days in the billing cycle. We compute the daily balance for each transaction category on each day by the first adding the following to the previous day's daily balance: transactions made that day, fees charged that day and Periodic Finance Charges accrued on the previous day's daily balance; and by then subtracting any credits and payments that are applied against the balance of the transaction category on that day. In calculating the daily balance for the previous billing period, we consider the "previous day's daily balance" to have been zero on the first day of the billing period.

Balance Transfer

Artesian Bank reserves the right to decline to process any balance transfer for any reason. If you have a dispute with a creditor and pay that balance by transferring it to your new Visa Platinum Card account, you may lose certain dispute rights. By making a balance transfer, you understand that future payments will be applied to promotional offers (which are normally at a lower interest rate) Prior to any existing or new regular balances on the account. It will take 3-4 weeks to process your

request. Therefore, you will still need to make payments on your other accounts to keep them current until your request is complete. Your Balance Transfer requests will be processed in the order listed on the Balance Transfer form. We will make the maximum possible partial payment. Partial payment will not be made on more than one account. Finance charges (if and where applicable) will begin on the date that the balance transfer posts to your Artesian Bank account.

Summary of the Account Protector Program from Artesian Bank

The Account Protector Program is a required feature. For a monthly fee of 79¢ per \$100 of your month end account balance, some or all of your account balance will be cancelled if you experience one of the qualifying events while enrolled. If you become involuntarily unemployed, hospitalized, disabled, take a covered leave of absence, or experience one of the covered life events (marriage, purchase of new home, relocation of more than 150 miles, starting college, divorce, birth or adoption of child(ren), death of spouse, or call to active military duty), we will

cancel your minimum monthly payment as of the date of the event up to 24 months depending on the type and length of the qualifying event. You remain responsible for making payments when due on your account, including accumulated finance charges and fees when the debt suspension period ends. If you should die, your account balance up to \$10,000 as of the date of death will be cancelled. This summary of the Account Protector Program is subject to the Account Protector Terms and Conditions, which you agree to be bound by if you enroll.

Overdraft Protection

If you link your Artesian Bank checking account to your credit card for Overdraft Protection, we will automatically transfer funds in multiples of \$100 (\$25 if you opened your checking account in Washington or Idaho) from your credit card account to cover any overdraft on your checking account, as long as your credit card account has sufficient available credit and you are not in default under your Cardholder Agreement. A fee of 3% of the amount transferred (\$10 minimum) will apply and the cash advance will accrue interest at the APR stated in your

Cardholder Agreement. If the available balance on your credit card account is insufficient to cover the amount required by the overdraft (in the multiple of funds stated above), we may advance the funds even if it causes your credit card account to exceed your credit limit. In that event, an over credit limit fee will be applied. Linking Overdraft Protection from your Artesian Bank checking account to your credit card will end any Overdraft Protection connections to your Artesian Bank savings account. Please see your Cardholder Agreement for additional details.

State Law Disclosures

Notice to New York State Residents: Consumer reports may be requested in connection with the processing of your application and any resulting account. Upon request, we will inform you of the names and addresses of any consumer reporting agencies which have provided us with such reports. **Notice to Ohio Residents:** Ohio laws against discrimination require that all creditors make credit equally available to all creditworthy customers, and that credit reporting agencies maintain separate credit histories on each individual upon request. The Ohio Civil Rights

Commission administers compliance with this law. **Notice to Married Wisconsin Residents:** No agreement, individual statement, or court order applying to marital property will adversely affect the creditor's interest unless the creditor, prior to the time credit is extended, is furnished with a copy of the agreement, statement, or order, or has actual knowledge of the adverse provision when the obligation to the creditor is incurred. **Notice to California Residents:** Regardless of your marital status, you may apply for credit in your name alone.

Billing Rights Summary

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 us in a separate letter at the "Billing Inquiries" address on your billing statement. Write us as soon as possible. We must hear from you no later than 60 days after we send you the first bill on which the error or problem appeared. You can telephone us, but doing so will not preserve your rights.

In your letter, give us the following information:

- Your name and account number.
- The dollar amount of the suspected error.
- 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 credit card 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 Notices

We must acknowledge your letter within 30 days, unless we 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, and you will have to make any missed payments on the questioned amount. In either case, we will send you a statement of the amount you owe and the date that it is due.

If you fail to pay the amount that we think you owe, we may report you as delinquent. However, if our explanation does not satisfy you and you write us within ten days telling us that 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. We must tell anyone we report you to that the matter has been settled between us when it finally is.

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 that you purchased with a credit card, and you have tried in good faith to correct the problem with the merchant, you may not have 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 your home state, within 100 miles of your current mailing address: and
- 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.

Periodic Finance Charge Calculation

We compute Periodic Finance Charges each day for purchases, cash advances, and balance transfers (which we refer to as transaction categories) by using the following equation: Average Daily Balance x number of days in the billing period x Daily Periodic Rate. (You may refer to the finance charge summary on the front of your billing statement for these amounts.) Then we add all the Periodic Finance Charges for each transaction category to get the total Periodic Finance Charges for your Account. The Average Daily Balance is shown as zero if no Periodic Finance Charges apply to the balance in a transaction category.

