KAMALA D. HARRIS
Attorney General of California
MARK J. BRECKLER
Chief Assistant Attorney General
NICKLAS A. AKERS
Senior Assistant Attorney General
DANIEL A. OLIVAS
MICHELE VAN GELDEREN
Supervising Deputy Attorneys General
AMOS E. HARTSTON (SBN 186471)
WILLIAM R. PLETCHER (SBN 212664)
BERNARD A. ESKANDARI (SBN 244395)
TIMOTHY D. LUNDGREN (SBN 254596)
Deputy Attorneys General
300 South Spring Street, Suite 1702
Los Angeles, CA 90013
Telephone: (213) 897-2652
Fax: (213) 897-4951
Email: bernard.eskandari@doj.ca.gov

Attorneys for Plaintiff
The People of the State of California

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Superior Court of California
County of Los Angeles

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By: Benigno Del Barrio, Deputy

SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF LOS ANGELES

THE PEOPLE OF THE STATE OF CALIFORNIA, Plaintiff, v. JPMORGAN CHASE & CO., a Delaware Corporation; CHASE BANK USA, N.A., a Delaware Corporation; CHASE BANKCARD SERVICES, INC., a Delaware Corporation; and DOES 1 through 100, inclusive, Defendants.	Case No. BC508466 **STIPULATION FOR ENTRY OF JUDGMENT**

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Plaintiff, the People of the State of California ("People" or "Plaintiff"), appearing through its attorney, Kamala D. Harris, Attorney General of the State of California, by Deputy Attorney General Amos E. Hartston, and defendants JPMorgan Chase & Co., Chase Bank USA, N.A., and Chase BankCard Services, Inc. (collectively, "Defendants"), appearing through their attorneys, David L. Schrader of Morgan, Lewis & Bockius LLP, and Noah A. Levine of Wilmer Cutler Pickering Hale and Dorr LLP, stipulate as follows:

1. This Court has jurisdiction of the subject matter hereof and the parties to this Stipulation for Entry of Judgment ("Stipulation").

2. The Judgment ("Judgment"), a true and correct copy of which is attached hereto as Exhibit 1, may be entered by Department 308 of the Los Angeles County Superior Court. Counsel for Plaintiff will submit the Judgment to Department 308 of this Court, for approval and signature, based on this Stipulation, during the court's ex parte calendar or on any other ex parte basis.

3. Plaintiff and Defendants (collectively, "the Parties") hereby waive their right to move to set aside the Judgment through any collateral attack, and further waive their right to appeal from the Judgment attached hereto as Exhibit 1, except that the Parties each agree that Department 308 shall retain jurisdiction for the purposes specified in Paragraph 79 of the Judgment. Nothing herein shall waive any right to appeal from any decision in connection with a future effort to enforce the Judgment.

4. The Parties have stipulated and consented to the entry of the Judgment without the taking of proof and without trial or adjudication of any fact or law herein, without the Judgment constituting evidence of or an admission by Defendants regarding any issue of law or fact alleged in the Complaint on file herein, and without Defendants admitting any liability regarding allegations of violations that occurred prior to the entry of the Judgment.

5. Defendants will accept service of any Notice of Entry of Judgment entered in this action by delivery of such notice to David L. Schrader, Morgan, Lewis & Bockius, 300 South Grand Avenue, 22nd Floor, Los Angeles, CA 90071, and to Julie Lepri, JP Morgan Chase & Co.,

10 S. Dearborn St. IL 1-0075, Chicago, IL 60603, and agrees that service of the Notice of Entry of Judgment will be deemed personal service upon it.

6. The individuals signing below represent that they have been authorized by the parties they represent to sign this Stipulation.

7. This Stipulation may be executed in counterparts, and the Parties agree that a facsimile signature shall be deemed to be, and shall have the full force and effect as, an original signature.

Dated: 10/29/2015

KAMALA D. HARRIS
Attorney General of California

BY: AMOS E. HARTSTON
Deputy Attorney General

Dated: _____

MORGAN, LEWIS & BOCKIUS LLP

BY: DAVID L. SCHRADER
Attorneys for Defendants
JPMorgan Chase & Co., Chase Bank USA, N.A., and Chase BankCard Services, Inc.

10 S. Dearborn St. IL 1-0075, Chicago, IL 60603, and agrees that service of the Notice of Entry of Judgment will be deemed personal service upon it.

6. The individuals signing below represent that they have been authorized by the parties they represent to sign this Stipulation.

7. This Stipulation may be executed in counterparts, and the Parties agree that a facsimile signature shall be deemed to be, and shall have the full force and effect as, an original signature.

Dated: _____

KAMALA D. HARRIS
Attorney General of California

_____
BY: AMOS E. HARTSTON
Deputy Attorney General

Dated: October 28, 2015

MORGAN, LEWIS & BOCKIUS LLP

BY: DAVID L. SCHRADER
Attorneys for Defendants
JPMorgan Chase & Co., Chase Bank USA, N.A., and Chase BankCard Services, Inc.

Dated: October 29, 2015

JPMORGAN CHASE & CO.

BY: Gordon A. Smith
CEO – Consumer/Community Bank

Dated: _____

CHASE BANK USA, N.A.

BY: Eileen M. Serra
CEO – Card Services

Dated: _____

CHASE BANKCARD SERVICES, INC.

BY: John W. Delaney, Managing Director
JPMorgan Chase Bank, N.A.

Dated: _____

JPMORGAN CHASE & CO.

_____

BY: Gordon A. Smith
CEO – Consumer/Community Bank

Dated: 10/30/2015

CHASE BANK USA, N.A.

Eileen M. Serra

BY: Eileen M. Serra
CEO – Card Services

Dated: _____

CHASE BANKCARD SERVICES, INC.

_____

BY: John W. Delaney, Managing Director
JPMorgan Chase Bank, N.A.

Dated: _____

JPMORGAN CHASE & CO.

_____

BY: Gordon A. Smith
CEO – Consumer/Community Bank

Dated: _____

CHASE BANK USA, N.A.

_____

BY: Eileen M. Serra
CEO – Card Services

Dated: Oct. 27, 2015

CHASE BANKCARD SERVICES, INC.

_____

BY: John W. Delaney, Managing Director
JPMorgan Chase Bank, N.A.

EXHIBIT 1

SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF LOS ANGELES

THE PEOPLE OF THE STATE OF CALIFORNIA, Plaintiff, v. JPMORGAN CHASE & CO., a Delaware Corporation; CHASE BANK USA, N.A., a Delaware Corporation; CHASE BANKCARD SERVICES, INC., a Delaware Corporation; and DOES 1 through 100, inclusive, Defendants.	Case No. BC508466 **~~[PROPOSED]~~ JUDGMENT**

Plaintiff, the People of the State of California ("People" or "Plaintiff"), appearing through its attorney, Kamala D. Harris, Attorney General of the State of California ("Attorney General"), by Deputy Attorneys General Amos E. Hartston, William R. Pletcher, Bernard A. Eskandari, and Timothy D. Lundgren, and Defendants JPMorgan Chase & Co., Chase Bank USA, N.A., and Chase BankCard Services, Inc. (collectively, "Defendants"), appearing through their attorneys, David L. Schrader, Brian M. Jazaeri, Jami Wintz McKeon, and Michelle Park Chiu of Morgan, Lewis & Bockius LLP, and Noah A. Levine (*pro hac vice*) and Alan E. Schoenfeld (*pro hac vice*) of Wilmer, Cutler, Pickering, Hale and Dorr LLP, having stipulated to the entry of this Judgment by the Court without the taking of proof and without trial or adjudication of any fact or law, without this Judgment constituting evidence of or admission by Defendants regarding any issue of law or fact alleged in the Complaint on file or any of the allegations or conclusions set forth herein, and without Defendants admitting or denying any liability, and with all parties having waived their right to appeal, and the Court having considered the matter and good cause appearing:

IT IS HEREBY ORDERED, ADJUDGED AND DECREED THAT:

1. This Court has jurisdiction over the allegations and subject matter of the People's Complaint filed in this action, and the parties to this action; venue is proper in this County; and this Court has jurisdiction to enter this Judgment. This judgment is entered pursuant to and subject to California Business and Professions Code section 17200 et seq.

