

05-422-CD
Palisades Collection vs. E. Snyder

Palisades Collection et al v. Edward Snyo
2005-422-CD

IN THE COURT OF COMMON PLEAS
CLEARFIELD COUNTY, PENNSYLVANIA

PALISADES COLLECTION, LLC
ASSIGNEE OF DISCOVER BANK,
Plaintiff

v.

EDWARD SNYDER,
Defendant

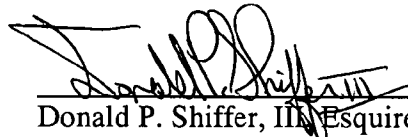
:
: NO. 05-422-CD
:
:
: CIVIL ACTION – LAW
:
:
:

PRAECIPE TO DISMISS

TO THE PROTHONOTARY:

Kindly dismiss the above-captioned case without prejudice.

Respectfully submitted,



Donald P. Shiffer, III Esquire
ID No. 89451
Wolpoff & Abramson, LLP
Attorneys in the Practice of Debt Collection
267 East Market Street
York, PA 17403
(717) 846-1252
Counsel for Plaintiff

FILED ^{LR} NO CC
m/1/16/05 Dis. to
APR 18 2005c eAny
William A. Shaw copy to CIA
Prothonotary/Clerk of Courts

**IN THE COURT OF COMMON PLEAS OF
CLEARFIELD COUNTY, PENNSYLVANIA**

CIVIL DIVISION

**Palisades Collection, LLC
Discover Bank**

**Vs.
Edward Snyder**

No. 2005-00422-CD

CERTIFICATE OF DISCONTINUATION

Commonwealth of PA
County of Clearfield

I, William A. Shaw, Prothonotary of the Court of Common Pleas in and for the County and Commonwealth aforesaid do hereby certify that the above case was on April 18, 2005, marked:

Dismissed without Prejudice

Record costs in the sum of \$85.00 have been paid in full by Philip C. Warholic, Esq.

IN WITNESS WHEREOF, I have hereunto affixed my hand and seal of this Court at Clearfield, Clearfield County, Pennsylvania this 18th day of April A.D. 2005.

William A. Shaw, Prothonotary

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA

PALISADES COLLECTION LLC
 ASSIGNEE OF DISCOVER BANK
 210 SYLVAN AVENUE
 ENGLEWOOD CLIFFS, NJ 07632

: NO.

:

:

:

Plaintiff

:

VS.

CIVIL ACTION - LAW

:

EDWARD SNYDER

:

225 FULLER AVE
 FALLS CREEK PA 15840

:

:

Defendant(s)

NOTICE

You have been sued in Court. If you wish to defend against the claims set forth in the following pages, you must take action within (20) days after this Complaint and Notice are served, by entering a written appearance personally or by an attorney and filing in writing with the Court your defenses or objections to the claims set forth against you. You are warned that if you fail to do so, the case may proceed without you and a judgment may be entered against you by the Court without further notice for any money claimed or any other claim or relief requested by the Plaintiff. You may lose money or property rights important to you.

YOU SHOULD TAKE THIS PAPER TO YOUR LAWYER AT ONCE. IF YOU DO NOT HAVE A LAWYER, OR CANNOT AFFORD ONE, GO TO OR TELEPHONE THE OFFICE SET FORTH BELOW TO FIND OUT WHERE YOU CAN GET HELP. THIS OFFICE CAN PROVIDE YOU WITH INFORMATION ABOUT HIRING A LAWYER.

IF YOU CANNOT AFFORD TO HIRE A LAWYER, THIS OFFICE MAY BE ABLE TO PROVIDE YOU WITH INFORMATION ABOUT AGENCIES THAT MAY OFFER LEGAL SERVICES TO ELIGIBLE PERSONS AT A REDUCED FEE OR NO FEE.

