

SETTLEMENT AGREEMENT

This Settlement Agreement ("Agreement") is entered into as of June 16, 2006 (the "Effective Date"), by and between JOHN DOVEL and SHARON GOLDENBERG, individually and as representatives of the putative plaintiff class (collectively, "Plaintiffs") and CHASE BANK USA, N.A. (successor in interest to First USA Bank, N.A, hereafter "Chase") and CHEVY CHASE BANK, F.S.B. (hereafter, "CCB")(collectively, Chase and CCB are referred to hereafter as "Defendants"), in the action entitled *Wells, et al. v. Chevy Chase Bank, et al.*, Case No. C-99-000202 (Circuit Court for Baltimore City, Maryland) ("the Action").

WITNESSETH:

WHEREAS, Plaintiffs filed the Action against Defendants in January, 1999, alleging various claims of breach of contract and violation of the Maryland Consumer Protection Act by Defendants; and

WHEREAS, Defendants have denied and do deny any liability to Plaintiffs with respect to such claims; and

WHEREAS, pursuant to the Purchase and Sale Agreement by which CCB sold its credit card business to Chase, CCB agreed to indemnify Chase and to defend it in the Action; and

WHEREAS, Plaintiffs and Defendants desire to resolve and settle the Action without the necessity of further protracted and expensive litigation.

NOW, THEREFORE, in consideration of these premises and the mutual promises set forth herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto, intending to be legally bound, do hereby agree as follows:

1. Class Certification. The parties acknowledge that as of the date of this Agreement, Plaintiffs' motion for class certification, which Defendants have opposed, remains pending before the Court. Solely for purposes of settlement and for judicial approval of this Agreement, the parties stipulate to the certification of the following Settlement Class:

All cardholders who had a Chevy Chase-issued Visa or MasterCard credit card prior to January 16, 1996 in which Chevy Chase agreed the governing law would be Subtitle 9 of Title 12 of the Commercial Law Article of the Maryland Annotated Code and thereafter incurred any increased finance charges, late fees, or overlimit fees.

The parties agree that if the settlement contemplated by this Agreement is not finally approved by the Court or otherwise fails to be consummated, this stipulation shall be inadmissible in further proceedings, and both parties will retain all rights to seek or object to class certification, as the case may be.

2. Class Members Eligible to Submit Claims. Members of the Settlement Class who do not opt out of the Settlement Class shall be entitled to submit Claims in the form attached hereto as Exhibit 1. All Claim Forms must be submitted no later than ninety (90) days from the date on which Notice of the Proposed Settlement, as set forth in Paragraph 4 of the Agreement, is sent to Class Members. All persons who timely submit valid Claim Forms and who certify under penalty of perjury in the Claim Form that they have not since January 16, 1996, previously released their claims against either of the Defendants (hereafter, such persons are referred to as "Claimants"), shall be eligible for payment from the Settlement Fund established pursuant to Paragraph 9 below.

3. Calculation and Payment of Claims. The amount of each valid Claim submitted shall be calculated by determining the sum of the following: (1) the total amount of interest in excess of 24% paid by the Claimant; (2) the total amount of late fees in excess of \$15 per fee paid by the Claimant; and (3) the total amount of overlimit fees paid by the Claimant. If the Settlement Fund is insufficient to pay all valid Claims in full, then each Claimant will receive a pro rata share of the Settlement Fund based on the ratio of the amount of his or her Claim to the total aggregated Claims.
4. Notice of Proposed Settlement. Class Members shall receive Notice of the proposed settlement and claims process in the form attached hereto as Exhibit 2. Defendants shall provide the Administrator with a list of class members and their last known addresses within five (5) business days of the Court's preliminary approval of the terms of this Agreement. This Notice shall be sent by the Administrator to each Class Member by direct mail, and shall also be made available in recorded form on a toll-free number and published on a website. The contents and design of the website will be prepared by Plaintiffs, with the consent of Defendants, which consent shall not be unreasonably withheld, and the website will be maintained by the Administrator appointed pursuant to Paragraph 6 of the Agreement.
5. Notice to Credit Reporting Agencies. Within sixty (60) days of the final approval of the settlement contemplated by this Agreement, Defendants shall send a Corrective Notice in a form prepared by Plaintiffs and approved by Defendants, who shall not unreasonably withhold their

approval, to major credit reporting agencies, such as Equifax, Experian and Transunion, with respect to each Claimant.