I.

DEFINITIONS

2. The following definitions shall apply for purposes of this Judgment:

A. "Account" means an extension of credit to a Consumer in the United States, primarily for personal, family, or household purposes, and established or maintained for a Consumer pursuant to a credit card program.

B. "Affiant" means any signatory to a Declaration, other than one signing solely as a notary or witness to the act of signing, signing in his or her capacity as an employee or agent of Chase.

C. "Charged-Off" and "Charge-Off" refer to Accounts treated by Chase as a loss or expense because Chase has determined that, under the Federal Financial Institutions Examination Council's Final Notice of Uniform Retail Credit Classification and Account Management Policy, 65 Fed. Reg. 36903 (June 12, 2000), or other relevant guidelines, repayment of the Debt is unlikely.

D. "Chase" means Chase Bank USA, N.A. and Chase BankCard Services, Inc. and their successors and assigns.

E. "Collections Litigation" means attempts by Chase (or a third party acting on Chase's behalf for an Account owned by Chase) through judicial processes in the United States of America, to collect or establish a Consumer's liability for a Debt. Collections Litigation does not include processes or proceedings initiated by Chase in bankruptcy or probate matters involving a Consumer, or litigation brought by a Debt Buyer that has purchased an Account through a Debt Sale, unless specifically referenced by this Judgment.

F. "Competent and Reliable Evidence" shall include documents and/or records created by Chase in the ordinary course of business, which are capable of supporting a finding that the proposition for which the evidence is offered is true and accurate, and which comport with applicable law and court rules.

G. "Consumer" means any natural person obligated or allegedly obligated to pay any Debt. For provisions regarding communications, notices, and providing information to a Consumer, this term includes the Consumer's representative.

H. "Consumer Reporting Agency" means, coterminous with the meaning of Consumer Reporting Agency as defined in the Fair Credit Reporting Act, 15 U.S.C. § 1681a(f), any person which, for monetary fees, dues, or on a cooperative nonprofit basis, regularly engages in whole or in part in the practice of assembling or evaluating Consumer credit information or other information on consumers for the purpose of furnishing Consumer reports to third parties, and which uses any means or facility of interstate commerce for the purpose of preparing or furnishing Consumer reports.

I. "Debt" means, coterminous with the meaning of "debt" as defined in the Rosenthal Fair Debt Collection Practices Act, Civil Code section 1788, any obligation or alleged obligation of a Consumer to pay money arising out of a transaction in which the money, property, insurance, or services which are the subject of the transaction are primarily for personal, family, or household purposes, whether or not such obligation has been reduced to judgment. However, for the purposes of this Judgment, "Debt" shall be limited to a credit card Debt arising out of an Account issued or acquired by, or owed to Chase, including obligations that have been sold or transferred to others, and established or maintained for a Consumer pursuant to a credit card program.

J. "Debt Buyer" means an entity that purchases from Chase a portfolio consisting primarily of Accounts with Charged-Off Debts through a Debt Sale.

K. "Debt Sale" means a sale by Chase of a portfolio of Accounts with Charged-Off Debts through an individual bulk sale or contractual forward-flow agreement.

L. "Declaration" means any affidavit, sworn statement, or declaration, whether made under penalty of perjury or otherwise signed by an Affiant for purposes of affirming its accuracy and veracity, submitted to a court in a Collections Litigation matter by or on behalf of Chase for the purpose of collecting a Debt, but does not include affidavits, sworn statements, or declarations signed by counsel based solely on counsel's personal knowledge and not based on a review of Chase's books and records (such as affidavits of counsel relating to service of process, extensions of time, or fee petitions).

M. "Effective Credit Agreement" means the written document or documents evidencing the terms of the legal obligation between Chase and the Consumer at the time of Charge-Off.

N. "Effective Date" means the date this Judgment is entered by the Superior Court of California.

O. "Servicemember" means "servicemembers in military service" as defined in Section 101, Paragraph (1) of the Servicemembers Civil Relief Act, 50 U.S.C. Appendix

section 501 et seq., to the extent that such servicemembers in military service are identified on the Department of Defense's Defense Manpower Data Center (DMDC) database.

II.

OVERVIEW AND BACKGROUND

3. Chase has consented to the entry of this Judgment without admitting or denying any of the facts or conclusions contained in this Overview and Background section of the Judgment.

4. Chase Bank USA, N.A. is a national banking association headquartered in Newark, DE., and is a subsidiary of JPMorgan Chase & Co., which is a financial holding company incorporated in Delaware and headquartered in New York, NY.

5. Chase BankCard Services, Inc. is a Chase Bank USA, N.A. subsidiary incorporated in Delaware and headquartered in Newark, DE.

6. Chase provides Consumers with credit card Accounts and also has acquired credit card Accounts from other credit card issuers.

7. When Consumers fail to pay on these Accounts they are placed in default. Chase collects on the defaulted Debts through its internal collection attempts, and, during the time period relevant to this Judgment, by filing collection lawsuits. Chase also collected on defaulted Debts by selling defaulted Accounts to third party Debt Buyers who collect on the Accounts.

8. Chase filed lawsuits and obtained judgments against Consumers using affidavits and other documents that were prepared without following required procedures, because for example, they were at times signed without personal knowledge of the signer, a practice commonly referred to as "robo-signing."

9. Certain errors were made in calculating pre- and post-judgment fees and interest when filing Debt collection lawsuits, which resulted in some judgments against Consumers for incorrect amounts.

10. In certain instances, Chase sold to Debt Buyers certain Accounts that were inaccurate, settled, discharged in bankruptcy, not owed by the Consumer, or otherwise

uncollectable. In certain instances, the Debt Buyers sought to collect these inaccurate, settled, discharged, not owed, or otherwise uncollectable Debts from Consumers.

11. Chase's practices harmed some Consumers. Chase subjected certain Consumers to collections activity for Accounts that were not theirs, in amounts that were incorrect or uncollectable. Chase also obtained judgments against Consumers using documents that were falsely sworn and that at times contained inaccurate amounts. These actions may affect Consumers' ability to obtain credit, employment, housing, and insurance in the future. Chase's practices misled Consumers and courts and caused Consumers to pay false or incorrect Debts and incur legal expenses and court fees to defend against invalid or excessive claims.

12. Chase suspended Collections Litigation in 2011 and suspended all Debt Sales in December 2013. Chase states that it is not currently engaged in Collections Litigation or sales of Debt with respect to its consumer credit card business, which is the subject of this Judgment.

Chase's Credit Card Business

13. When Consumers fail to pay on their Accounts, Chase uses various methods to collect these Debts. During the time period relevant to this Judgment, Chase made collection calls and sent collection letters to Consumers, obtained judgments against Consumers through Debt collection lawsuits, and sold defaulted Accounts to third party Debt Buyers. Chase also created sworn documents used to establish its legal authority to collect delinquent Accounts in Collections Litigation, and provided sworn documents and other support services to the Debt Buyers to whom Chase sold Accounts. Chase also supplied these documents to the attorneys Chase and its buyers used to file collection lawsuits against Consumers.

14. When Chase sought to collect through litigation, it referred the defaulted Accounts to a network of in-house collections attorneys, as well as outside counsel. Between 2009 and 2011, Chase, through its internal and external attorneys, filed more than 125,000 collections lawsuits against Consumers in California.

15. When Chase sold defaulted Accounts to Debt Buyers, it did so at a significant discount to the face value of the Debts. On average, Chase received 5% of the balance owed. For example, an Account where the Consumer owed $10,000 might have been sold for $500. The

Debt Buyer could then seek to collect from the Consumer the full $10,000 balance plus interest, attorney's fees, and other costs of collection.

