

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

CIRCUIT COURT OF OREGON
MARION COUNTY

<p>IN THE MATTER OF:</p> <p>CHASE BANK USA, N.A. and CHASE HOME FINANCE, LLC,</p> <p style="padding-left: 40px;">Respondents.</p>	<p>Case No. <u>06C21831</u></p> <p>ASSURANCE OF VOLUNTARY COMPLIANCE</p>
---	--

WHEREAS, pursuant to Oregon Revised Statutes § (“ORS”) 646.632(2), this Assurance of Voluntary Compliance (hereinafter "Assurance") is entered into between the State of Oregon, by its Attorney General on the one hand and Chase Bank USA, N.A., and Chase Home Finance, LLC (collectively, “Chase” or “Respondents”) on the other hand, resolving claims with respect to Respondents’ use of Check and Non-Check Solicitations, as those terms are defined below;

WHEREAS, in addition to this Assurance, Respondents have entered into a settlement agreement with the State of California in the form of a stipulated judgment resolving claims with respect to Respondents’ use of Check and Non-Check Solicitations and agreements in the form of voluntary assurances with the States of Alaska, Connecticut, Iowa, Illinois, Maine, Michigan, Missouri, New Jersey, North Carolina, Pennsylvania, Tennessee, Vermont and Washington;

WHEREAS, all states identified above are hereinafter collectively referred to as the “Settling States;”

WHEREAS, Respondent Chase Bank USA, N.A. (“Chase Bank”) was and is a national bank, with its principal place of business at 200 White Clay Center, Newark, Delaware 19711;

WHEREAS, Respondent Chase Home Finance, LLC (“Chase Home Finance”) was and is a Delaware limited liability company, and is the successor by merger to Chase Manhattan Mortgage Corporation, with its principal place of business at 194 Wood Avenue South, Iselin, New Jersey;

1 WHEREAS, from approximately July 2, 2001 and continuing through the present,
2 Respondents contracted with Non-Chase Membership Marketers, as that term is defined below,
3 regarding the advertising and offering for sale of membership-based travel, shopping, health, dental,
4 entertainment and consumer protection services to residents of this state who are Account Holders,
5 as that term is defined below;

6 WHEREAS, the Membership Programs advertised and offered for sale to Respondents'
7 Account Holders pursuant to the contracts between Respondents and the Non-Chase Membership
8 Marketers include but are not limited to the following programs operated by Non-Chase
9 Membership Marketers: (A) AutoVantage Gold; (B) Buyers Advantage; (C) CompleteHome; (D)
10 Elite Excursions; (E) Event Privileges; (F) Everyday Values; (G) Everyday Values Gold; (H) Great
11 Fun; (I) HealthSaver; (J) Hotline; (K) IdentitySecure; (L) Just for Me; (M) National Home
12 Protection; (N) Shoppers Advantage; (O) Small Business Central; and (P) Travelers Advantage;.

13 WHEREAS, the contracts between Respondents and Non-Chase Membership Marketers
14 authorized the marketing of Membership Programs to Respondents' Account Holders by means of
15 direct mail, in the form of Check and Non-Check Solicitations, as those terms are defined below;

16 WHEREAS, the Settling States allege that Respondents have operated in violation of their
17 respective consumer protection and trade practice statutes, including Oregon's Unlawful Trade
18 Practices Act, ORS 646.605 *et seq.*, by, among other practices, failing to disclose clearly and
19 conspicuously to consumers the consequences of cashing or depositing a check that is a solicitation
20 to purchase a membership in a Membership Program, or of accepting a Non-Check Solicitation,
21 including the charges that could accrue as a result, and failing to disclose clearly and conspicuously
22 the relationship between Respondents and Non-Chase Membership Marketers;

23 WHEREAS, Respondents deny all allegations raised by the Settling States and contend that
24 at all times they have engaged in lawful conduct regarding Membership Programs and Check and
25 Non-Check Solicitations;

26 WHEREAS, the parties, having consented to the entry of this Assurance for the purposes of
settlement only, without this Assurance constituting evidence against or any admission by any party,

1 and without trial of any issue of fact or law, and without this Assurance constituting any admission
2 of liability or wrongdoing by Respondents or any other party, and with the understanding that
3 Respondents' position is that they have at all times been in compliance with all applicable laws, and
4 with the understanding that by entering into this Assurance, Respondents do not agree or concede
5 that the claims or allegations asserted by the Settling States have merit;

6 NOW THEREFORE, the parties agree to the following terms and conditions to settle the
7 differences between them:

8 **I. DEFINITIONS**

9 1. Unless otherwise specified, the following definitions shall apply:

10 A. **"Account"** means a credit card account, debit card account, checking account,
11 savings account, loan account, mortgage account or other similar account, of the Chase
12 Parties, in connection with which Membership Programs are sold to a consumer.

13 B. **"Account Holder"** means a person who is contractually obligated to pay
14 amounts due on an Account.

15 C. **"Affiliate"** means any company that is controlled by one of the Chase Parties.

16 D. **"Authorized User"** means an Account Holder or a person authorized to
17 make charges to an Account.

18 E. **"Automatic Renewal"** means a plan or arrangement under which a
19 Membership Program is automatically renewed at the end of the initial membership term, and
20 thereafter renewed continually for successive membership terms, unless the consumer
21 affirmatively cancels the membership. A "membership term" does not include any portion
22 of a trial period included in a "Trial Offer."