6. Settlement Administration. Poorman-Douglas Corp (“Administrator”) shall administer the Notice of Proposed Settlement and the processing and payment of Claims submitted pursuant to Paragraph 2 of this Agreement.
7. Costs of Administration. The costs of administration of the settlement shall include the following: (a) the costs of locating Class Members; (b) the costs of providing Notice of Proposed Settlement pursuant to Paragraph 4 of this Agreement; (c) the costs of providing Notice to Credit Reporting Agencies pursuant to Paragraph 5 of this Agreement; (d) the costs of Settlement Administration pursuant to Paragraph 6 of this Agreement; and (e) all other costs and expenses incurred by Plaintiffs and the Administrator in connection with the implementation and completion of the settlement contemplated by this Agreement.
8. Attorneys’ Fees and Expenses; Incentive Award for Named Plaintiffs.
Plaintiffs may apply to the Court for an award of reasonable attorneys’ fees and expenses to be paid out of the Settlement Payment as set forth in Paragraph 9 of this Agreement. Defendants will not object to a fee application that seeks a total of no more than \$4,025,000, which equals twenty-five percent (25%) of the Settlement Payment, and an application for expenses that does not exceed \$60,000. In addition, Plaintiffs may apply to the Court for incentive awards to the named plaintiffs, John Dovel and

Sharon Goldenberg. Defendants will not object to an application that seeks a total of no more than \$5,000 for each of the two named plaintiffs.

9. Settlement Payment. CCB, on behalf of Defendants, will pay a total of \$16,100,000 (“the Settlement Payment”) inclusive of all Claims and expenses relating to settlement of the Action. The Settlement Payment shall be paid into an interest-bearing escrow account under the control of the Administrator upon the Court’s preliminary approval of the settlement contemplated by this Agreement. The Settlement Payment and all accrued interest shall be applied first to: (a) Costs of Administration, as described in Paragraph 7 of this Agreement; and (b) Attorneys’ Fees and Expenses awarded by the Court, up to the maximum set forth in Paragraph 8 of this Agreement. After payment of these items, the remaining amount of the Settlement Payment shall be paid into a Settlement Fund for payment of Claims. The Administrator will process all Claim Forms and pay all valid Claims within ninety (90) days of the deadline for submission of Claim Forms. Settlement checks shall remain valid for ninety (90) days after they are issued. Lost or damaged checks may be reissued for an additional thirty (30) days after expiration of the initial ninety (90) day claim period. In conjunction with class counsel, the Administrator will develop a process for resolution of disputed claims, documentation of eligibility for heirs or legatees of deceased class members, and notification and remediation of defective claims (such as unsigned claim forms). The deadline for any payment of such claims will be an additional thirty (30) days after the

expiration of the initial ninety (90) day period. Any amount remaining in the Settlement Fund after payment of all valid Claims shall be paid into a Cy Pres Fund, as described in Paragraph 10 of the Agreement. In no event shall Defendants be obligated to pay more than the Settlement Payment in connection with settlement and dismissal of the Action.

10. Cy Pres Fund. The Cy Pres Fund, if any, shall be established upon the end of the ninety-day period during which settlement checks remain outstanding and valid. In addition, up to ten percent (10%) of the fund may be set aside for resolution of defective or disputed claims for an additional thirty (30) days. The Cy Pres Fund, if any, shall then be distributed to nonprofit organizations or governmental agencies as determined by the parties, subject to approval by the Court. Plaintiffs and CCB shall each be entitled to designate the proposed recipients for fifty percent (50%) of the Cy Pres Fund, subject to the consent of the other party, which consent shall not be unreasonably withheld. Potential recipients that are presumptively eligible for donations from the Cy Pres Fund include: (a) national, Maryland or Washington, D.C. regional consumer organizations; (b) national, Maryland or Washington, D.C. regional legal aid organizations; (c) national, Maryland or Washington, D.C. regional credit counseling organizations; and (d) national, Maryland or Washington, D.C. regional organizations that sponsor or encourage home ownership.