Chase's Sale of Credit Card Accounts that Were Inaccurate or Unenforceable

16. Chase used several different databases and automated processes to track and manage its credit card Accounts. These databases contained relevant information about the Accounts, such as payment history, Account balances, and credit reporting information.

17. Chase relied on the information contained within these databases to determine whether to sell the Accounts.

18. When Chase sold defaulted credit card Accounts, it provided account information from these databases to the Debt Buyers. Chase typically provided an electronic sale file gathered from its databases containing information about the portfolio of Debts. Debt Buyers used the information that Chase provided to collect these amounts from Consumers.

19. Because Chase sometimes failed to accurately update, maintain, and reconcile the Account information in its databases before selling defaulted Accounts to Debt Buyers, the resulting Account information was not always accurate for Accounts that had gone to judgment.

20. Compounding this problem, when Chase obtained portfolios of credit card Accounts from acquired banks, it did not always receive important documentation needed to support claims that Consumers owed the Debts and owed the amount stated. On certain Accounts Chase was unable to conform its databases with the original Account documents for Accounts that it had acquired.

21. As a result of these failures, Chase sold certain Accounts to Debt Buyers that Chase knew or should have known were unenforceable or uncollectable. Chase also provided erroneous and incomplete information to Debt Buyers who Chase knew or should have known would use this information in conducting collection activity.

22. Chase sold certain Accounts to Debt Buyers where Chase knew or should have known the electronic sale file contained erroneous or missing information about the identity of the Account holder, the amount owed, whether the Account had been paid or settled, and whether Chase's internal operations had deemed an Account to be fraudulent.

23. Chase also sold certain Accounts that were not enforceable or otherwise should not have been subject to collection including:

A. Accounts that were settled by agreement;

B. Accounts that were paid in full;

C. Accounts that were no longer owned by Chase when they were sold; and

D. Accounts that had been identified as fraudulently opened or subject to fraudulent charges or otherwise not owed by the identified debtor.

24. Chase also sold certain Accounts that Debt Buyers could not lawfully collect, or which were susceptible to unlawful collection practices by Debt Buyers, including:

A. Accounts with inaccurate amounts owed;

B. Accounts where Chase knew or should have known supporting data was inaccurate or unavailable;

C. Accounts that were subject to litigation;

D. Accounts that were subject to a bankruptcy stay;

E. Accounts that were subject to an agreed payment plan;

F. Accounts that were pending settlement; and

G. Accounts that had deceased debtors.

25. Chase's actions caused harm to certain Consumers because the Debt Buyers who purchased the Accounts demanded payment from Consumers and filed lawsuits based on invalid or inaccurate Debts, or inaccurate information provided by Chase. Consumers were thus pursued to pay amounts not owed or which were uncollectable. Consumers also could be sued and have a judgment entered against them based on documents that were falsely sworn. Further, if Debt Buyers furnished faulty information to Consumer Reporting Agencies, then the Consumers' credit files and credit reports would contain inaccurate information, which could affect these Consumers' ability to obtain credit, employment, housing, and insurance in the future.

26. Consumers have very limited control over their Accounts in default. They cannot prevent Chase from selling the Accounts or ensure that the Account information Chase sells is

accurate and that the Debts are enforceable. Once Chase sold their Accounts, Consumers could not obtain documents regarding the Debt from Chase.

Chase's Use of Statements that Were Falsely Sworn to Enforce Debts

27. From 2009 into 2011, Chase brought over 125,000 lawsuits in California to collect delinquent credit card Accounts, many of which required some form of sworn, certified, or verified factual allegations.

28. Chase also provided more than 30,000 sworn statements and documents to support collection lawsuits brought in California by the Debt Buyers that purchased its defaulted credit card Accounts. Chase's in-house and outside counsel prepared sworn statements and sent those documents to be signed by Chase's employees in centralized locations.

29. These sworn statements were representations to courts, debtors, and non-debtor Consumers that the statements were truthful and accurate statements of fact, verified by the Affiant based on personal knowledge or a review of business records, made under oath, and properly witnessed or notarized by the witness or notary.

30. Chase's employees and agents prepared the sworn statements in bulk using stock templates. The statements often were not prepared and reviewed by the individual who signed the sworn statements. The signing individual at times lacked personal knowledge of the information he/she was attesting to and did not perform the review or follow the signing and notary procedures required by law. The Affiant's failure to properly prepare, review, or execute certain sworn documents resulted in these sworn statements containing misleading representations.

31. The specific practices Chase engaged in include the following:

A. Swearing to personal knowledge of facts without personal knowledge of those facts. For example, Chase's employees or agents swore to practices regarding business recordkeeping without personal knowledge of those practices;

B. Swearing to having reviewed the contents of records when, in fact, they had not. For example, Chase's employees or agents swore to the accuracy, authenticity, and

veracity of attached exhibits without reviewing those exhibits or without having the personal knowledge needed to verify the contents of the exhibits;

C. Swearing to personal knowledge of how records accompanying a sale were kept by Chase and how the records were transferred to buyers without actually identifying the records they were swearing to;

D. Signing complaint verification forms in batches and then attaching the verifications to complaints that the signer had never seen or reviewed;

E. Notarizing or attesting to documents without witnessing the signing of those documents;

F. Notarizing documents without administering oaths;

G. Notarizing documents without names and dates so that this information could be inserted later;

H. Signing certain proofs of claim in bankruptcy without reviewing the records supporting those claims; and

I. In some instances, filing or causing to be filed requests for entry of default judgments without confirming whether or not consumers were in active military service and entitled to protections under the Servicemembers' Civil Relief Act.

32. These practices, in many cases, resulted in Chase lacking a proper evidentiary basis to prove the Debt. Consumers, who were not notified of Chase's practices, did not know about a potential basis to challenge Chase's improperly sworn documents. Courts, which also were not provided notice that the documents were improperly sworn, relied on them and entered certain judgments against Consumers. Although Chase ceased engaging in Collections Litigation and ceased making collections efforts against affected Consumers in 2012, it took no action to notify Consumers or to seek vacatur or another remedy from the courts.

33. Some judgments obtained by Chase after Charge-Off were reported on the public records section of Consumers' credit reports. Reported judgments can have additional negative effects on Consumers. Mortgage lenders may insist that the judgments be paid because unsatisfied judgments may make it more difficult for Consumers to make their mortgage

payments or are a threat to their security interest. Before making hiring decisions, employers may search public records or obtain credit reports showing civil judgments against prospective employees and be dissuaded from hiring them, particularly if the employee will be handling money or finances.

34. Consumers themselves had little opportunity to challenge the documents that were falsely sworn or to demand that Chase use proper procedures because they were unaware that part or all of the evidentiary basis for the judgment was improperly sworn documents. For most Consumers, the obstacles and cost to seek a remedy post-judgment, such as vacatur, could be too significant.

35. Consumers obtained no legitimate benefit from Chase's document execution practices. Any additional costs that Chase would have incurred by conforming its practices to its legal obligations or otherwise remediating Consumers were outweighed by the harm to Consumers.

Chase's Miscalculation of Judgments

36. When Chase filed Debt collection suits against Consumers, its employees and agents made certain errors in calculating the amounts owed. Approximately 9% of the judgments that Chase obtained against Consumers nationwide contained erroneous amounts that were greater than what the Consumers legally owed.

37. These erroneous amounts were sometimes stated in documents that Chase submitted to the court and that formed the basis for the judgments entered against the Consumers.

38. Although Chase halted collection efforts on these Accounts after it became aware of the errors, Chase's failure to notify affected Consumers and to move to vacate judgments harmed Consumers who paid or were subject to collection attempts for a judgment amount that was greater than what they legally owed.

39. Consumers had little opportunity to avoid such injuries because they were unaware of and lacked any meaningful way of proving that certain judgments against them were for erroneous amounts.