23 F. **"Chase Parties"** means Chase Bank U.S.A., N.A and Chase Home Finance
24 LLC, successor-in-interest to Chase Manhattan Mortgage Corporation, together with their
25 successors, assigns and subsidiaries, acting directly or through any of their officers, directors,
26 employees, or salespersons. If, subsequent to the Effective Date, any Chase Party acquires a
non-affiliated credit card or mortgage lender (an "Acquired Business"), such Acquired

1 Business shall be deemed not to be a Chase Party for purposes of this Assurance until after
2 the acquisition is fully consummated and the Chase Parties have had sufficient time, not to
3 exceed 180 days, to modify the computer and other operating systems of the Acquired
4 Business to comply with the requirements of this Assurance.

5 **G. "Check Solicitation"** means any offer, sent by Mail, of a live check, the
6 cashing or depositing of which obligates a consumer to purchase or renew a membership in a
7 Membership Program, either immediately or upon the expiration of a Trial Offer, unless the
8 consumer affirmatively cancels the membership in the Membership Program.

9 **H. "Effective Date"** means the date on which all of the Settling States, through
10 the Office of the California Attorney General, have delivered to the Chase Parties all
11 signatures, and any court orders, necessary for all Settlement Documents to be effective.

12 **I. "Express Consent"** means, in regard to a written response to a Check or Non-
13 Check Solicitation, an Authorized User's or Account Holder's express and affirmative
14 written consent to charge a Membership Charge to an Account, either immediately or upon
15 the expiration of a Trial Offer, unless the Authorized User or Account Holder affirmatively
16 cancels his or her membership. An Account Holder's or Authorized User's signature (as an
17 endorsement on a check or otherwise) provided in response to a Check Solicitation or
18 Non-Check Solicitation that complies with this Assurance and which employs the exact text
19 (rather than substantially similar words that have the same substantive meaning and do not
20 materially change the meaning of that text) set forth in, as applicable to the particular Check
21 or Non-Check Solicitation, Sections (A)(1), (A)(2), (A)(3)(c), and/or (C)(4) of paragraph 2,
22 below, shall be deemed to be Express Consent.

23 **J. "Fulfillment Materials"** means materials such as brochures, pamphlets, and
24 the like that include the terms and conditions of a Membership Program, sent by any non-
25 Chase Membership Marketer to a consumer after he or she has given Express Consent to
26 purchase a membership in a Membership Program.

1 **K.** “**Mail**” means to send by United States mail or other physical delivery
2 method such as courier, UPS or Federal Express, but excluding electronic mail and other
3 internet communications.

4 **L.** “**Membership Charge**” means any amount charged to an Account for an
5 initial or renewal membership in a Membership Program.

6 **M.** “**Membership Program**” means any membership product or service (other
7 than a product or service the providing of which would be a financial activity, as that term is
8 defined in 12 U.S.C. § 1843(k) and regulations promulgated thereunder), where the
9 membership product or service is reasonably contemplated to involve repeated periodic
10 charges to an Account unless the consumer cancels his or her membership in the Membership
11 Program. This definition excludes one-time sales transactions unless they involve Automatic
12 Renewals or require consumers to affirmatively cancel their membership in order to avoid
13 repeated periodic charges to an Account.

14 **N.** “**Non-Check Solicitation**” means any offer, sent by Mail, of a benefit or of
15 other valuable consideration, which is promoted as “free” and is an amount credited to an
16 Account or is cash, a gift card, a savings bond, or a voucher that can be exchanged for a
17 credit to an Account, a gift card or any cash equivalency, by which a consumer becomes
18 obligated to purchase or renew a membership in a Membership Program, either immediately
19 or upon the expiration of a Trial Offer, unless he or she affirmatively cancels his or her
20 membership in the Membership Program. Notwithstanding the foregoing, a solicitation is
21 not a Non-Check Solicitation if: (i) by accepting the consideration or benefit alone, the
22 consumer does not incur any obligations or make any purchases; (ii) the offer requires the
23 consumer to accept by affirmatively filling in a credit card number or other billing
24 information (i.e., no account information is pre-printed or linked to the solicitation and a
25 non-Chase Party account number may be provided); and (iii) the consumer will be billed only
26 if he or she provides that information fully and completely.

1 with [applicable Chase Parties]]. At the end of each [membership term,
2 or, if billed monthly, each billing cycle], [Membership Program] will
3 charge your [name of Account] Account the membership fee in effect
4 at that time unless you call to cancel.”

5 (2) *For Non-Check Solicitations*, the following statement or substantially
6 similar words that have the same substantive meaning and do not materially change
7 any of the terms of the disclosure:

8 “Accepting the enclosed offer will result in a charge of \$ [then current
9 (annual or monthly, as applicable) fee] to your [name of Account] for
10 a membership in [Membership Program] unless you cancel within the
11 Trial Offer period. To cancel, you must call [toll-free number] within
12 [length of Trial Offer period] of the date you receive your Membership
13 Fulfillment Materials. We will not have to ask for [if applicable: your
14 [name of Account] Account number or] your further consent in order
15 to charge you. [If applicable: [Membership Program] is not affiliated
16 with [applicable Chase Parties].] At the end of each [membership term,
17 or, if billed monthly, each billing cycle], [Membership Program] will
18 charge your [name of Account] Account the membership fee in effect
19 at that time unless you call to cancel.”