We use the two-cycle average daily balance (including new transactions) method of calculating the balance upon which we impose Periodic Finance Charges. This means if you did not pay the New Balance shown on the billing statement you received during the previous billing period by the Payment Due Date, we will impose Periodic Finance Charges on new purchases that first appeared on that

billing statement, as well as new purchases that first appear on the current billing statement, unless we already imposed Periodic Finance Charges on the purchases on your previous billing statement. We compute the average daily balance for each transaction category by adding up all the daily balances in a billing period for a transaction category and dividing the total by the number of days in the billing cycle. We compute the daily balance for each transaction category on each day by the first adding the following to the previous day's daily balance: transactions made that day, fees charged that day and Periodic Finance Charges accrued on the previous day's daily balance; and by then subtracting any credits and payments that are applied against the balance of the transaction category on that day. In calculating the daily balance for the previous billing period, we consider the "previous day's daily balance" to have been zero on the first day of the billing period.

Balance Transfer

Artesian Bank reserves the right to decline to process any balance transfer for any reason. If you have a dispute with a creditor and pay that balance by transferring it to your new Visa Platinum Card account, you may lose certain dispute rights. By making a balance transfer, you understand that future payments will be applied to promotional offers (which are normally at a lower interest rate) Prior to any existing or new regular balances on the account. It will take 3-4 weeks to process your

request. Therefore, you will still need to make payments on your other accounts to keep them current until your request is complete. Your Balance Transfer requests will be processed in the order listed on the Balance Transfer form. We will make the maximum possible partial payment. Partial payment will not be made on more than one account. Finance charges (if and where applicable) will begin on the date that the balance transfer posts to your Artesian Bank account.

Important Information About Your Credit Card Account

Interest Rates And Interest Charges	
Annual Percentage Rate (APR) for Purchases	14.99% This APR will vary with the market based on the Prime Rate.
APR for Balance Transfers	14.99% Balance transfer fees will also apply (see below).
APR for Cash Advances	23.99% This APR will vary with the market based on the Prime Rate. Cash advance fees will also apply (see below).
Penalty APR and When It Applies	32.99% This APR may be applied to your entire balance (including introductory APR balances) if you: <ol style="list-style-type: none"> 1) Exceed your credit limit; 2) Make a late payment; 3) Make a payment that is returned; or 4) Do any of the above on another account that you have with us or another creditor. For some of these actions you may also be charged a fee; see Penalty Fees section below for more details. If your APRs are increased for any of these reasons, they will remain at that level until you make minimum payments when due and do not exceed your credit limit for six consecutive months.
Minimum Interest Charge	If you are charged interest, this charge will be no less than \$1.00.
Grace Period on Purchases	If you pay your entire balance in full each month, you have at least 26 days after the close of each period to pay your balance on purchases without being charged interest.
Website for Additional Information	For more information about how to compare credit cards or what to consider when applying for a card, go to http://www.frb.gov/location .

Fees	
Annual Fee	None
Transaction Fees	<ul style="list-style-type: none"> • Balance Transfer Either \$5 or 3% of the amount of each transfer, whichever is greater (maximum fee: \$100). This fee is in addition to the interest you will be charged on this amount (see Balance Transfer APR above). • Cash Advance Either \$5 or 3% of the amount of each cash advance, whichever is greater. This fee is in addition to the interest you will be charged on this amount (see Cash Advance APR above).
Penalty Fees	<ul style="list-style-type: none"> • Late Payment \$31 if balance is less than or equal to \$1,000; \$35 if balance is more than \$1,000 (Your APRs may also increase; see Penalty APR section above) • Over-the-Credit Limit \$30 (Your APRs may also increase; see Penalty APR section above) • Returned Payment \$30 (Your APRs may also increase; see Penalty APR section above)

How We Will Calculate Your Balance: We use a method called "two-cycle average daily balance (including new purchases)."

Important Information About Your Credit Card Account

Interest Rates And Interest Charges	
Annual Percentage Rate (APR) for Purchases	14.99%
APR for Balance Transfers	14.99% Balance transfer fees will also apply (see below).
APR for Cash Advances	25.99% This APR will vary with the market based on the Prime Rate. Cash advance fees will also apply (see below).
Penalty APR and When It Applies	29.99% This APR may be applied to your entire balance (including introductory APR balances) if you: <ol style="list-style-type: none"> 1) Do not make a required payment by the payment due date; 2) Exceed your credit limit; 3) Make a payment that is returned; or 4) Do any of the above on another account that you have with us or another creditor. <p>For some of these actions you may also be charged a fee; see Penalty Fees section below for more details.</p> <p>If your APRs are increased for any of these reasons, they will remain at that level until you make minimum payments when due and do not exceed your credit limit for six consecutive months.</p>
Minimum Interest Charge	If you are charged interest, this charge will be no less than \$0.50.
Grace Period on Purchases	If you pay your entire balance in full each month, you have at least 24 days after the close of each period to pay your balance on purchases without being charged interest.
Website for Additional Information	For more information about how to compare credit cards or what to consider when applying for a card, go to http://www.frb.gov/location .