Chase's Demand Letters Signed by an Attorney

40. In anticipation of Collections Litigation, Chase sent demand letters to Consumers signed by an attorney. The statements in the demand letter often were not prepared and reviewed by the attorney who signed the demand letter. In many instances, the signing attorney lacked personal knowledge, did not review information regarding the Consumer's Debt, did not determine the communication was accurate, did not form an opinion that the communication was appropriate under the circumstances, and/or did not otherwise follow fair debt collection practices required by law.

Chase's Public Filing of Account Numbers

41. In Collections Litigation, in some instances, Chase filed financial account numbers in publicly filed documents without redacting all but the last four digits of the account numbers.

Default Judgments Obtained Against Servicemembers

42. In connection with seeking default judgments in Collection Litigation, in some instances Chase filed or caused to be filed requests for entry of a default judgment without confirming whether or not consumers were in active military service. Through these practices, Chase obtained default judgments against some Servicemembers without following the procedures of the Servicemembers' Civil Relief Act.

43. Consumers obtained no legitimate benefit from Chase's errors. Any additional costs that Chase would have had to incur to calculate amounts owed accurately, include accurate amounts in the sworn documents it submitted to the court, inform Consumers of the erroneous judgment, obey fair debt collection practice and privacy laws, and comply with obligations to Servicemembers were outweighed by the harm to Consumers.

III.

CONDUCT PROVISIONS

44. The conduct provisions of this Judgment shall apply to Defendants Chase Bank USA, N.A. and Chase BankCard Services, Inc. and their successors and assigns.

45. Nothing in this Judgment alters the requirements of federal or state law to the extent they offer greater protection to consumers.

46. **Requirements Relating to Debt Sales**

A. Chase will not knowingly or recklessly provide substantial assistance to a Debt Buyer's unfair, deceptive, or abusive acts or practices.

B. Chase will implement effective processes, systems, and controls to provide accurate documentation and information to Debt Buyers and Consumers in connection with Debt Sales. Chase will document the referenced processes, systems, and controls in writing, and will make such documentation available to appropriate employees of Chase.

47. **Documentation and Information Provided to Debt Buyers at Debt Sale**

A. For Debt Sale contracts entered into after the Effective Date, Chase's contracts or other agreements with Debt Buyers will prohibit Debt Buyers from engaging in Debt Buyer initiated collection efforts on any Account for which Chase has not provided the following Account-level documentation substantiating the Debt:

i. the last four digits of the Account number that was used at the time of the Consumer's last statement, or, if not available, when credit was last extended to the Consumer;

ii. the Consumer's name and last known address;

iii. the first date of delinquency for purposes of consumer reporting;

iv. the date and amount of last payment;

v. the date the Account was Charged-Off;

vi. the unpaid balance due on the Account, with a breakdown of the post-Charge-Off balance, interest, and fees;

vii. the name of the last creditor to extend credit to the Consumer; and

viii. whether the Consumer has demanded in writing that Chase cease contact with the Consumer, if the Consumer has done so and has not revoked the demand.

48. **Documentation and Information Available to Debt Buyers After Debt Sale**

A. For Debt Sale contracts entered into after the Effective Date, Chase will make available to a Debt Buyer, for a minimum of three (3) years following the Debt Sale, upon request at no or nominal cost to the Debt Buyer, at a minimum:

i. the Effective Credit Agreement;

ii. if the Consumer, within eighteen (18) months prior to the Debt Sale and while Chase was the creditor on the Account, has disputed the amount of a Debt Chase claimed to be owed in a monthly Account statement, a record of any such dispute and the result of Chase's investigation of the dispute;

iii. if the Account is subject to a judgment, an itemization of the judgment amount as awarded, including the amounts awarded by the court for costs, attorney's fees, interest, and any other fee;

iv. copies of the last eighteen (18) monthly Account statements. If the Account was open for less than eighteen (18) months, Chase shall make available all Account statements; and

v. the name and address of the original creditor, such that the Debt Buyer may comply with any obligation of the Debt Buyer to provide "the name and address of the original creditor" under the Fair Debt Collection Practices Act, 15 U.S.C. § 1692g(a)(5) and (b).

49. **Documentation and Information Provided to Consumers at Debt Sale**

A. When Chase sells an Account to a Debt Buyer after the Effective Date, Chase shall provide to the Consumer prior to the time that the Debt Buyer is authorized, by contract, to begin Debt Buyer-initiated Debt collection efforts, notice of the sale of the Account, which shall include:

i. the name and contact information (at a minimum, phone number and address) of the Debt Buyer;

ii. the name of the last creditor to extend credit to the Consumer;

iii. the last four digits of the Account number at the time of the Consumer's last statement or, if not available, the Account number that was used when credit was last extended to the Consumer;

iv. the amount due on the Account at the time of sale, with a breakdown of the post-Charge-Off balance, interest, and fees;

v. a description of the readily available method(s) provided by Chase pursuant to Paragraph 50(B) below that former customers can use to obtain Account information;

vi. a statement that this is not a bill and the Consumer should not send payment to Chase and a description of the toll free number and other contact information for Chase's customer service if the Consumer has any questions about the contents of this notice; and

vii. a statement that the Debt Buyer is prohibited from reselling the Consumer's Debt to an entity other than Chase.

50. **Documentation and Information Available to Consumers After Debt Sale**

A. For Debt Sales following the Effective Date, Chase will make available to a Consumer, upon request and at no cost to the Consumer, at a minimum:

i. the Effective Credit Agreement;

ii. if the Account is subject to a judgment, an itemization of the judgment amount as awarded, including the amounts awarded by the court for costs, attorney's fees, interest, and any other fee;

iii. copies of the last eighteen (18) monthly Account statements. If the Account was open for less than eighteen (18) months, Chase shall make available all Account statements; and

iv. the name and address of the original creditor, as that term is used in the Fair Debt Collection Practices Act, 15 U.S.C. § 1692g(a)(5) and (b).

B. Chase shall establish readily available method(s), including telephone routing based on Account verification to customer service agents familiar with Debt Sales, for Consumers to obtain the information identified in Paragraph 49(A) above.

51. **Restrictions on Chase's Sale of Accounts**

A. Even if otherwise permissible under law, Chase will not sell Accounts that, as of the date of sale, possess any of the following characteristics:

i. the Consumer's Debt has been discharged in a Chapter 7 bankruptcy case with no assets available for distribution to creditors;

ii. the Consumer has notified Chase, in writing to the address provided by Chase for direct disputes, or to Chase's business address if Chase has not specified an address, of identity theft or unauthorized use and Chase has not determined, after reasonable review, that the Consumer owes the Debt;

iii. Chase has been informed or has knowledge that the Consumer(s) responsible for the Debt is deceased;

iv. the Account has been settled;

v. Chase lacks Competent and Reliable Evidence that it owns the Account;

vi. Chase cannot comply with Paragraphs 49 or 50 of this Judgment because Chase cannot provide the required information or documentation;

vii. the Consumer has alleged in writing that he or she does not owe the amount claimed by Chase, and Chase has not determined, after a reasonable review, that the Consumer owes all of the amount Chase will be selling, and has not provided a response to the Consumer, either directly to the Consumer or through a Consumer Reporting Agency, as appropriate;

viii. the Consumer is paying pursuant to and in accordance with the terms of a modification or payment plan;

ix. more than three (3) years have passed since the date on which the Account was Charged-Off, or the date of the Consumer's last payment, whichever is later;

x. the Consumer is a Servicemember;

xi. Chase has determined that the Account was opened and is maintained, at the time of the Debt Sale, by a minor; or

xii. the Consumer is currently engaged offensively in litigation with Chase, in an individual action.

B. Chase will not sell Accounts that are beyond the date of obsolescence under Section 605 of the Fair Credit Reporting Act or Regulation V without including in its sales contract or similar agreement a term requiring the Debt Buyer to provide clear and prominent

notice to the Consumer that, due to the age of the Debt, the Debt is not likely to appear on the Consumer's credit report.