20 (3) The disclosures required by subparagraphs (1) and (2) must be made in
21 the Check or Non-Check Solicitation in any one or more of the following ways:

22 (a) in the first paragraph of the main body;

23 (b) in the first page of the main body in type which is bold in
24 comparison to the majority of other text on the page;

25 (c) in the main body, if a clear and conspicuous notice is included
26 at the bottom of the first page of the main body stating the following, or

substantially similar words that have the same substantive meaning and do not

1 materially change the terms of the disclosure: "Important Notice: Your [name
2 of Account] Account will automatically be charged for the membership fee if
3 you accept this offer and fail to cancel within the Trial Offer period. See [as
4 applicable: below, over, next page, page __] for details;" or

5 (d) in the main body, if there is included on the first page of the
6 main body clear and conspicuous information regarding the Membership
7 Program, including (i) the price; (ii) that the consumer will be charged if he or
8 she does not cancel within the Trial Offer period; (iii) the terms of the
9 Automatic Renewal feature; and, if applicable, (iv) a statement that the
10 Membership Program is not affiliated with the particular Chase Party. Items
11 (i) through (iii) shall be disclosed in close proximity to one another, without
12 the use of any form of any of the words specified in paragraph 3 when
13 providing this information.

14 (4) For both Check and Non-Check Solicitations, clear and conspicuous
15 statements that:

16 (a) The consumer should keep this notice (or a copy of this notice)
17 for his or her records; and

18 (b) The consumer should expect in the Mail, within four to six
19 weeks of providing Express Consent, Fulfillment Materials regarding
20 the consumer's membership in the Membership Program.

21 **B.** If any Check or Non-Check Solicitation includes the use of a Trial Offer,
22 failing to require contractually any Non-Chase Membership Marketer to disclose, clearly and
23 conspicuously in the Check or Non-Check Solicitation a statement that the Trial Offer shall
24 commence as of the date the consumer receives the Fulfillment Materials. The date of
25 receipt shall be deemed to be five days after the Fulfillment Materials are sent by first class
26 Mail. If the Fulfillment Materials are sent by second or third class Mail, receipt shall be

1 deemed to be nine days after such mailing. Cancellations shall be honored for a period of
2 fifteen (15) days after the end of the Trial Offer period.

3 C. For Check Solicitations,

4 (1) Failing to require contractually any Non-Chase Membership Marketer
5 to disclose, clearly and conspicuously on the face of a check offered with a Check
6 Solicitation a statement that notifies the consumer that by depositing or cashing the
7 check, the consumer is purchasing a membership in the specific Membership
8 Program.

9 (2) Failing to contractually bar any Non-Chase Membership Marketer
10 from including on the face of a check offered with a Check Solicitation any
11 description of an accompanying Trial Offer as “free,” “complimentary,” or “risk-
12 free,” or similar terms or any reference to “Cash Disbursements Office” or similar
13 terms.

14 (3) Failing to contractually bar any Non-Chase Membership Marketer
15 from including any writing above the endorsement line on the back of any check
16 offered with a Check Solicitation other than (i) a writing that is required by law; (ii) a
17 copyright notice or other writing, but only if that writing is necessary to protect or
18 identify intellectual property rights of the Chase Parties or a Non-Chase Membership
19 Marketer; (iii) a writing that the Chase Parties or a Non-Chase Membership Marketer
20 believes in good faith to be required by law or necessary to avoid potential liability;
21 and (iv) the disclosure required by subparagraph (4) below.

22 (4) Failing to contractually require any Non-Chase Membership Marketer
23 to include, clearly and conspicuously above the endorsement line on the back of any
24 check offered with a Check Solicitation, the following disclosure, or substantially
25 similar words that have the same substantive meaning and do not materially change
26 the terms of the disclosure:

1 “By cashing this check I agree to a Trial Offer in [Membership
2 Program] and understand that \$ [then current (monthly or annual, as
3 applicable) fee] will automatically be charged to my [name of
4 Account] Account unless I cancel my membership by calling [toll-free
5 number] before the end of the Trial Offer period. I understand that I
6 will also be charged every [membership period] at the then current fee
7 and must cancel to avoid future fees and receive any applicable
8 refund.”

9 **D.** Failing to require contractually any Non-Chase Membership Marketer to
10 refrain from making any false or misleading representation, expressly or by implication, that
11 the Check Solicitation or any benefit offered through a Non-Check Solicitation:

12 (1) is a refund, rebate, reward or other benefit conferred because of a
13 business relationship between one of the Chase Parties and the consumer; or

14 (2) is anything other than a benefit or incentive offered for the purchase of
15 a membership in a Membership Program.

16 Notwithstanding the foregoing, the use of name(s) or logo(s) of any of the Chase
17 Parties or their affiliates, shall not, in and of itself, be deemed to make such a representation,
18 and the Chase Parties and any Non-Chase Membership Marketer shall not be prohibited from
19 describing any rebate program that is included as part of the Membership Program.

20 **E.** Failing to require contractually any Non-Chase Membership Marketer to
21 refrain from making any false or misleading representation, expressly or by implication, that
22 the Membership Program, any check or benefit offered through a Check Solicitation, or any
23 benefit offered through a Non-Check Solicitation is a program, service or benefit offered by
24 any entity other than the entity that provides the Membership Program; provided, however,
25 that the use of names or logos of a third party shall not, in and of itself, be deemed to make
26 such a representation.