Fees	
Annual Fee	None
Transaction Fees	<ul style="list-style-type: none"> • Balance Transfer: Either \$5 or 3% of the amount of each transfer, whichever is greater (maximum fee: \$150). This fee is in addition to the interest you will be charged on this amount (see Balance Transfer APR above). • Cash Advance: Either \$5 or 3% of the amount of each cash advance, whichever is greater. This fee is in addition to the interest you will be charged on this amount (see Cash Advance APR above).
Penalty Fees	<ul style="list-style-type: none"> • Late Payment: \$32 if balance is less than or equal to \$1,000; \$36 if balance is more than \$1,000 (Your APRs may also increase; see Penalty APR section above) • Over-the-Credit Limit: \$30 (Your APRs may also increase; see Penalty APR section above) • Returned Payment: \$29 (Your APRs may also increase; see Penalty APR section above)

How We Will Calculate Your Balance: We use a method called "two-cycle average daily balance (including new purchases)."

Important Information About Your Credit Card Account

Interest Rates And Interest Charges	
Annual Percentage Rate (APR) for Purchases	7.99% to 14.99% when you open your account, based on your creditworthiness. After that, your APR will vary with the market based on the Prime Rate.
APR for Balance Transfers	14.99% Balance transfer fees will also apply (see below).
APR for Cash Advances	22.99% This APR will vary with the market based on the Prime Rate. Cash advance fees will also apply (see below).
Penalty APR and When It Applies	29.99% This APR may be applied to your entire balance (including introductory APR balances) if you: <ol style="list-style-type: none"> 1) Make a late payment; 2) Exceed your credit limit; 3) Make a payment that is returned; or 4) Do any of the above on another account that you have with us or another creditor. For some of these actions you may also be charged a fee; see Penalty Fees section below for more details. If your APRs are increased for any of these reasons, they will remain at that level until you make minimum payments when due and do not exceed your credit limit for six consecutive months.
Minimum Interest Charge	If you are charged interest, this charge will be no less than \$0.50.
Grace Period on Purchases	If you pay your entire balance in full each month, you have at least 26 days after the close of each period to pay your balance on purchases without being charged interest.
Website for Additional Information	For more information about how to compare credit cards or what to consider when applying for a card, go to http://www.frb.gov/location .

Fees	
Annual Fee	None
Transaction Fees	<ul style="list-style-type: none"> • Balance Transfer Either \$10 or 5% of the amount of each transfer, whichever is greater (maximum fee: \$150). This fee is in addition to the interest you will be charged on this amount (see Balance Transfer APR above). • Cash Advance Either \$10 or 5% of the amount of each cash advance, whichever is greater. This fee is in addition to the interest you will be charged on this amount (see Cash Advance APR above).
Penalty Fees	<ul style="list-style-type: none"> • Late Payment \$30 if balance is less than or equal to \$1,000; \$36 if balance is more than \$1,000 (Your APRs may also increase; see Penalty APR section above) • Over-the-Credit Limit \$30 (Your APRs may also increase; see Penalty APR section above) • Returned Payment \$32 (Your APRs may also increase; see Penalty APR section above)

How We Will Calculate Your Balance: We use a method called "two-cycle average daily balance (including new purchases)."

Important Information About Your Credit Card Account

Interest Rates And Interest Charges	
Annual Percentage Rate (APR) for Purchases	6.99% to 15.99% when you open your account, based on your creditworthiness. After that, your APR will vary with the market based on the Prime Rate.
APR for Balance Transfers	15.99% Balance transfer fees will also apply (see below).
APR for Cash Advances	19.99% This APR will vary with the market based on the Prime Rate. Cash advance fees will also apply (see below).
Penalty APR and When It Applies	29.99% This APR may be applied to your entire balance (including introductory APR balances) if you: <ol style="list-style-type: none"> 1) Make a late payment; 2) Exceed your credit limit; or 3) Do any of the above on another account that you have with us or another creditor. For some of these actions you may also be charged a fee; see Penalty Fees section below for more details. If your APRs are increased for any of these reasons, we reserve the right to keep them at this higher level indefinitely.
Minimum Interest Charge	If you are charged interest, this charge will be no less than \$0.75.
Grace Period on Purchases	If you pay your entire balance in full each month, you have at least 28 days after the close of each period to pay your balance on purchases without being charged interest.
Website for Additional Information	For more information about how to compare credit cards or what to consider when applying for a card, go to http://www.frb.gov/location .

Fees	
Annual Fee	None
Transaction Fees	<ul style="list-style-type: none"> • Balance Transfer Either \$10 or 5% of the amount of each transfer, whichever is greater (maximum fee: \$130). This fee is in addition to the interest you will be charged on this amount (see Balance Transfer APR above). • Cash Advance Either \$10 or 5% of the amount of each cash advance, whichever is greater. This fee is in addition to the interest you will be charged on this amount (see Cash Advance APR above).
Penalty Fees	<ul style="list-style-type: none"> • Late Payment \$32 (Your APRs may also increase; see Penalty APR section above) • Over-the-Credit Limit \$28 (Your APRs may also increase; see Penalty APR section above) • Returned Payment \$34 (Your APRs may also increase; see Penalty APR section above)

How We Will Calculate Your Balance: We use a method called "two-cycle average daily balance (including new purchases)."