C. If, after Chase sells the Consumer's Account, a Consumer disputes information that Chase has furnished to a Consumer Reporting Agency, Chase will comply with the Fair Credit Reporting Act, 15 U.S.C. §1681s-2 and Regulation V, 12 C.F.R. Parts 1022.40-1022.43.

D. If Chase determines that it has sold an Account in violation of the above provisions, Chase shall make a reasonable effort to repurchase the Account and take reasonable steps to require its Debt Buyers to inform Chase about any amounts paid on the Debt since the date of sale, so that Chase may reconcile the Account balance upon repurchase. However, if Chase determines more than one year after the date of a Debt Sale that it sold the Account of a deceased person, Chase shall not be required to make efforts to repurchase the Account.

52. **Requirements Relating to Debt Buyers**

A. Chase will conduct due diligence before entering into new relationships with Debt Buyers, and will conduct due diligence periodically when forward-flow contractual arrangements are in place.

B. Chase will not sell Accounts to a Debt Buyer unless the Debt Buyer represents to Chase that it is licensed or otherwise authorized to conduct business in the states where the Consumers reside or, where authorized by state law, that the Debt Buyer will engage vendors that are licensed or otherwise authorized to conduct business in the states where the Consumers reside.

C. In its contracts or other agreements with Debt Buyers, Chase will prohibit Debt Buyers from reselling Accounts. This prohibition shall not prohibit Chase from repurchasing Accounts it sells to Debt Buyers.

D. In the event Chase provides Debt Buyers with Declarations, those Declarations must comply with the requirements of Paragraph 53 of this Judgment.

E. In its contracts or other agreements with Debt Buyers, Chase will prohibit Debt Buyers from imposing interest on Charged-Off Accounts unless permitted by law.

F. In its contracts or other agreements with Debt Buyers, Chase will prohibit Debt Buyers from swearing to the validity or otherwise attesting to the accuracy of any documentation or information provided by Chase, unless the Debt Buyer must do so as part of filing a bankruptcy proof of claim (POC) based on information from Chase or are otherwise allowed by law to do so.

G. In its contracts or other agreements with Debt Buyers, Chase will prohibit Debt Buyers from assessing fees and interest on any Account in violation of any terms and conditions of the Effective Credit Agreement that remain applicable when such fees or interest are assessed, or any applicable state or federal law.

H. In its contracts or other agreements with Debt Buyers, Chase will require Debt Buyers to comply with all applicable state and federal consumer protection and debt collection laws and regulations, including the Fair Debt Collection Practices Act, 15 U.S.C. §§ 1692 et seq., laws prohibiting the imposition of interest on Charged-Off Accounts, and laws regarding the assessment of fees and interest.

I. Upon notice, through its periodic due diligence obligations in Paragraph 52(A) above or otherwise, that a Debt Buyer is violating provisions of its agreement with Chase, Chase shall take reasonable action with respect to the Debt Buyer including, but not limited to, recalling Accounts or terminating future Debt Sales to the Debt Buyer where appropriate, or both.

53. **Requirements Relating to Declarations**

A. Factual assertions made in Declarations must be accurate and capable of being supported by Competent and Reliable Evidence.

B. Declarations shall be based on personal knowledge, a review of Chase's books and records, or other appropriate standard as set forth in the Declaration and in accordance with the applicable requirements of state or federal law.

C. Affiants shall review their Declarations for accuracy and completeness.

D. If an Affiant relies on a review of business records for the basis of a Declaration, the referenced business record shall be attached when the Declaration is executed by or on behalf of Chase if required by applicable state or federal law or court rule. If the record is

not required to be attached, Chase shall provide the Effective Credit Agreement and most recent monthly statement to the Consumer upon request.

E. Chase shall maintain and keep available records needed to establish that the Declarations and documents attached thereto in Collections Litigation were substantiated with Competent and Reliable Evidence for five years or such other period as required by relevant regulatory authorities.

F. Chase shall have effective processes, systems, and controls such that Affiants can review relevant business records or other Competent and Reliable Evidence to substantiate the Consumer's Debt. Chase will document the referenced processes, systems, and controls in writing, and will make such documentation available to appropriate employees of Chase.

G. Chase shall have written standards for qualifications, training, and quality control of employees who regularly prepare or execute Declarations. Chase shall require covered employees to properly and timely complete such training.

H. For Declarations used on a frequent or repetitive basis, Chase will implement effective processes, systems, and controls to review and approve standardized templates for compliance with applicable law, rule, court procedure, and the terms of this Judgment. Chase will document the referenced processes, systems, and controls in writing, and will make such documentation available to appropriate employees of Chase.

I. Declarations shall accurately and legibly identify the Affiant's name, title, employer, and the date of signing.

J. Chase shall have effective processes, systems, and controls to maintain adequate numbers of employees to prepare, verify, and execute Declarations, based on current and future projected workload demands.

K. Chase shall not pay incentives to employees or third-party providers based solely on the volume of Declarations prepared, verified, or executed.

L. Affiants shall be individuals, not entities, and Declarations shall be signed by hand signature of the Affiant, except for permitted electronic filings.

M. All material information in a Declaration required to be completed or provided by an Affiant prior to submission under applicable state or federal law or court rule must be complete at the time the Affiant signs the Declaration.

N. Affiants shall date their signatures on Declarations using the actual date of signing.

O. Chase shall maintain or require the notary to maintain records of notarizations of documents used in Collections Litigation executed by each notary employed by Chase who notarizes documents as part of that notary's employment.

P. Where Chase submits an affidavit, declaration, or other sworn statement in arbitration, bankruptcy, or probate proceedings for the purposes of collecting a Debt, those shall comply with all the applicable requirements of this Section.

54. **Requirements Related to Collections Litigation**

A. Any complaint or claim filed by or on behalf of Chase in Collections Litigation shall include the name of the creditor at the time of the Consumer's last payment, or if not available, the last creditor to extend credit to the Consumer and the date of the last credit extension, the date of the last payment, the amount of the Debt owed, and a breakdown of any post-Charge-Off interest and fees.

B. The attorney's fees Chase, or its counsel, seek from a court or in arbitration shall be reasonable and authorized by law and the Effective Credit Agreement.

C. Documents submitted to courts in Collections Litigation for the purpose of supporting factual allegations in Declarations to establish a Debt shall be actual and applicable business records or true copies or reproductions of those records and not documents prepared solely for litigation, unless the use of documents prepared solely for litigation is permitted by the court.

D. If Chase learns that any information that was contained in a Declaration, court pleading, or bankruptcy POC, and which relates to the character, amount or legal status of a Debt, was materially inaccurate at the time the Declaration, court pleading, or POC was executed

or made, Chase will correct such information if the matter in which the Declaration, court pleading, or POC was executed or made remains pending.

E. Before obtaining a default judgment against a Consumer, Chase shall proffer to the court relevant information and documentation maintained by Chase to support its claims, unless prohibited by law or court rule.

F. Chase shall implement effective processes, systems, and controls to prohibit the assessment of fees, expenses, and other charges collected through Collections Litigation that are not in accordance with the terms of the Effective Credit Agreement and applicable law.

G. Chase will maintain policies and procedures requiring that if Chase engages in Collections Litigation, such Collections Litigation complies with applicable legal requirements and is based on accurate information. Chase will develop and implement, to the extent not in place already, measures to provide accurate documents to its law firms for use in Collections Litigation.

H. Any complaint or claim for payment of a Debt that Chase asserts in arbitration, bankruptcy, or probate proceedings for the purpose of collecting on an Account shall comply with all the applicable requirements for Collections Litigation in this Section.

55. **Requirements Related to California Statutes and Procedures**

A. In anticipation of Collections Litigation:

i. Chase will not send a communication bearing the name of an attorney unless such attorney has reviewed relevant information about the Consumer's Debt, determined that the communication is accurate including with respect to any claimed amount due, formed an opinion that the communication is appropriate under the circumstances, and authorized or approved the communication; and

ii. in communications with a Consumer, Chase will not suggest that it will seek any litigation-related fees, costs, or remedies if Chase cannot legally obtain those fees, costs or remedies or does not intend to obtain them.