11. Confirmatory Discovery. Plaintiffs shall be entitled to reasonable discovery to confirm the reasonableness of the estimates of potential damages upon

which this Agreement is based. All such discovery shall be at Plaintiffs' sole expense, and no attorneys' fees or costs incurred in connection with such discovery will be deducted from the Settlement Payment.

12. Dismissal With Prejudice. Upon final Court approval of the settlement contemplated by this Agreement, the Court will enter final judgment dismissing the Action with prejudice. The final judgment entered will be binding upon all members of the Settlement Class defined in Paragraph 1 of the Agreement, except for those Class Members who have properly opted out of the Settlement Class, and will extinguish all claims based upon, or which could be based upon or arise from, any of the matters alleged in Plaintiffs' First Amended Complaint filed in the Action.

13. Court Approval. Within thirty (30) days of the Effective Date of this Agreement, the parties will jointly move for and take all necessary steps to obtain the Court's preliminary approval of the settlement contemplated by this Agreement. Within sixty (60) days of the issuance of Notice of Settlement pursuant to Paragraph 4 of the Agreement, the parties will jointly move for and take all necessary steps to obtain the Court's final approval of the settlement contemplated by this Agreement. If the Court does not give preliminary or final approval to the settlement, this Agreement shall be null and void and shall be inadmissible for any purpose in this Action or any other matter.

14. Disclaimer of Liability. The parties have entered into this Agreement solely to avoid the expense and inconvenience of further litigation of the Action.

By entering into this Agreement, Defendants do not admit, and expressly deny, any liability whatsoever to Plaintiffs or the Settlement Class, and Plaintiffs do not concede the validity of any of the defenses raised by Defendants herein.

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15. Entire Agreement. This Agreement constitutes the entire agreement between the parties and supercedes all prior agreements, negotiations, considerations and representations between the parties. No representations, understandings, or agreements have been made or relied upon in making this Agreement other than those specifically set forth herein. This Agreement may be amended only by written instrument signed by each of the parties by their duly-authorized representatives.
16. Acknowledgement. The parties acknowledge and agree that they have read this Agreement, that they understand its meaning and contents, that they have had the advice of their respective counsel, and that they have voluntarily executed this Agreement, intending to be bound by it. Each party represents and warrants to the other that the below signatory executing this Agreement is authorized and permitted to bind and obligate their respective party, which representation is being relied upon by the other party in the acceptance of this Agreement.
17. Governing Law. This Agreement shall be interpreted and construed in accordance with the laws of the State of Maryland, without regard to conflict of law rules.

18. Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original and all of which together constitute one and the same document.

IN WITNESS WHEREOF, Plaintiffs and Defendants, by their duly-authorized representatives, have executed this Settlement Agreement as of the Effective Date set forth above.

JOHN DOVEL and SHARON
GOLDENBERG, in their own behalf and on
behalf of the Settlement Class:

By: F. Paul Bland
Name: F. Paul Bland, Jr.
Title: Attorney for Plaintiffs

CHASE BANK USA, N.A.:

By: _____
Name: Raymond Fischer
Title: Chief Financial Officer

CHEVY CHASE BANK, F.S.B.:

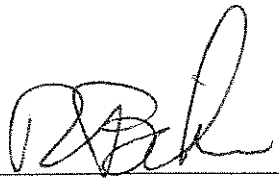
By: Thomas H. McCormick
Name: Thomas H. McCormick
Title: Executive Vice President and General
Counsel

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JOHN DOVEL and SHARON
GOLDENBERG, in their own behalf and on
behalf of the Settlement Class:

By: _____
Name: F. Paul Bland, Jr.
Title: Attorney for Plaintiffs

CHASE BANK USA, N.A.:

By:  _____
Name: Raymond Fischer
Title: Chief Financial Officer

CHEVY CHASE BANK, F.S.B.:

By: _____
Name: Thomas H. McCormick
Title: Executive Vice President and General
Counsel