Periodic Statements Used in Dallas Interviews

Contents:

- Model PS-11 (pages 1 and 2)
- Model PS-12 (pages 1 and 2)
- Back of periodic statement pages

Artesian Bank Credit Card Account Statement
Account Number 1234 5678 9012 3456
February 21, 2007 to March 22, 2007

Summary of Account Activity	
Previous Balance	\$535.07
Payments	-\$450.00
Other Credits	-\$13.45
Purchases	+\$529.57
Balance Transfers	+\$785.00
Cash Advances	+\$318.00
Past Due Amount	+\$0.00
Fees Charged	+\$69.45
Interest Charged	+\$10.89
<hr/>	
New Balance	\$1,784.53
<hr/>	
Credit limit	\$2,000.00
Available credit	\$215.47
Statement closing date	3/22/2007
Days in billing cycle	30
<hr/>	
2007 Totals Year-to-Date	
Total fees charged in 2007	\$90.14
Total interest charged in 2007	\$18.27

Payment Information	
New Balance	\$1,784.53
Minimum Payment Due	\$48.00
Payment Due Date	4/20/07 (before 12:00 noon)
Late Payment Warning: If we do not receive your minimum payment by the date and time listed above, you may have to pay a \$35 late fee and your APRs may be increased up to the Penalty APR of 34.99%.	
Notice about Minimum Payments: If you make only the minimum payment each period, you will pay more in interest and it will take you longer to pay off your balance. For example, if you had a balance of \$1,000 at an interest rate of 17% and always paid only the minimum required, it would take over 7 years to repay the entire balance. For an estimate of the time it would take to repay your actual balance making only minimum payments, call 1-800-555-5555.	

QUESTIONS?
 Call Customer Service 1-800-987-5521
 Lost or Stolen Credit Card 1-800-987-5521

Please send billing inquiries and correspondence to:
 PO Box 5524, Newark, DE 19711

For prompt credit, mail payments to:
 PO Box 5147, Newark, DE 19711
 Payment sent to any other address may delay crediting your account up to 5 days.

Important Changes to Your Account Terms	
The following is a summary of changes that are being made to your account terms. You have the right to opt out of these changes. For more detailed information, please refer to the booklet enclosed with this statement. The effective date of these changes is 5/1/07.	
Revised Terms, as of 5/1/07	
APR for Purchases	16.99%
Late Payment Fee	\$32 if your balance is less than or equal to \$1,000; \$39 if your balance is more than \$1,000

Transactions				
Reference Number	Trans Date	Post Date	Description of Transaction or Credit	Amount
Payments and Other Credits				
854338203FS8000Z5	2/25	2/25	Pymt Thank You	\$450.00-
045148714518979874	3/4	3/5	Macy's #78 Decatur GA	\$13.45-
Purchases				
5884186PS0388W6YM	2/22	2/23	Citgo Food Mart #74 Atlanta GA	\$2.05
0544400060ZLV72VL	2/24	2/25	CVS Pharmacy #7338 003 Atlanta GA	\$12.11
55541860705RDYD0X	2/25	2/26	Eckerd Drugs #2708 Atlanta GA	\$4.63
554328608008W90M0	2/24	2/25	Easy Saver 877-844-9564 PA	\$114.95
054830709LYMRPT4L	2/25	2/26	Wayfield Foods #1 S9B Atlanta GA	\$7.35
564891561545KOSHD	2/25	2/26	Acme #1456 Atlanta GA	\$14.35
841517877845AKOJIO	2/25	2/26	Citgo #1276 Decatur GA	\$40.35
895848561561894KOH	2/26	2/27	Save-A-Lot Grocery #287 Atlanta GA	\$27.68
1871556189456SAMKL	2/26	2/27	Best Buy Atlanta GA	\$124.76
2564894185189LKDFID	2/27	2/28	Shell Oil #8765 Athens GA	\$32.87

(transactions continued on next page)

NOTICE: SEE REVERSE SIDE FOR IMPORTANT INFORMATION

5825 TRD 2 100 7 Page 1 of 2 8382 4000 USM2 0003 050118 O1AC5825 35ADM

Please detach this portion and return with your payment to insure proper credit. Retain upper portion for your records.

Account Number: 1234 5678 9012 3456
New Balance \$1,784.53
Minimum Payment Due \$48.00
Payment Due Date 4/20/07 (before 12:00 noon)

AMOUNT ENCLOSED: \$

Please indicate address change and additional cardholder requests on the reverse side.

Artesian Bank
 P.O. Box 5147
 Newark, DE 19711



Artesian Bank Credit Card Account Statement
Account Number 1234 5678 9012 3456
February 21, 2007 to March 22, 2007

Transactions (cont.)				
Reference Number	Trans Date	Post Date	Description of Transaction or Credit	Amount
Purchases (cont.)				
2564561023184102315	2/28	3/1	Eckerd Drugs #2708 Atlanta GA	\$14.76
55542818705RASDOX	3/1	3/2	Walmart #2998 Athens GA	\$3.76
289189194ASDS8744	3/1	3/3	Macys #78 Decatur GA	\$13.45
178105417841045784	3/2	3/6	Citgo Food Mart #74 Atlanta GA	\$2.35
8456152156181SDSA	3/5	3/12	Shell Oil #8765 Athens GA	\$25.00
31289105205648AWD	3/11	3/12	Easy Saver 877-844-9564 PA	\$7.34
04518478415615ASD	3/11	3/16	Save-A-Lot Grocery #287 Atlanta GA	\$10.56
0547810544898718AF	3/15	3/17	Shell Oil #8765 Athens GA	\$24.50
056489413216848OP	3/16	3/17	Walmart #2998 Athens GA	\$8.76
054894561564ASDW	3/17	3/18	Acme #1456 Atlanta GA	\$14.23
5648974891AD98156	3/19	3/20	Macys #78 Decatur GA	\$23.76
Cash Advances				
1542202074TWWZV48	2/26	2/26	Best Bank/Access Cash Atlanta GA	\$121.50
14547847586KDDL564	2/28	2/26	Best Bank/Access Cash Decatur GA	\$196.50
Balance Transfers				
4545754784KOHUIOS	2/27	3/1	Balance Transfer	\$785.00
Fees				
9525156489SFD4545Q	2/23	2/23	Late Fee	\$35.00
56415615647OJSNDS	2/26	2/26	Cash Advance Fee *Transaction Fee*	\$5.00
84151564SADS8745H	2/27	2/27	Balance Transfer Fee *Transaction Fee*	\$23.55
256489156189451516L	2/28	2/28	Cash Advance Fee *Transaction Fee*	\$5.90
TOTAL FEES FOR THIS PERIOD				\$69.45
Interest Charged				
Interest Charge on Purchases				\$6.31
Interest Charge on Cash Advances				\$4.58
TOTAL INTEREST FOR THIS PERIOD				\$10.89