1 **F.** Failing to require contractually any Non-Chase Membership Marketer to send
2 by Mail or other delivery mechanism that is reasonably designed to reach the consumer
3 within four weeks of obtaining his or her Express Consent, Fulfillment Materials that clearly
4 and conspicuously disclose:

5 (1) on the first page of the welcome letter accompanying the Fulfillment
6 Materials:

7 (a) a statement in bold face, underlined type, or otherwise
8 displayed more prominently than the surrounding text, informing the
9 Authorized User that he or she has purchased a membership in [Membership
10 Program name] and that he or she has [number of days in the Trial Period]
11 from the date of the receipt of this welcome letter to cancel the membership in
12 order to avoid being charged for the membership;

13 (b) the consumer's membership number in the Membership
14 Program;

15 (c) the length of the Membership Period;

16 (d) the amount and frequency of the Membership Charge;

17 (e) that the Membership Charge has been or will
18 automatically be billed to the Authorized User's account, and,
19 if subject to Automatic Renewal, that the Authorized User's
20 Membership will be renewed and the Membership Charge will
21 be automatically billed to the Authorized User's Account for
22 each successive period unless the Authorized User cancels the
23 membership;

24 (f) an explanation of the cancellation procedures, including a
25 toll-free telephone number which may be used for that purpose; and

26 (g) a statement that the consumer should keep these Fulfillment

 Materials for his or her records.

1 (2) on the outside of the envelope containing the Fulfillment Materials, a
2 statement in no less than 14 point, bold type indicating “Materials For Membership
3 You Ordered” or substantially similar words that have the same substantive meaning
4 and do not materially change the terms of the disclosure.

5 G. For renewal notices,

6 (1) Failing to require contractually any Non-Chase Membership Marketer
7 to send Automatic Renewal notices to consumers, by Mail or other delivery
8 mechanism that includes address forwarding, as follows:

9 (a) for each of the consumer’s memberships that are billed less
10 frequently than quarterly a renewal notice between thirty (30) and sixty (60)
11 days prior to each renewal billing date; and

12 (b) for each of the consumer’s memberships, regardless of the
13 frequency Membership Charges are billed, a renewal notice between thirty
14 (30) and sixty (60) days prior to the effective date of either any increase in the
15 Membership Charge for the Membership Program or any change in the
16 frequency of assessing the Membership Charge for the Membership Program,
17 such as a change from annual to monthly billing. Renewal notices sent
18 pursuant to this subparagraph shall include all information required by
19 subparagraph (G)(2), immediately below, as well as an explanation of the
20 increase in the Membership Charge or change in the billing frequency.

21 (2) Failing to require contractually any Non-Chase Membership Marketer
22 to include, clearly and conspicuously in all renewal notices sent pursuant to
23 subparagraphs (G)(1)(a) and (b), above, the following:

24 (a) The terms of the cancellation policy for the Membership
25 Program and a toll-free telephone number which a consumer may call to
26 cancel his or her membership; and either

1 (b) For consumers billed less frequently than quarterly, notice of
2 the length of the renewal period; the amount of the Membership Charge; that
3 the consumer is about to be renewed and charged for the next Membership
4 Program term unless he or she or cancels; and the deadline by which a
5 consumer must cancel in order to avoid being billed for the Membership
6 Charge; or

7 (c) For consumers billed quarterly or more frequently, a reminder
8 of the amount of the Membership Charge and the frequency that the
9 Membership Charge is billed or charged;

10 (3) For consumers who as of the Effective Date have one or more
11 memberships in a Membership Program which are billed quarterly or more
12 frequently, and unless the Non-Chase Membership Marketer already sends renewal
13 notices that comply with subparagraphs (G)(1) and (G)(2) above, failing to require
14 contractually any Non-Chase Membership Marketer to send, by Mail or other
15 delivery mechanism that includes address forwarding, a notice specifying: the terms
16 of the cancellation policy for the Membership Program; a toll-free telephone number
17 which a consumer may call to cancel his or her membership; and a reminder of the
18 amount of the Membership Charge and the frequency that the entity offering the
19 Membership Program will bill or charge the Membership Charge. Notices provided
20 pursuant to this subparagraph shall be sent no later than 120 days after the Effective
21 Date.

22 (4) Failing to require contractually any Non-Chase Membership Marketer
23 to include on the outside of an envelope, the front of a postcard, or on the exterior of
24 the applicable mailing piece containing an Automatic Renewal notice or the notice
25 required by subparagraph (G)(3), above, a statement in no less than 14-point, bold
26 type indicating "Membership Renewal Notice" or substantially similar words that

1 have the same substantive meaning and do not materially change any of the terms of
2 the disclosure.

3 (5) Failing to require contractually any Non-Chase Membership Marketer
4 to include the consumer's membership number in the Membership Program in any
5 renewal notices sent pursuant to subparagraph (G)(2) above.

6 **H.** Failing to require contractually that Non-Chase Membership Marketers:

7 (1) prior to billing, first obtain the Express Consent of the Authorized
8 User and then maintain the original, a copy, or an electronic copy of the Express
9 Consent of the Authorized User in a manner that ensures access to such record
10 reasonably promptly for at least 24 months from the date such Express Consent is
11 obtained and, upon written request by, make such record available to the Attorney
12 General's Office of [State];

13 (2) disclose or provide information to any billing entity sufficient to
14 disclose, to the extent practical, the name of the Membership Program, the
15 membership number and a clearly identifiable toll-free telephone number for
16 customer service on each billing statement or invoice reflecting a Membership
17 Charge;

18 (3) not include Check Solicitations or Non-Check Solicitations with an
19 Account Holder's billing statement unless such solicitations are clearly and
20 conspicuously differentiated from the billing statement, but the fact that a Check or
21 Non-Check Solicitation is included in the same envelope as a billing statement shall
22 not by itself be deemed to be a violation of this provision.