B. In Collections Litigation, to protect personal privacy, Chase shall comply with California Rules of Court, rule 1.20, including by redacting all but the last four digits of financial account numbers in pleadings and other publicly filed documents.

C. Chase will implement or has implemented processes, systems and/or controls to prohibit conduct in Collections Litigation that (i) violates California's Rosenthal Fair Debt Collection Practices Act, Civil Code section 1788 et seq; or (ii) violates California Rules of Court, rule 1.20.

56. **Requirements Related to Collections Litigation against a Servicemember**

A. Before seeking a default judgment in Collections Litigation, Chase shall, if it has not previously determined that a Consumer is a Servicemember subject to the protections of the SCRA or California law: (i) confirm the active duty status of any Servicemember with the Defense Manpower Data Center (DMDC) database, or any successor database; and (ii) confirm the active duty status of any California national guard member with any database that may be established in the future by the United States or State of California to authoritatively identify whether an individual is a member of the national guard on active duty under Title 32 or state law.

B. In the event Chase files a declaration with a court in Collections Litigation concerning a Consumer's military status under state or federal law, Chase shall comply with applicable law, including Title 50 United States Code Appendix section 501 et seq., California Military and Veterans Code section 400 et seq., and the applicable requirements of Paragraphs 53-55 of this Judgment.

C. Chase will implement or has implemented processes, systems and/or controls to prohibit conduct in Collections Litigation that violates the Servicemembers Civil Relief Act, 50 USC Appendix section 501 et seq., or California Military and Veterans Code section 400 et seq.

D. Notwithstanding anything to the contrary in any provision of this Paragraph 56, Chase shall not be in breach of any provisions of this Paragraph 56 if its business

records regarding the Consumer do not reflect the Consumer's military status and Chase has taken the steps required by Paragraph 56(A).

IV.

REMEDIATION AND REDRESS

57. **Requirements Related to Remediation and Balance Adjustments**

A. Within sixty (60) days of the Effective Date of this Judgment, unless another time period is stated:

i. Chase represents that, consistent with appropriate local rules and practice, it has sought the withdrawal, dismissal, or termination of all pre-judgment Collections Litigation matters that were pending at any time between January 1, 2009 and June 30, 2014. In the event that Chase is notified of a pre-judgment matter that was pending in this time period that Chase has not sought to withdraw, dismiss, or terminate under this Paragraph, Chase will move or take other affirmative action to withdraw, dismiss, or terminate such matter.

ii. For Collections Litigation matters that were pending at any time between January 1, 2009 and June 30, 2014 in which Chase has obtained a judgment, Chase represents that it has, consistent with appropriate local rules and practice, sought to cease its current post-judgment enforcement activities, and to remove, withdraw, or terminate its active wage garnishments, bank levies, and similar means of enforcing those judgments. In the event that Chase is notified that post-judgment enforcement activities are being taken by Chase or on its behalf that Chase has not sought to cease under this Paragraph, Chase shall move or take other affirmative action to stop such activities.

iii. Where Chase has obtained a court judgment against a Consumer through Collections Litigation that was pending at any time between January 1, 2009 and June 30, 2014, Chase shall notify the Consumer that it will not seek to enforce, collect, sell or otherwise transfer the judgment it has obtained and/or that it will request that the Consumer Reporting Agencies amend, delete, or suppress information regarding the judgment, as applicable. Chase shall provide this notification, consistent with Exhibit A to this Judgment, to the Consumer's last

known address. Chase shall complete this notification consistent with the timetable set forth in Paragraph 59(D) of this Judgment.

iv. Chase will request that each of the Consumer Reporting Agencies that compiles and maintains files on Consumers on a nationwide basis (Experian, Equifax, and TransUnion) amend, delete, or suppress information in the public record section of such files regarding the judgments obtained in Collections Litigation for cases that were pending at any time between January 1, 2009 and June 30, 2014. Chase shall complete the request to the bureaus consistent with the timetable set forth in Paragraph 59(D) of this Judgment.

v. Chase shall not reinstitute Collections Litigation that was pending, filed, withdrawn, adjudicated, or dismissed between January 1, 2009 and the Effective Date and will take no further affirmative action to collect; enforce through Collections Litigation, arbitration, bankruptcy (other than pursuant to bankruptcy payment plans currently in effect), or probate; sell, or transfer these Accounts, except that, where a Consumer pursues a claim against Chase, if permitted by applicable law, Chase may assert, through a set-off, counterclaim, or other means, Chase's entitlement to amounts (less the pre-and post-judgment interest, fees, and costs that accrued after the referral to Collections Litigation consistent with Paragraph 57(A)(viii) of this Judgment). Where a Consumer, in an individual action, seeks to vacate a judgment regarding an Account that was the subject of Collections Litigation that was pending, filed, withdrawn, adjudicated or dismissed between January 1, 2009 and the Effective Date, Chase will rely, for factual statements to be proved by declaration, on Declarations that are in compliance with the applicable requirements of Paragraph 53 of this Judgment.

vi. This Section shall not be construed to prohibit Chase from filing a Proof of Claim in response to a request from a Consumer or bankruptcy trustee.

vii. Nothing in this Judgment shall be construed to prohibit Chase from receiving voluntary payments sent by Consumers whose Accounts were subject to Collections Litigation that was dismissed per Paragraph 57(A)(i) of this Judgment.

viii. For all Accounts referred to Collections Litigation from January 1, 2009 to June 30, 2014, Chase shall address potential balance inaccuracies following Collections

Litigation by treating each Account as if it had not been referred to Collections Litigation, including by waiving all pre- and post-judgment interest, fees, and costs that accrued after the referral, thereby reducing the amount owed.

ix. Chase shall provide the Attorney General with semiannual reports describing its implementation of the remediation and balance adjustment requirements set forth above. Such reports shall include a description of Chase's remediation and balance adjustment plans, updates on progress, and state-specific data.

58. **Requirements Related to Servicemember Remediation**

A. For all Accounts that were the subject of Collections Litigation pending at any time between January 1, 2009 and the Effective Date that resulted in a default judgment against a servicemember in violation of the SCRA, Chase will, to the extent it has not already done so:

i. Refund to the servicemember any payments made or other amounts recovered that have not been reversed, since the commencement of Collections Litigation plus 25% of the refund amount (provided that Chase has not previously refunded to the servicemember a refund of these amounts that included interest of at least 7.25% on the amount refunded);

ii. Cease future collections activities and cancel the balance due, unless otherwise objected to by the servicemember;

iii. Upon a servicemember's request, provide reasonable assistance to the servicemember, who is seeking to reopen or vacate the default judgment and dismiss the underlying case with prejudice. Such assistance shall consist of providing the necessary papers to support the reopening or vacating of the default judgment, and seeking dismissal of the case. In the event that Chase has previously moved (or moves in the future) to vacate a default judgment against a servicemember and to dismiss the underlying case with prejudice, Chase shall be deemed to have complied with this subsection;

iv. Provide a check of at least $5,000 to each servicemember;

v. Request that the following major consumer credit bureaus suppress public record of the relevant Chase default judgments from their records: Experian, Equifax, and TransUnion.

vi. Send updates to the major credit bureaus referenced in (v) where necessary;

vii. Communicate to the servicemember in writing the remediation actions taken under this Paragraph and the steps Chase would take upon the request of the servicemember pursuant to subparagraph (iii); and

viii. Chase shall complete the remediation set forth in this Paragraph following receipt of full required approval by the appropriate prudential regulatory authorities. In the event that Chase requires more than Three Hundred Sixty (360) days from full approval to complete the remediation under this Paragraph, Chase and the Attorney General shall discuss an extension in good faith. Chase shall provide the Attorney General with a list of each case covered by the remediation in this section, including its name, court, filing date, and case number. In the event Chase takes the position that a default judgment was obtained in compliance with the SCRA against a person the DMDC database shows was on active duty on the date the default judgment was applied for or entered, Chase will identify each such case.