Interest Charge Calculation				
Your Annual Percentage Rate (APR) is the annual interest rate on your account.				
Type of Balance	Annual Percentage Rate (APR)	Daily Interest Rate	Balance Subject to Interest Rate	Interest Charge
Purchases	14.99% (v)	0.0411%	\$512.14	\$6.31
Cash Advances	21.99% (v)	0.0602%	\$253.50	\$4.58
Balance Transfers	0.00%	0.0000%	\$637.50	\$0.00

(v) = Variable Rate

Fee-Inclusive APR			
The Fee-Inclusive APRs in this table represent the APRs that you paid this period when transaction fees are taken into account as well as interest.			
Type of Balance	Interest Charges	Transaction Fees	Fee-Inclusive APR
Purchases	\$6.31	\$0.00	14.99%
Cash Advances	\$4.58	\$10.90	58.42%
Balance Transfers	\$0.00	\$23.55	36.00%

Want to receive your billing statement in Spanish?

Prefiere recibir su estado de cuenta en Espanol? Llamenos al 1-800-947-9100, o elija su idioma de preferencia en www.artesianbank.com, modificando su Perfil Personal en la seccion Administrar mi Cuenta.

Fast Online Card Payments with Click-to-Pay

Pay your Artesian Bank bill online anytime, day or night. Payments received by 12 noon EST will post that same business day! Sign-on to www.artesianbank.com and choose the Make a Payment menu.

Save Time. Save Paper. Sign up for All Electronic.

You'll have instant access to your statement online, without that pile of paper. Get an e-mail notice when your statement is ready. Register or sign-on to www.artesianbank.com and choose Manage My Account.

Need to add an authorized user to your account?

Just sign on to www.artesianbank.com, go to Maintenance Requests under the Manage My Account menu and elect Add Authorized User. Complete the form and submit. It's that simple!

Artesian Bank Credit Card Account Statement
Account Number 1234 5678 9012 3456
February 21, 2007 to March 22, 2007

Summary of Account Activity	
Previous Balance	\$535.07
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Cash Advances	+\$318.00
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Fees Charged	+\$69.45
Interest Charged	+\$10.89
New Balance	\$1,784.53
Credit limit	\$2,000.00
Available credit	\$215.47
Statement closing date	3/22/2007
Days in billing cycle	30

Payment Information	
New Balance	\$1,784.53
Minimum Payment Due	\$48.00
Payment Due Date	4/20/07 (before 12:00 noon)
Late Payment Warning: If we do not receive your minimum payment by the date and time listed above, you may have to pay a \$35 late fee and your APRs may be increased up to the Penalty APR of 34.99%.	
Notice about Minimum Payments: If you make only the minimum payment each month on this account it will take you about 15 years to repay the balance shown on this statement in full.	

QUESTIONS?
 Call Customer Service 1-800-987-5521
 Lost or Stolen Credit Card 1-800-987-5521

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For prompt credit, mail payments to:
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 Payment sent to any other address may delay crediting your account up to 5 days.

Notice of Changes to Your Interest Rates

You have triggered the Penalty APR of 34.99%. Beginning on the first day of your next billing period, we will apply the penalty rate to all balances on this account. We reserve the right to keep your APRs at this level indefinitely. For more information on penalty rate triggers, see your cardholder agreement and summary.

Transactions				
Reference Number	Trans Date	Post Date	Description of Transaction or Credit	Amount
Payments and Other Credits				
854338203FS8000Z5	2/25	2/25	Pymt Thank You	\$450.00-
045148714518979874	3/4	3/5	Macy's #78 Decatur GA	\$13.45-
Purchases				
5884186PS0388W6YM	2/22	2/23	Citgo Food Mart #74 Atlanta GA	\$2.05
0544400060ZLV72VL	2/24	2/25	CVS Pharmacy #7338 003 Atlanta GA	\$12.11
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554328608008W90M0	2/24	2/25	Easy Saver 877-844-9564 PA	\$114.95
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564891561545KOSHD	2/25	2/26	Acme #1456 Atlanta GA	\$14.35
841517877845AKOJIO	2/25	2/26	Citgo #1276 Decatur GA	\$40.35
895848561561894KOH	2/26	2/27	Save-A-Lot Grocery #287 Atlanta GA	\$27.68
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2564894185189LKDFID	2/27	2/28	Shell Oil #8765 Athens GA	\$32.87