NOTICIA

Le han demandado a usted en la corte. Si usted quiere defensas de esas demandas expuestas en las paginas, siguientes, usted tiene veinte (20) dias de plazo al partir de la fecha de la demanda y la notificacion. Usted debe presentar una apariciencia escrita o en persona o por abogado y archivar en la corte en forma escrita sus defensas o sus objeciones a las demandas en corte de su persona. Sea avisado que si usted no se defiende, la corte tomara medidas y podria entrar una orden contra usted sin previo aviso o notificacion y por cualquier queja o alivio que es pedido en la petition de demanda. Usted puede perder dinero o sus propiedades o otros derechos importantes para usted.

LLEVE ESTA DEMANDA A UN ABOGADO INMEDIATAMENTE. SI NO TIENE ABOGADO O SI NO TIENE EL DINERO SUFFICIENTE DE PAGAR TAL SERVICIO VAYA EN PERSONA O LLAME POR TELEFONO A LA OFICINA CUYA DIRECCION SE ENCUENTRA ESCRITA ABAJO PARA AVERIGUAR DONDE SE PUEDE CONSEGUIR ASISTENCIA LEGAL.

PA Lawyer Referral Service
 Pennsylvania Bar Assn.
 P.O. Box 186

Harrisburg
 800-692-7375

PA 17108

(Esw)
FILED
m/4:00 PM
MAR 24 2005
 William A. Shaw
 Prothonotary/Clerk of Courts
Atty. pd. 85.00
1 CC Shaw

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA

PALISADES COLLECTION LLC
 ASSIGNEE OF DISCOVER BANK
 210 SYLVAN AVENUE
 ENGLEWOOD CLIFFS, NJ 07632

: NO.

:

:

:

Plaintiff

:

VS.

CIVIL ACTION - LAW

:

EDWARD SNYDER

:

225 FULLER AVE
 FALLS CREEK PA 15840

:

Defendant(s)

:

COMPLAINT

Now comes the Plaintiff, PALISADES COLLECTION LLC, by and through its attorneys, and the law firm of Wolpoff & Abramson, L.L.P., and files this Complaint and in support avers as follows:

1. Plaintiff, PALISADES COLLECTION LLC
 ASSIGNEE OF DISCOVER BANK
 210 SYLVAN AVENUE
 ENGLEWOOD CLIFFS, NJ 07632

is a business entity doing business within the Commonwealth of Pennsylvania and the other states of the United States.

2. Defendant, EDWARD SNYDER, is an adult individual with a last known address of

225 FULLER AVE
 FALLS CREEK PA 15840

COUNTY OF CLEARFIELD

3. It is averred that Defendant(s) was/were issued an open end credit card account. The Terms and Conditions governing this account is attached hereto, incorporated herein and marked as Exhibit "A".

4. At all relevant times material hereto, Defendant(s) has/have used said charge card for the purchase of products, goods and/or for obtaining services.

5. Plaintiff provided Defendant(s) with copies of the Statements of Account showing all debits and credits for transactions on the aforementioned credit card account to which there was no bona fide objection by Defendant(s). A true and correct copy of the Statement of Account is attached hereto, incorporated herein, and marked as Exhibit "B".

6. As of the date of this Complaint, the remaining balance due, owing and unpaid on Defendant's credit card account as a result of the charges made by said Defendant(s) and/or any authorized users is the sum of \$ 10342.89.

7. Pursuant to the Credit Agreement and/or applicable Pennsylvania law, any unpaid or delinquent balances on said account shall continue to bear interest at the rate of 18.00%. See Exhibit "A" as previously identified herein.

8. As of the date of the filing of this Complaint, the amount of interest which has accrued is the sum of \$ 2422.79.

9. As of the filing of this Complaint, Plaintiff has incurred reasonable attorney's fees from the law office of Wolpoff & Abramson, L.L.P. in the collection of the amounts due from Defendant(s) incident to the within action based upon 20% of the principal amount due and owing, and Plaintiff shall continue to incur such attorney's fees through the conclusion of the proceedings.

10. The amount of attorney's fee which has accrued is the sum of \$ 2068.57.

11. Despite reasonable and repeated demands for payment, Defendant(s) has/have refused and continue to refuse to pay all sums due and owing on the aforementioned account balance, all to the damage and detriment of the Plaintiff.