59. Chase shall make redress as follows:

A. Chase shall provide to Consumers against whom Collections Litigation was pending at any time between January 1, 2009 and June 30, 2014, a cash refund of amounts paid by individual Consumers in excess of such Consumer's contractual balance at the time of referral to Collections Litigation plus 25% of the excess amount paid. Chase shall also refund or otherwise refuse payments from such Consumers, after the date of this Judgment, in excess of the Consumer's contractual balance at the time of referral to Collections Litigation.

B. Chase expects that the redress set forth in paragraph 59(A) in California shall be approximately $10,000,000, such amount to include refunds and payments made on these Collections Litigation cases by Chase at any point before or after the date of this Judgment, including any amounts of these refunds and payments escheated to the states, as well as actions

taken by Chase to provide redress to Consumers by refunding payment or refusing to accept payments by Consumers prior to the date of this Judgment.

C. Within ninety (90) days of the Effective Date, Chase shall deliver a written plan describing how Chase intends to identify and provide redress to eligible Consumers nationwide as required by Paragraphs 59(A) and (B) of this Judgment ("Redress Plan"), subject to further refinement and required approval by the appropriate prudential regulatory authority. Chase shall deliver a written plan describing how Chase intends to identify and provide redress to eligible Servicemembers as required by Paragraph 58 within 30 days of approval by Chase's prudential regulatory authority.

D. Chase will make all payments to Consumers required by Paragraphs 57 and 58(A) of this Judgment pursuant to the Redress Plan following receipt of full required approval by the appropriate prudential regulatory authorities. In the event that Chase requires more than Two Hundred Seventy (270) days from full approval to complete the notifications under Paragraph 57(A)(iii), the request to the Consumer Reporting Agencies under Paragraph 57(A)(iv), and the payments under Paragraphs 59(A) and (B) of this Judgment, Chase and the Attorney General shall discuss in good faith an extension of the date. In the event that Chase requires more than Three Hundred Sixty (360) days from full approval to complete the payments under Paragraph 58 of this Judgment, Chase and the Attorney General shall discuss in good faith an extension of the date. Prior to the good faith discussions, Chase shall provide the Attorney General an explanation of the steps it took to make the notifications, requests and payments and the reasons why it was unable to make all notifications, requests and payments within the 270 days (or 360 days in the case of Servicemembers).

E. Chase shall provide the Attorney General with semiannual reports describing its implementation of the redress requirements set forth above. Such reports shall include a description of Chase's redress plans, updates on progress, and state-specific data. Upon receipt of a reasonable request of the Attorney General, Chase will provide further information on its implementation of the redress requirements.

V.

OTHER MONETARY PROVISIONS

60. Chase shall pay the People of the State of California a total aggregate amount of $50,000,000, made up of the following amounts:

A. $5,000,000 designated as a penalty pursuant to California Business and Professions Code section 17206;

B. $45,000,000 directly to the California Attorney General to be used by the Attorney General to defray costs of the investigation and litigation leading to this Judgment, and for the Attorney General's enforcement of consumer protection laws, at the sole discretion of the Attorney General.

61. Payments required to be paid pursuant to Paragraph 60 of this Judgment shall be made within ten (10) calendar days of the Effective Date, payable by wire transfer to the California Attorney General's Office pursuant to instructions provided by the Attorney General's Office.

VI.

NOTICES

62. Any and all notices, requests, consents, directives, or communications sent to Chase or the People of the State of California pursuant to this Judgment shall be sent both by a nationally recognized overnight courier service and by email to the named person (or such other person who may be designated by the relevant party from time to time) at the following address:

A. For Chase:
Julie A. Lepri
JP Morgan Chase & Co.
10 S. Dearborn Street, IL 1-0075
Chicago, IL 60603
Julie.lepri@chase.com

B. For the People of the State of California:
Amos E. Hartston
William R. Pletcher
Bernard A. Eskandari
Deputy Attorneys General
300 South Spring Street, Suite 1702
Los Angeles, CA 90013

amos.hartston@doj.ca.gov
william.pletcher@doj.ca.gov
bernard.eskandari@doj.ca.gov

VII.

ADMINISTRATIVE PROVISIONS

63. Nothing herein shall be construed as relieving Chase of the obligation to comply with all state and federal laws, regulations or rules, nor shall any of the provisions herein be deemed to be permission to engage in any acts or practices prohibited by such laws, regulations, or rules.

64. This Judgment is not intended to indicate that Chase or any of its affiliates or current or former employees shall be subject to any disqualifications contained in the federal securities laws, the rules and regulations thereunder, the rules and regulations of self-regulatory organizations or various states' securities laws, including any disqualifications from relying upon registration exemptions or safe harbor provisions. In addition, this Judgment is not intended to form the basis for any such disqualifications. This Judgment is made without trial or adjudication of any issue of fact or law and does not contain any injunctive measures against Chase or any of its affiliates. Nothing in the preceding sentence reduces Chase's obligations under this Judgment or affects the Attorney General's authority to enforce any rights hereunder.

65. In the event of a conflict between this Judgment and the requirements of federal, state, or local laws, such that Chase cannot comply with this Judgment without violating these requirements under law, Chase shall document such conflicts and notify the Attorney General that it intends to comply with the requirements under law to the extent necessary to eliminate the conflict.

66. Chase shall designate one or more management-level employees to be the primary contact for the Attorney General regarding complaints and inquiries from Consumers regarding their Debt, including those whose Accounts have been sold. Chase shall provide a written response to such inquiries, or seek additional time to respond, within forty-five (45) days to the Consumer.

67. It is the intent of the parties to work collaboratively to address any potential violations of this Judgment. If the Attorney General determines that Chase is potentially in violation of one of the provisions of this Judgment, before initiating any application for injunctive or monetary relief seeking to enforce this Judgment, the Attorney General shall notify Chase in writing as soon as practicable. Chase shall thereafter have forty-five (45) days from receipt of such written notice, or such additional time as Chase and the Attorney General agree in writing, to provide a written response to the Attorney General's notice. Chase will be considered to have cured a potential violation of this Judgment and to be in compliance with this Judgment where Chase: (1) corrects the violation; (2) fully remediates any non-de minimis monetary Consumer harm; and (3) can establish that the violation was isolated and is not likely to reoccur. The Attorney General shall determine whether Chase has satisfied the above elements of any cure, and a determination that the cure is sufficient shall not be unreasonably withheld. In response to any enforcement action brought by the People of the State of California to enforce this Judgment, any party may present evidence that Chase has or has not taken corrective or remedial action to address any potential violation of this Judgment.

68. The Attorney General is not required to provide notice in advance of taking any enforcement action if necessary to protect the health, safety or welfare of the public.

69. The provisions of this Judgment do not bar, estop, or otherwise prevent the Attorney General or any other governmental agency from taking any other action against Chase, except as described in Paragraph 70.

70. Effective upon the full payment of the amount due under Paragraph 60 of this Judgment, the People of the State of California fully and finally release and forever discharge Chase Related Persons from and of any and all liabilities, rights, claims, actions, causes of action, demands, damages, costs, attorneys' fees, losses, and remedies, whether known or unknown, existing or potential, suspected or unsuspected, legal, statutory, or equitable, that result from, arise out of, are based upon, or relate to any aspect of any Covered Conduct related to Chase's consumer credit card business, to the extent that such practices occurred before the Effective Date. The released liabilities, claims, and causes of action include but are not limited to civil or

administrative liabilities, claims, or causes of action pursuant to consumer protection statutes, other consumer-related laws, civil fraud laws, or the common law, including, but not limited to, Cal. Bus. & Prof. Code § 17200 et seq., Cal. Bus. & Prof. Code § 6077.5, the Rosenthal Fair Debt Collection Practices Act, Cal. Civ. Code § 1788 et seq., the Servicemembers Civil Relief Act, 50 U.S.C. Appendix § 501 et seq., Cal. Mil. & Vet. Code § 400 et seq., Cal. Rules of Court Rule 1.20, Cal. Code. Civ. P. §§ 396a, 446, 1010.6, & 585, and Cal. Penal Code § 118 et seq.