(transactions continued on next page)

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5825 TRD 2 100 7 Page 1 of 2 8382 4000 USM2 0003 050118 O1AC5825 35ADM

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AMOUNT ENCLOSED: \$

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Artesian Bank
 P.O. Box 5147
 Newark, DE 19711



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Account Number 1234 5678 9012 3456
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9525156489SFD4545Q	2/23	2/23	Late Fee	\$35.00
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84151564SADS8745H	2/27	2/27	Balance Transfer Fee *Transaction Fee*	\$23.55
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TOTAL FEES FOR THIS PERIOD				\$69.45
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Interest Charge on Purchases				\$6.31
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TOTAL INTEREST FOR THIS PERIOD				\$10.89
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Balance Transfers	0.00%	0.0000%	\$637.50	\$0.00

(v) = Variable Rate

Fee-Inclusive APR			
The Fee-Inclusive APRs in this table represent the APRs that you paid this period when transaction fees are taken into account as well as interest.			
Type of Balance	Interest Charges	Transaction Fees	Fee-Inclusive APR
Purchases	\$6.31	\$0.00	14.99%
Cash Advances	\$4.58	\$10.90	58.42%
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Save Time. Save Paper. Sign up for All Electronic.

You'll have instant access to your statement online, without that pile of paper. Get an e-mail notice when your statement is ready. Register or sign-on to www.artesianbank.com and choose Manage My Account.

Need to add an authorized user to your account?

Just sign on to www.artesianbank.com, go to Maintenance Requests under the Manage My Account menu and elect Add Authorized User. Complete the form and submit. It's that simple!

IMPORTANT INFORMATION ABOUT YOUR ACCOUNT

Grace Period on New Purchases (at least 25 days)

You can avoid Interest Charges on new Purchases that posted to this statement if your Previous Balance is zero (or a credit balance) and we receive full payment of the New Balance by the Payment Due Date. If so, you have from the date you made your purchases until the payment Due Date on the front to avoid any interest charge on that purchase. If your Previous Balance is greater than zero, there is no time period to pay the New Balance and avoid additional interest charges. There is no grace period for Cash Advances and Balance Transfers.

Explanation of Interest Charges and Transaction Fees

We calculate periodic interest charges using the applicable monthly periodic rates separately for each feature (e.g., purchases, balance transfers, cash advances, promotional balances, or overdraft advances). We calculate the monthly periodic rate for each feature by dividing the APR for each feature by 12. There is a minimum charge in any billing cycle in which you owe any periodic interest charges, and a transaction charge for each balance transfer, cash advance, or check transaction, in the amounts stated in your Cardmember Agreement, as amended.

To get the daily balance for each day of the current billing cycle, we take the beginning balance for each feature, add any new transactions or other debits (including fees, unpaid interest charges and other charges), subtract any payments or credits, and make other adjustments. Transactions are added as of the transaction date, the beginning of the billing cycle in which they are posted to your account, or a later date of our choice (except that check transactions are added as of the date deposited by the payee or a later date of our choice). Fees are added either on the date of a related transaction, the date they are posted to your account, or the last day of the billing cycle. This gives us that day's daily balance. A credit balance is treated as a balance of zero. If a daily periodic rate applies to any feature we multiply the daily balance by the daily periodic rate to get your periodic interest charges for that day. We then add these periodic interest charges to your daily balance to get the beginning balance for the next day. (If more than one daily periodic rate could apply based on the average daily balance, we will use the daily periodic rate that applies for the average daily balance amount at the end of the billing cycle to calculate the daily periodic interest charges each day.) If this statement shows a previous cycle average daily balance for purchases, we do the same thing for each day of the previous cycle to get the daily balance of purchases for the previous billing cycle. However, the daily balance for previous billing cycle purchases is considered to be zero for each day of the previous billing cycle if a periodic interest charge was already billed on purchases itemized on your previous statement or we receive payment of your New Balance on your previous statement in full by the date and time your payment was due.

To get your total periodic interest charge for a billing cycle when a daily periodic rate(s) applies, we add all of the daily periodic interest charges for all features. To determine an average daily balance, we add your daily balances and divide by the number of the days in the applicable billing cycle(s). If you multiply the average daily balance for each feature by the applicable daily periodic rate, and then multiply each of these results by the number of days in the applicable billing cycle(s), and then add all of the results together, the total will also equal the periodic interest charges for the billing cycles except for minor variations due to rounding. To get your total periodic interest charge for a billing cycle when a monthly periodic rate(s) applies, multiply the average daily balance for each feature by the applicable monthly periodic rate and add the results together. The total will equal the periodic interest charges for the billing cycle, except for minor variations due to rounding.

Account Renewal Information for Open Accounts

If your account has an Annual Fee and it is billed on this Statement, we will reverse the fee if you cancel your account and pay off any existing Balance within 30 days of receipt of this Statement. Otherwise, the Annual Fee is non-refundable. You may continue to use your account during the 30-day period before you cancel. To cancel, write us at the Billing Inquiries address or call us at the phone number on the front.

Your Liability

Our records show that you are liable for any outstanding balance on this account if your name appears on the front of this statement or you otherwise agreed.