23 **I.** For Membership Charges billed by any of the Chase Parties on consumer
24 mortgage or other consumer installment loan Accounts:

25 (1) failing to disclose clearly and conspicuously on the first page of the
26 billing statement or invoice reflecting a Membership Charge, the following:

1 (a) that failure to pay the Membership Charge will not cause the
2 Account Holder to be in default on the Chase mortgage Account or other
3 installment loan Account as applicable;

4 (b) a toll free telephone number for customer service that the
5 Account Holder may call to cancel the Membership Charge or receive a
6 refund; and

7 (c) if equal to or less than 19 characters, the full name of the
8 Membership Program, or, if the full name of the Membership Program is more
9 than 19 characters, then, to the extent practical, the name of the Membership
10 Program.

11 A billing statement or invoice in substantially the form of Exhibit A hereto
12 shall be deemed to comply with requirements (a) through (c) above. Additionally, the
13 disclosures required by (a) through (c) above may be on the second page (or if not
14 feasible the earliest available subsequent page) of the statement or invoice, if there is
15 not sufficient space on the earlier page(s) to include both the disclosure and other
16 information that is legally required or otherwise necessary to document account
17 activity during the period of time covered by the billing statement.

18 (2) not including Check Solicitations and Non-Check Solicitations with
19 an Account Holder's billing statement unless such solicitations are clearly and
20 conspicuously differentiated from the billing statement, but the fact that a Check or
21 Non-Check Solicitation is included in the same envelope as a mortgage or other
22 billing statement shall not by itself be deemed to be a violation of this provision.

23 **J.** For Cancellations and Refunds, failing to require contractually that any Non-
24 Chase Membership Marketer:

25 (1) have a cancellation policy by which Account Holders may cancel any
26 membership in any Membership Program by providing his or her membership
number, or first and last name and billing address, either orally or in writing;

1 (2) disclose, clearly and conspicuously in Check and Non-Check
2 Solicitations and Fulfillment Materials, the terms and conditions of the cancellation
3 policy for the Membership Program;

4 (3) cancel a consumer's membership in a Membership Program within ten
5 (10) business days of receiving a cancellation request, including failing to cease
6 assessing any renewal fees after the consumer cancels his or her membership in a
7 Membership Program for any period after the effective date of cancellation, or
8 refunding any renewal charges that have already been processed for a term that has
9 not yet commenced, provided the consumer has provided his or her membership
10 number, or first and last name and billing address;

11 (4) process any applicable refund or account credit provided for under the
12 terms of the Membership Program cancellation policy for a membership cancelled by
13 the consumer within ten (10) business days of receiving the cancellation request,
14 including failing to credit to the consumer any renewal charges that have already been
15 processed for a term that has not yet commenced, provided that the consumer has
16 provided his or her membership number, or first and last name and billing address;

17 (5) notify each Authorized User who calls the Non-Chase Membership
18 Marketer to dispute a Membership Charge and in any way indicates that he or she did
19 not consent to, authorize, or understand that he or she would be assessed a
20 Membership Charge, of the cancellation policy for the Membership Program, and, if
21 the consumer elects to cancel the membership in the Membership Program, to honor
22 the cancellation and provide any credit or refund that is provided for under the
23 cancellation policy for that Membership Program, provided that the consumer
24 provides his or her membership number or first and last name and billing address;

25 (6) without requiring additional action by any consumer (other than
26 requesting that the consumer provide information necessary to process the
cancellation), to promptly credit or refund, in accordance with the cancellation policy

1 the amount (or portion thereof) of any unauthorized Membership Charge, less any
2 credit or refund such person may have already received related to such an
3 unauthorized Membership Charge; and

4 (7) maintain, a record of requests for cancellation of memberships in all
5 Membership Programs, whether received during a Trial Offer period or during a full
6 membership period, in a manner that ensures reasonable access to such records for at
7 least 24 months following such requests, and upon written request, make such records
8 available to the Attorney General of [STATE]. The records shall be in the form of
9 originals, copies or electronic copies of the internal records maintained by the entity
10 offering the Membership Program.

11 **K.** Failing to require contractually any Non-Chase Membership Marketer to
12 refrain from making any representation in any solicitation or notice to consumers, that is
13 contrary, whether directly or by implication, to any of the statements and disclosures required
14 by this Assurance.

15 **3.** Provisions of this Assurance which specifically permit required disclosures to be
16 made in “substantially similar words that have the same substantive meaning and do not materially
17 change any of the terms of the disclosure” shall not be construed to permit use of any form of the
18 following words in a disclosure: activate; enroll; initiate; join; or register.

19 **4.** The Chase Parties shall not enter into, amend or renew any contract with any Non-
20 Chase Membership Marketer for the purpose of marketing Membership Programs to customers of
21 any of the Chase Parties that does not comply with all of the provisions of paragraphs 2 and 3 above.
22 However, it shall be sufficient for the contract with the Non-Chase Membership Marketer to
23 incorporate this Assurance by reference and recite that the Non-Chase Membership Marketer has
24 been provided with a copy of it, without setting forth each of its provisions in the body of the
25 contract itself. In connection with the preparation or performance of such contracts, the Chase
26 Parties shall not require any act that is inconsistent with the provisions of paragraphs 2 or 3.

1 paragraph, Respondents shall pay the sum of \$125,000 to the Attorney General's Office of Oregon,
2 which shall be deposited in the Consumer Protection and Education Revolving Account provided by
3 ORS 180.095.