12. The amount in controversy is within the jurisdictional amount requiring compulsory arbitration.

WHEREFORE, Plaintiff respectfully requests this Honorable Court enter Judgment in favor of the Plaintiff and against Defendant(s) in the amount of \$ 10342.89, plus attorneys fees in the amount of \$ 2068.57, plus interest in the amount of \$ 2422.79, plus costs of this action and any other relief as this Court deems just and reasonable.

Respectfully submitted,



Amy F. Doyle	#87062
Daniel F. Wolfson	#20617
Bruce H. Cherkis	#18837
Philip C. Warholick	#86341
Ronald M. Abramson	#94266
Ronald S. Canter	#94000
Donald P. Shiffer, III	#89451

WOLPCFF & ABRAMSON, L.L.P.

Attorneys in the Practice of Debt Collection
267 East Market St., York, PA 17403
(717) 846-1252

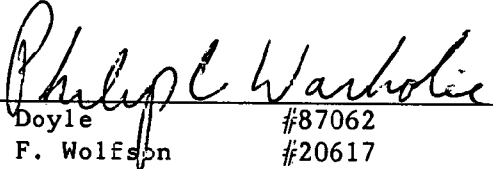
Counsel for Plaintiff

ATTORNEY VERIFICATION

I hereby state that I am the attorney for the Plaintiff, who is located outside of this jurisdiction and in order to file the within document in an expedient and timely manner, am authorized to take this verification on behalf of said Plaintiff in this action and verify that the statements made in the foregoing Complaint are true and correct to the best of my knowledge, information, and belief, based upon information provided by the Plaintiff.

The undersigned understands that false statements herein are made subject to the penalties of 18 Pa.C.S. Section 4904, relating to unsworn falsification to authorities.

Date:



Amy F. Doyle #87062
Daniel F. Wolfson #20617
Bruce H. Cherkis #18837
Philip C. Warholic #86341
Ronald M. Abramson #94266
Ronald S. Canter #94000
Donald P. Shiffer, III #89451
WOLPOFF & ABRAMSON, L.L.P.
Attorneys in the Practice of Debt Collection
267 East Market St., York, PA 17403
(717) 846-1252
Counsel for Plaintiff

EXHIBIT "A"



IMPORTANT INFORMATION ABOUT YOUR ACCOUNT

CARDMEMBER AGREEMENT

The terms and conditions of your Account, including how we calculate finance charges, our fees and an Arbitration of Disputes section. *You have the right to reject the arbitration provision with respect to your new Account within 30 days after receiving your Card, as explained in the "Acceptance of Agreement" section.....* **SEE PAGES 1 - 14**

PRIVACY POLICY

A summary of the personal information we collect, when it may be shared with others, and how we safeguard the confidentiality and security of information. *You may limit our sharing of such information with others* **SEE PAGES 14 - 18**

BILLING RIGHTS

Important information about your rights and our responsibilities under the Fair Credit Billing Act **SEE PAGES 18 - 19**

CASHBACK BONUS* TERMS AND CONDITIONS

The terms and conditions of the Cashback Bonus* award program, including a description of how your award is calculated and how to redeem it **SEE PAGES 19 - 22**

DESCRIPTION OF COVERAGE

The terms and conditions of the Scheduled Air Travel Accident Insurance that is provided at no charge to you when you use your Card to purchase airline tickets. **SEE PAGES 22 - 24**



CARDMEMBER AGREEMENT

Please read this Agreement carefully before using your Discover® Card Account. It contains the terms and conditions of your Account, some of which may have changed from earlier materials provided to you. In the event of any differences, this Agreement shall control.

We respect your privacy. See the Privacy Section on page 11 and our Privacy Policy for additional information.

The Arbitration of Disputes Section on page 12 includes a waiver of a number of rights, including the right to a jury trial.