Report a Lost or Stolen Card Immediately

Call the 24-hour toll free number 1.800.555.6666. Do not use your account after you report a lost or stolen card.

Cardholder Security Plan™/Payment Protection Plan

If you have questions about your enrollment or need to file for benefits, please call the applicable toll free number below (Monday-Friday, 7:00 a.m.-10:00 p.m. Central Time): Cardholder Security Plan-1.888.668.6938; Payment Protection Plan-1.888.838.0056.

Service for International Calling

Dial the AT&T Direct access code for the country you are in and dial 1.888.801.3723. For a list of access codes visit www.artesian.com and select Credit Cards. You may also call us collect at 1.757.677.4701.

Service for Hearing-Impaired (TTY/TDD)

Contact our service for the hearing-impaired at 1.800.222.7365.

Pay on-line at www.artesian.com or mail your payment to: Artesian Bank, PO BOX 5147, SIOUX FALLS, SD 57117-5147.

BILLING RIGHTS SUMMARY STATEMENT DISCLOSURE:

In Case of Error or Billing Inquiries

If you think your bill is wrong, or if you need more information about a transaction on your bill, you must write to us (on a separate sheet) at PO BOX 1390, Norfolk, VA 23501-1390 as soon as possible to preserve your rights. We must hear from you no later than 60 days after we sent you the first bill on which the error or problem appeared. In your letter, give us the following information:

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

You do not have to pay any amount in question while we are investigating, but you are still obligated to pay the parts of your bill that are not in question. While we investigate your questions, we cannot report you as delinquent or take any action to collect the amount you question.

Special Rate for Credit Card Purchases

If you have a problem with the quality of goods or services that you purchased with a credit card, and you have tried in good faith to correct the problem with the merchant, you may not have to pay the remaining amount due on the goods or services. You have this protection only when the purchase price was more than \$50 and the purchase was made in your home state or within 100 miles of your mailing address (if we own or operate the merchant, or if we mailed you the advertisement for the property or service, all purchases are covered regardless of the amount or location of purchase).

IMPORTANT CREDIT BUREAU REPORTING INFORMATION REQUIRED BY FEDERAL LAW TO BE DISCLOSED TO YOU

WE MAY REPORT INFORMATION ABOUT YOUR ACCOUNT TO CREDIT BUREAUS. LATE PAYMENTS, MISSED PAYMENTS OR OTHER DEFAULTS ON YOUR ACCOUNT MAY BE REFLECTED IN YOUR CREDIT REPORT.

For address changes, you may access your account online at: www.artesian.com, call 1.800.555.6666 or write your address changes below. If you choose to call the 800# provided, you must have your credit card present. Please include your account number to ensure accurate processing.

Address

City State Zip

Home Phone Work Phone

E-mail Address

By providing us with your e-mail address, you agree that we may communicate with you by electronic mail.

Prompt Crediting of Payments

We will credit any payments as of the date we receive it as long as it is mailed with the enclosed payment coupon and received by us no later than 12:00 noon at either the P.O. Box on the front or the P.O. Box above. Crediting of all other payments may be delayed up to 5 days. All payments must be in the form of a check or money order drawn in U.S. dollars on a financial institution located in the U.S. or the U.S. Post Office or made by electronic funds transfers, however cash payments may be made in person at our banking centers only.

Convenience Checks Used in Dallas Interviews

Contents:

- Model CC-3 (front and back)
- Model CC-4 (front and back)
- Model CC-5 (front and back)



This time of year offers countless opportunities, so now is the time to act! Use these checks to take advance of your low, promotional 1.7% Annual Percentage Rate (APR) through your November 2007 statement closing date!*

Use these checks before the season fades away! Or contact us at www.artesianbank.com or 1-888-555-2890.

481	DATE _____ 20____ $\frac{62-16}{311}$
PAY TO THE ORDER OF _____ \$ _____	_____ DOLLARS
Wilmington, Delaware	
FOR _____	

482	DATE _____ 20____ $\frac{62-16}{311}$
PAY TO THE ORDER OF _____ \$ _____	_____ DOLLARS
Wilmington, Delaware	
FOR _____	

483	DATE _____ 20____ $\frac{62-16}{311}$
PAY TO THE ORDER OF _____ \$ _____	_____ DOLLARS
Wilmington, Delaware	
FOR _____	

*See disclosures on reverse side.

Share your account — not your card!

Give trusted family members and friends charging privileges on your account simply by adding them as users. You can add up to six people at no extra cost. Each will receive a personalized credit card with the same

exceptional benefits as the card you carry. And they will have access to the same line of credit. All charges are conveniently itemized on one monthly statement, so there is just one bill to pay.

Call the toll-free number on the lower right corner of your billing statement to request additional cards today!

§ As the primary cardholder, you are responsible for all account activity incurred by additional cardholders.