4 **IV. OTHER SETTLEMENT TERMS AND OBLIGATIONS**

5 **9.** Upon reasonable prior written notice, any duly authorized representative of the
6 Oregon Attorney General may request, and the Chase Parties shall provide, copies of such records as
7 may be reasonably necessary to determine whether the Chase Parties are in compliance with this
8 Assurance. This paragraph is limited to ensuring compliance with this Assurance, and the only
9 documents which the Attorney General may request are documents reasonably relating to the
10 offering of Membership Programs by Check and Non-Check Solicitations. The provision by the
11 Chase Parties of copies of records pursuant to this Section shall not be construed as a waiver of the
12 Chase Parties' contentions in regard to visitorial powers and federal preemption, as set forth in
13 Paragraph 13(A) below, nor shall the provision by the Chase Parties of copies of records pursuant to
14 this Section be deemed an examination of the Chase Parties.

15 **10.** Nothing in this Assurance shall be construed as relieving the Chase Parties of their
16 obligation to comply with all applicable state and federal laws, regulations or rules, or granting them
17 permission to engage in any acts or practices prohibited by such law, regulation or rule. This
18 Assurance shall supersede that certain Assurance dated December 2002 by and between First USA
19 Bank, N.A. and certain states, including Oregon, but only as to the rights and obligations of the
20 Chase Parties and Oregon under that Assurance in regard to Membership Programs offered through
21 Check and Non-Check Solicitations.]

22 **11.** The Attorney General of Oregon shall have the authority to enforce or seek sanctions
23 for violations of the provisions of this Assurance in the duly constituted courts of Oregon. The
24 Chase Parties agree not to assert that any such action to enforce or seek sanctions for violations of
25 the provisions of this Assurance are preempted under any federal law or regulation. However, the
26 Chase Parties shall not be liable under this Assurance for the acts or omissions of any Non-Chase
Membership Marketer.

1 **12. Release by Oregon**

2 **A.** This Assurance constitutes a complete settlement and release by the Attorney
3 General of Oregon of all civil claims and causes of action against the Chase Parties relating
4 to or based upon Membership Programs offered by Non-Chase Membership Marketers
5 through the use of Check or Non-Check Solicitations which existed as of the Effective Date
6 and which could have been asserted by the Attorney General of Oregon, either individually
7 or collectively with the Attorneys General of other states, under the Unlawful Trade Practices
8 Act, ORS 646.605 *et seq.* or any other consumer protection laws which give the Attorneys
9 General the authority to sue, but does not release any anti-trust, charitable trust, or tax claims,
10 or claims regarding methods of solicitation other than Check or Non-Check Solicitations.

11 **B.** Oregon agrees that before seeking any relief from any court for any alleged
12 violation of this Assurance, and if in the discretion of the Attorney General's Office of
13 Oregon, the violation does not threaten the health, safety, or welfare of the citizens of
14 Oregon, Oregon will give the Chase Parties ten (10) business days written notice of the
15 alleged violation. The Chase Parties shall be provided the opportunity to respond to Attorney
16 General's office regarding the alleged violation within the ten (10) business day period.

17 **13. A.** It is the position of the Chase Parties that only the Office of the Comptroller
18 of the Currency (the "OCC") may exercise visitatorial powers over the Chase Parties, including
19 without limitation, the regulation, examination and supervision of the Chase Parties and their
20 activities, as well as the enforcement of all applicable federal and state consumer protection laws,
21 rules and regulations. By entering into this Assurance and agreeing that it may be enforced in the
22 duly-constituted courts of Oregon, the Chase Parties do not waive their position as to visitatorial
23 powers, federal preemption or any other defense in regard to any future dispute between the Chase
24 Parties and any State on any subject other than the interpretation or enforcement of this Assurance.
25 The Chase Parties's consent to jurisdiction in the duly constituted courts of Oregon for enforcement
26 proceedings in regard to this Assurance is not a waiver or consent to jurisdiction in any matter

unrelated to the enforcement or interpretation of this Assurance.

1 **B.** It is Oregon's position that it has the authority to enforce and is not preempted
2 from enforcing all applicable state consumer protection laws against the Chase Parties regarding the
3 marketing of Membership Programs by Check and Non-Check Solicitations. Further, Oregon does
4 not waive its contention and reserves the right to assert that any claim(s) it may raise in any
5 subsequent dispute with any of the Chase Parties is not preempted or otherwise barred by any federal
6 law or regulation.

7 **14.** The parties agree that the Chase Parties may approach the Attorney General's Office
8 of Oregon to request amending or terminating provisions of this Assurance in light of new or
9 evolving technologies, business models, settlements, laws, regulations, interpretations, the passage
10 of time, or other relevant changes in circumstances, and the Attorney General's Office of Oregon
11 shall reasonably consider such requests and advise the Chase Parties of the Attorney General's
12 approval or denial within 45 days after receiving such request. The decision whether to grant any
13 such request to modify or terminate this Assurance shall rest within the discretion of the Office of
14 the Attorney General of Oregon, except that if any law or regulation subsequently adopted by
15 Oregon or any applicable regulatory body of Oregon is expressly inconsistent with any provision of
16 this Assurance, the Attorney General's Office of Oregon shall agree to modify that provision of this
17 Assurance to the extent necessary to eliminate such inconsistency.