A. "Chase Related Persons" shall mean JPMorgan Chase & Co., Chase Bank USA, N.A., and Chase BankCard Services, Inc. and their predecessors, successors, assigns, parent corporations, subsidiaries, affiliates, holding companies, divisions, unincorporated business units, joint venturers, partners, insurers, officers, directors, shareholders, managers, employees, agents, servants, representatives, officials, attorneys (except as to outside law firms explicitly excluded in subparagraph B of this Section), associates and trustees.

B. "Covered Conduct" means those aspects of Chase's consumer credit card business that relate to (1) any aspect of Collections Litigation, including without limitation communications to Consumers sent after referral to Collections Litigation in anticipation of Collections Litigation; processes and procedures for signing affidavits and other Declarations prepared for use in Collections Litigation; the preparation or provision of information or other documentation, including Declarations and verified complaints, in connection with Collections Litigation; service of process; Chase's liability for actions taken by Chase's outside law firms related to Collections Litigation, including without limitation the determination of fees and interest owed by a Consumer in connection with any Debt (any claims against outside law firms themselves are not released and are explicitly preserved); and reporting to or communications with Consumer Reporting Agencies arising out of or concerning Collections Litigation; (2) any aspect of Debt Sales, including without limitation signing affidavits or Declarations prepared for use by Debt Buyers; the preparation or provision of information or other documentation, including Declarations, for or to any Debt Buyer or Consumer in connection with or following any Debt Sale; reviewing the business practices of and negotiating with Debt Buyers; and reporting to or communications with Consumer Reporting Agencies arising out of or concerning

Debt Sales; (3) the provision of information or documentation concerning any Debt, including Declarations, in connection with a bankruptcy, arbitration or probate proceeding, or a proof of claim; and (4) any other conduct alleged or at issue in *The People of the State of California v. JPMorgan Chase & Co. et al.*, No. BC508466 (Super. Ct. Los Angeles County, filed May 9, 2013).

C. The People of the State of California and Chase acknowledge that they have been advised by their attorneys of the contents and effect of Section 1542 of the California Civil Code and hereby expressly waive with respect to this Judgment any and all provisions, rights and benefits conferred by Section 1542.

D. This release does not preclude or affect any right of the parties to determine and ensure compliance with this Judgment, or to seek enforcement or penalties for any violations of this Judgment.

E. Upon the entry of this Judgment, the action styled *California v. JPMorgan Chase & Co. et al.*, No. BC508466 (Super. Ct. Los Angeles County, filed May 9, 2013), is dismissed with prejudice. Each party shall bear its own costs and fees except as otherwise expressly provided herein.

F. This Judgment, release and dismissal are neither an admission of liability for the allegations contained herein or in cases settled pursuant to this Judgment, nor a concession by the Attorney General that the state of California's claims are not well-founded.

71. Nothing in this Judgment shall be construed to create, waive, or limit any private right of action, including any claims individual Consumers have or may have under state consumer protection laws against any person or entity, including Chase.

72. The obligations of Chase under Paragraphs 46-52 shall apply to Debt Sales entered into after the Effective Date.

73. The obligations of Chase under Paragraphs 53 (A)-(C), (I), (L), (M), and (N) related to declarations shall have no termination date.

74. The obligations of Chase under all other paragraphs shall terminate on January 1, 2020.

75. Termination of such obligations as provided in this Section shall not relieve Chase from the obligation to complete the consumer redress specified above.

76. Calculation of time limitations will run from the Effective Date and be based on calendar days, unless otherwise noted.

77. The parties agree that the provisions of this Judgment are enforceable by the Attorney General before this Court. In any such enforcement action, the Attorney General may seek relief to enforce this Judgment, including injunctive relief, damages, penalties, and any other relief provided by California law, federal law, or authorized by a court of competent jurisdiction.

78. This Judgment contains the complete agreement between the parties. The parties have made no promises, representations, or warranties other than what is contained in this Judgment. This Judgment supersedes any prior oral or written communications, discussions, or understandings.

VIII.

OTHER TERMS

79. Pursuant to California Code of Civil Procedure section 664.6, this Court grants the parties' request that it retain jurisdiction over the parties for the purpose of enabling any party to the Judgment to apply to the Court at any time for such further orders and directions as may be necessary or appropriate for the construction or the carrying out of this Judgment, for the modification of any of the conduct provisions hereof, for enforcement of compliance herewith, and for the punishment of violations hereof, if any.

80. The clerk is ordered to enter this Judgment forthwith.

ORDERED AND ADJUDGED at Los Angeles, California.

DATED: 11-3-15

JANE L. JOHNSON

JUDGE OF THE SUPERIOR COURT

EXHIBIT A

In accordance with Paragraph 57(A)(iii), the language found below, or substantially similar language that is not materially different, will be included as part of communications to Consumers whom Chase sued for a credit card Debt if Chase obtained a judgment in that lawsuit between January 1, 2009 and June 30, 2014. The communication will include the following:

- Chase entered into an agreement with the California Attorney General on _____, 2015; the Attorneys General of other states and the U.S. Consumer Financial Protection Bureau on July ___, 2015; and with the Office of the Comptroller of the Currency on September 18, 2013.
- Chase will request that the three major credit card reporting agencies (Equifax, Experian, and Trans Union) not report the Chase judgment against you. Once Chase submits this request, it is up to each credit reporting agency to decide whether to report the judgment.
- This notice is for your information only and you do not have to take any action regarding this letter.
- If you have any questions or concerns you may contact Chase toll free at _____.

If the judgment is currently owned by Chase, the notice will also include the following:

- Chase will no longer try to collect money from you based on its judgment against you.
- Chase has stopped and has agreed to stop any effort to enforce the judgment, including active wage garnishments, bank levies and similar collection efforts. If you are aware of any enforcement efforts in connection with your judgment, please contact us toll free at _____.
- Chase will not sell your judgment to a debt buyer or any other company.

DECLARATION OF SERVICE BY ELECTRONIC TRANSMISSION THROUGH CASE ANYWHERE

Case Name: **People v. JPMorgan Chase & Co., et al.**

Case No.: **BC508466**

I declare:

I am employed in the Office of the Attorney General, which is the office of a member of the California State Bar, at which member's direction this service is made. I am 18 years of age or older and not a party to this matter; my business address is 300 South Spring Street, Suite 1702, Los Angeles, CA 90013.

On **November 2, 2015**, I caused a true and correct copy of the attached **STIPULATION FOR ENTRY OF JUDGMENT** to be electronically transmitted to the following parties on the Electronic Service List maintained by Case Anywhere, in the manner set forth in the Court's Order Authorizing Electronic Service, dated November 8, 2013:

Morgan, Lewis & Bockius LLP
Michelle Chiu, Esq.
(mchiu@morganlewis.com)
Jami McKeon, Esq.
(jmckeon@morganlewis.com)
One Market Street, Spear Street Tower
San Francisco, CA 94105
Phone: (415) 442-1000
Fax: (415) 442-1001

Representing: Chase Bank USA, N.A.
Chase Bankcard Services, Inc.
JP Morgan Chase & Co.

Morgan, Lewis & Bockius LLP
Brian Jazaeri, Esq.
(bjazaeri@morganlewis.com)
David Schrader, Esq.
(dschrader@morganlewis.com)
300 South Grand Avenue, Suite 2200
Los Angeles, CA 90071
Phone: (213) 612-2500
Fax: (213) 612-2501

Representing: Chase Bank USA, N.A.
Chase Bankcard Services, Inc.
JP Morgan Chase & Co.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct and that this declaration was executed on **November 2, 2015**, at Los Angeles, California.

Joyce AguinsOlmos
Declarant

Signature