	X <hr/> DO NOT WRITE, STAMP, OR SIGN BELOW THIS LINE ▼ RESERVED FOR FINANCIAL INSTITUTION USE ▼
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	X <hr/> DO NOT WRITE, STAMP, OR SIGN BELOW THIS LINE ▼ RESERVED FOR FINANCIAL INSTITUTION USE ▼
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	X <hr/> DO NOT WRITE, STAMP, OR SIGN BELOW THIS LINE ▼ RESERVED FOR FINANCIAL INSTITUTION USE ▼
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* Check Cash Advances (i.e., credit card access checks) and Balance Transfers are processed as Cash Advances according to the terms of your Credit Card Agreement and are subject to credit availability. You can find your current APR on Cash Advances in the Interest Rate Calculation section of your most current credit card statement. You will be charged a fee for using these checks. This fee will be equal to either \$5 or 3% of the amount of each check, whichever is greater. The transaction date for each Check Cash Advance and Balance Transfer made by check is the date you or the person to whom the check is made payable first deposits or cashes the check. There is no grace period for Cash Advance transactions; interest charges accrue from the transaction date. The Two-Cycle Average Daily Balance method (including new purchases) as described in your Credit Card Agreement (and on your periodic statement) is used to compute your Cash Advance Balance. Check Cash Advances and Balance Transfers may not be used for repayment of any Artesian Bank-issued accounts; use of these checks as repayment will result in a Returned Payment Fee as described in your Credit Card Agreement.

We will allocate your payment to balances (including new transactions) with lower APRs before balances with higher APRs.

This account is issued and administered by Artesian Bank. MasterCard and World Mastercard are federally registered service marks of MasterCard International, Inc., and are used pursuant to license. Visa is a federally registered service mark of Visa U.S.A., Inc., and is used pursuant to license.



This time of year offers countless opportunities, so now is the time to act! Use these checks to take advance of your low, promotional 1.7% Annual Percentage Rate (APR) through your November 2007 statement closing date!

Use these checks before the season fades away! Or contact us at www.artesianbank.com or 1-888-555-2890.

Important Information About These Checks*:

- **Fee:** You will be charged a fee for using these checks. This fee will be equal to either \$5 or 3% of the amount of each check, whichever is greater.
- **APR:** After your low introductory APR ends in November 2007, you will be charged interest for the use of these checks at your regular APR for Cash Advances. You can find this APR in the Interest Rate Calculation section of your most recent credit card statement.
- **Grace Period:** There is no grace period for transactions you make with these checks; you will begin accruing interest on the transaction date.

*See additional disclosures on reverse side.

481	DATE _____ 20____	62-16 311
PAY TO THE ORDER OF _____	\$ _____	
_____ DOLLARS		
Wilmington, Delaware		
FOR _____		

482	DATE _____ 20____	62-16 311
PAY TO THE ORDER OF _____	\$ _____	
_____ DOLLARS		
Wilmington, Delaware		
FOR _____		

483	DATE _____ 20____	62-16 311
PAY TO THE ORDER OF _____	\$ _____	
_____ DOLLARS		
Wilmington, Delaware		
FOR _____		

Share your account — not your card!

Give trusted family members and friends charging privileges on your account simply by adding them as users. You can add up to six people at no extra cost. Each will receive a personalized credit card with the same

exceptional benefits as the card you carry. And they will have access to the same line of credit. All charges are conveniently itemized on one monthly statement, so there is just one bill to pay.

Call the toll-free number on the lower right corner of your billing statement to request additional cards today!

§ As the primary cardholder, you are responsible for all account activity incurred by additional cardholders.

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* Check Cash Advances (i.e., credit card access checks) and Balance Transfers are processed as Cash Advances according to the terms of your Credit Card Agreement and are subject to credit availability. The transaction date for each Check Cash Advance and Balance Transfer made by check is the date you or the person to whom the check is made payable first deposits or cashes the check. The Two-Cycle Average Daily Balance method (including new purchases) as described in your Credit Card Agreement (and on your periodic statement) is used to compute your Cash Advance Balance. Check Cash Advances and Balance Transfers may not be used for repayment of any Artesian Bank-issued accounts; use of these checks as repayment will result in a Returned Payment Fee as described in your Credit Card Agreement.

We will allocate your payment to balances (including new transactions) with lower APRs before balances with higher APRs.

This account is issued and administered by Artesian Bank. MasterCard and World Mastercard are federally registered service marks of MasterCard International, Inc., and are used pursuant to license. Visa is a federally registered service mark of Visa U.S.A., Inc., and is used pursuant to license.



Let summer go out
with a splash

Make things happen with extra cash!

This time of year offers countless opportunities, so now is the time to act! Use these checks to take advance of your low, promotional 1.7% Annual Percentage Rate (APR) through your November 2007 statement closing date!*

Use these checks before the season fades away! Or contact us at www.artesianbank.com or 1-888-555-2890.

	481
DATE _____ 20____	62-16 311
PAY TO THE ORDER OF _____ \$ _____	
_____ DOLLARS	
Wilmington, Delaware	
FOR _____	

	482
DATE _____ 20____	62-16 311
PAY TO THE ORDER OF _____ \$ _____	
_____ DOLLARS	
Wilmington, Delaware	
FOR _____	

	483
DATE _____ 20____	62-16 311
PAY TO THE ORDER OF _____ \$ _____	
_____ DOLLARS	
Wilmington, Delaware	
FOR _____	

Interest and Fee Information	
APR on Check Transactions	<p>1.7% (Introductory APR until November 2007)</p> <p>After November 2007 you will be charged your regular APR for Cash Advances. You can find this APR in the Interest Rate Calculation section of your most recent credit card statement.</p>
Fee	Either \$5 or 3% of the amount of each check, whichever is greater.
Grace Period	There is no grace period for transactions you make with these checks; you will begin accruing interest on the transaction date.

*See additional disclosures on reverse side.

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