18 **15.** Notices to be given under this Assurance are sufficient if given by nationally
19 recognized overnight courier service or certified Mail (return receipt requested), or personal delivery
20 to the named party at the address below:

21 **A.** If to any of the Chase Parties:

22 JP Morgan Chase & Co.
23 Attn: Chief Legal Officer
24 Office of General Counsel
25 270 Park Avenue, Floor 9
26 Mail Code NY1-K249
 New York, NY 10017

and

1 Jill A. Centella, Esq.
2 JPMorgan Chase Bank
3 10 South Dearborn, Floor 11
4 Mail Code IL1-0287
5 Chicago, IL 60603

6 **B. If to the Attorney General of [State]:**

7 Chin See Ming
8 Oregon Department of Justice
9 Civil Enforcement Division
10 Financial Fraud/Consumer Protection Section
11 1162 Court Street NE
12 Salem, OR 97301-4096

13 Notice is effective when delivered personally; or three (3) business days after it is sent by
14 certified Mail; or on the business day after it is sent by nationally recognized courier service for next
15 day delivery. Any party may change its notice address by giving notice in accordance with this
16 paragraph.

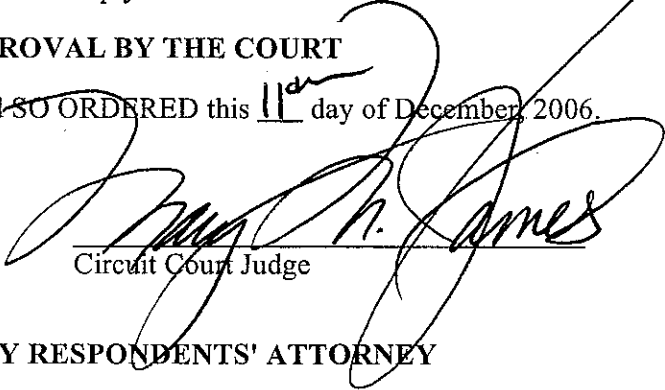
17 **16.** The Chase Parties expressly disclaim and deny any wrongdoing whatsoever. This
18 Assurance and all negotiations, statements, and proceedings in connection therewith shall not be
19 construed as or deemed to be evidence of an admission or concession on the part of any of the Chase
20 Parties of any liability or wrongdoing by them, and shall not be offered or received in evidence in
21 any action or proceeding, or used in any way, as an admission, concession or evidence of any
22 liability or wrongdoing of any nature on the part of any Chase Party, and shall not be construed as,
23 or deemed to be evidence of, an admission or concession that any person suffered any compensable
24 harm or is entitled to any relief.

25 **17.** The Chase Parties' obligation to comply with the operative terms of this Assurance as
26 reflected in paragraphs 2 through 7 shall commence 180 days after the Effective Date, except that:
27 (a) any contracts entered into with any Non-Chase Membership Marketer at any time after the
28 Effective Date shall comply with the applicable terms of this Assurance; and (b) in regard to
29 Accounts maintained on the Chase Home Finance LLC "LSAMS" system, the Chase Parties'
30 obligation to comply with paragraph 2(H)(2) shall commence a reasonable time (but not later than

1 December 31, 2007) after those systems are fully operational and integrated into the Chase Home
2 Finance LLC "MSP" system. In regard to Accounts maintained on the Chase Home Finance LLC
3 "LSAMS" system, the Chase Parties represent that this delayed obligation to comply with paragraph
4 2(H)(2) (and only paragraph 2(H)(2)) as to those loans impacts approximately 4451 out of
5 approximately 181,067 consumer accounts that were in existence as of the Effective Date, and the
6 Settling States are relying on this representation in agreeing to this limited delay in the date that the
7 Chase Parties will begin to be obligated to comply with this Assurance.


8 **APPROVAL BY THE COURT**

9 APPROVED FOR FILING and SO ORDERED this 11th day of December, 2006.

10
11 
12 Circuit Court Judge

13 **REVIEW BY RESPONDENTS' ATTORNEY**

14 Approved as to form.

15
16 
17 _____
18 Julia B. Strickland
19 Stroock & Stroock & Lavan LLP
20 2029 Century Park East
21 Los Angeles, CA 90067-3086
22
23 Tel.: (310) 556-5806
24 Fax: (310) 556-5959
25 Email: jstrickland@stroock.com

26 Attorney for Respondents

1 Approved as to form.

2
3 

4

Stephen J. Newman
5 Stroock & Stroock & Lavan LLP
2029 Century Park East
Los Angeles, CA 90067-3086

6 Tel: (310) 556-5982
7 Fax: (310) 556-5959
8 Email: snewman@stroock.com

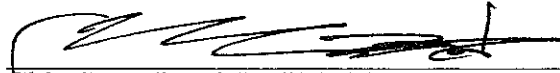
9 Attorneys for Respondents
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

ACCEPTANCE OF DOJ

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

Accepted this 11th day of December, 2006.

HARDY MYERS
Attorney General



Chin See Ming OSB #94494
Senior Assistant Attorney General
Department of Justice
1162 Court Street NE
Salem, OR 97301-4096

Tel.: (503) 947-4333
Fax: (503) 378-5071
Email: chin.s.ming@doj.state.or.us



THE RIGHT RELATIONSHIP IS EVERYTHING®

Customer Care Phone: 1-800-848-9136
Please send payments ONLY to: PO Box 78824
Phoenix AZ 85062-8824
Hearing Impaired (TDD): 1-800-582-0542

Loan Number: 1901234567
Statement Date: 09/05/03
Payment Due Date: 10/01/03
Property Address:
1068 Ellicot Ave, Lake Wobegon MN 56510

021203 2005 CHRS001R BX1004 BOR 29

#BWNJCCL
#31300190123456711# 24522 CC 0

JANE DOE
JOHN DOE
661 ELLICOT AVE
LAKE WOBEGON MN 56510-9929

|||||

Loan Information

Balances:
Principal Balance on 09/05/03 \$82,242.28
Escrow Balance on 09/05/03 \$623.82
Payment Factors:
Interest Rate 6.75000%
Principal & Interest \$969.35
Escrow Payment \$236.87
Optional Products \$16.00
Past Due Payment \$0.00
Unpaid Late Charges \$0.00
California Conventional Demand Fee \$0.00
Miscellaneous Fees \$0.00
Total Payment \$1222.22
Year-to-Date:
Interest \$6,621.54
Taxes \$2,233.44
Principal \$565.31

Activity Since Your Last Statement

TRANSACTION DESCRIPTION	TRANSACTION DATE	TOTAL RECEIVED	PRINCIPAL	INTEREST	ESCROW	OPTIONAL PRODUCTS	MISCELLANEOUS OR FEES
PAYMENT	11/01/02	1222.22	300.54	668.81	220.87	16.00	

Important Messages About Your Account

This Statement includes a charge for the following Optional Product(s):

Optional Product Provider	Product	Telephone Number	Monthly Charge
Trilegiant	Privacy Guard	8xx-xxx-xxxx	\$xxx.xx
Assurant	Mortgage Life	8xx-xxx-xxxx	\$xxx.xx

Failure to pay an Optional Product Monthly Charge will not cause your account to be in default.



THE RIGHT RELATIONSHIP IS EVERYTHING[®]
 Customer Care Phone: 1-800-848-9136
 Please send payments ONLY to: PO Box 78824
 Phoenix AZ 85062-8824
 Hearing Impaired (TDD): 1-800-582-0542

Loan Number: 1901234567
Statement Date: 09/05/03
Payment Due Date: 10/01/03
Property Address:
 1068 Ellicot Ave, Lake Wobegon MN 56510

021203 2005 CHR5001R BX1004 BOR 29

#BWNJCCL
 #31300190123456711# 24522 CC 0

JANE DOE
 JOHN DOE
 661 ELLICOT AVE
 LAKE WOBEGON MN 56510-9929

|||||

Loan Information
Balances:
 Principal Balance on 09/05/03 \$82,242.28
 Escrow Balance on 09/05/03 \$623.82
Payment Factors:
 Interest Rate 6.75000%
 Principal & Interest \$969.35
 Escrow Payment \$236.87
 Optional Products \$16.00
 Past Due Payment \$0.00
 Unpaid Late Charges \$0.00
 California Conventional Demand Fee \$0.00
 Miscellaneous Fees \$0.00
Total Payment \$1222.22
Year-to-Date:
 Interest \$6,621.54
 Taxes \$2,233.44
 Principal \$565.31

Activity Since Your Last Statement

TRANSACTION DESCRIPTION	TRANSACTION DATE	TOTAL RECEIVED	PRINCIPAL	INTEREST	ESCROW	OPTIONAL PRODUCTS	MISCELLANEOUS OR FEES
PAYMENT	11/01/02	1222.22	300.54	668.81	220.87	16.00	

Important Messages About Your Account

This Statement includes a charge for the following Optional Product(s):

Optional Product Provider	Product	Telephone Number	Monthly Charge
Trilegiant	Privacy Guard	8xx-xxx-xxxx	\$xxx.xx
Assurant	Mortgage Life	8xx-xxx-xxxx	\$xxx.xx

Failure to pay an Optional Product Monthly Charge will not cause your account to be in default.

Please detach and return the bottom portion of this statement with your payment using the enclosed envelope.



Please designate how you want to apply any additional funds. Undesignated funds first pay outstanding late charges and fees, then principal. Once paid, additional funds cannot be returned.

Loan Number: 1234567890
 John Chase, Joan Chase

Make your check or money order payable to Chase Home Finance and write your loan number on it. Please do not send cash.

*Scheduled payments received 15 or more days after the Scheduled Due Date are subject to a late charge of \$63.21.

Mailing address change indicated on back.

Making multiple full payments.

CHASE HOME FINANCE
 PO BOX 830006
 BALTIMORE MD 21283-0006

|||||

Total Amount Due \$ 2,574.00

See detail below:

Mortgage Payment:	\$1222.22	\$
Payments Past Due:	\$1222.22	\$
Unpaid Late Charges: If applicable, add \$63.21*	\$95.00	\$
Fees:	\$35.00	\$
Total Amount Due:	\$2574.44	\$
Additional Principal		\$
Additional Escrow (Tax and Insurance)		\$
Total Amount Enclosed		\$

00019012345677 313000 00122222 00128543 00257444 00005

CERTIFICATE OF SERVICE

I hereby certify that, on the date set forth below, I caused to be served the foregoing
ASSURANCE OF VOLUNTARY COMPLIANCE, by overnight courier in a sealed prepaid
envelope, on:

Julia B. Strickland
Stephen J. Newman
Stroock & Stroock & Lavan LLP
2029 Century Park East
Los Angeles, CA 90067-3086

Attorneys for Respondents

DATED: December 11, 2006.

HARDY MYERS
Attorney General



Chin See Ming OSB #94494
Senior Assistant Attorney General
Department of Justice
1162 Court Street NE
Salem, OR 97301-4096