CARDMEMBER AGREEMENT

Agreement Terms	2
Acceptance of Agreement	2
Use of Your Account	2
Authorized Users	3
Unauthorized Use	3
Credit Limit-Available Credit	3
Promise to Pay	4
Monthly Billing Statement	4
Monthly Payment Options	4
Minimum Monthly Payment	5
Credit Balances	5
Balance Transfers	5
Finance Charges	5
Periodic Finance Charges	6
Default Rate Plan	8
Cash Advance Transaction Fee Finance Charges	9
Balance Transfer Transaction Fee Finance Charges	9
Minimum Finance Charge	9
Returned Check Fee	9
Returned Discover Card Check Fee	9
Stop Payment Fee	9
Late Fee	10
Pay-by-Phone Fee	10
Research Fee	10
Overlimit Fee	10
Default-Acceleration-Collection Costs	10
Cancellation	10
Privacy	11
Electronic Communications	11
Credit Authorizations	11
Change of Terms	12
Change of Address	12
Assignment of Account	12
Arbitration of Disputes	12
Compliance with Interest Rate Limitations	13
Governing Law	13

AGREEMENT TERMS. The word "Account" means your Discover Card Account. The word "Card" means any one or more Discover Cards issued to you or someone else with your authorization. The words "you", "your", or "yours" refer to, in addition to you, the Cardmember, any other person or persons who are also contractually liable under this Agreement. The words "we", "us", and "our" refer to Discover Bank, the issuer of your Discover Card. The words "Authorized User" mean any person whom you authorize to use your Account or a Card, whether you notify us or not. The words "Pricing Schedule" mean the document accompanying your Card and listing the Finance Charge rates that apply to your Account. The Pricing Schedule is part of this Agreement.

ACCEPTANCE OF AGREEMENT. The use of your Account or a Card by you or an Authorized User, or your failure to cancel your Account within 30 days after receiving a Card, means you accept this Agreement, including the Arbitration of Disputes provision on pages 12-14. Your may, however, reject the Arbitration of Disputes section by providing us a notice of rejection within 30 days after receiving a Card, at the following address: Discover Card, P.O. Box 30938, Salt Lake City, UT 84130-0938. If you were previously subject to arbitration with respect to any Account, this right to reject arbitration will not apply to you in the event that the Account has been reopened or replacement Cards are sent to you. Your rejection notice must include your name, address, telephone number, Account number and signature and must not be sent with any other correspondence. Calling us to indicate that you reject the Arbitration of Disputes section or sending a rejection notice in a manner or format that does not comply with all applicable requirements is insufficient notice. In order to process your notice, we require that the notice be provided by you directly and not through a third party. Rejection of arbitration will not affect your other rights or responsibilities under this Agreement or your obligation to arbitrate disputes under any other account as to which you and we have agreed to arbitrate disputes. If you do not send a rejection notice, you will be obligated by the Arbitration of Disputes section with respect to this and any prior account you have had with us, even if you have previously sent a rejection notice with respect to that prior account.

USE OF YOUR ACCOUNT. Your Account may be used for:

- Purchases - to purchase or lease goods or services from participating merchants by presenting your Card or Account number.
 - Cash Advances - to obtain cash advances from participating automated teller machines, financial institutions or other locations, or by means of checks which we may furnish to you, all in accordance with such additional terms and conditions as may be imposed from time to time.
 - Balance Transfers - to transfer balances from other creditors or to make other transactions by means of balance transfer coupons or checks, in accordance with such additional terms and conditions as we may offer from time to time.
- In addition, your Account may be used to guarantee reservations at participating establishments. You will be liable for

guaranteed reservations that are not canceled prior to the time specified by the establishment.

Your Account may be used for personal, family, household and charitable purposes. Your Account may not be used to obtain loans to purchase, carry or trade in securities, or to pay any amount you owe under this Agreement ("Prohibited Transactions"). Prior to its use, each Card must be signed by the person to whom it is issued. We are not responsible for the refusal of anyone to accept or honor a Card or to accept checks that we have provided you. You must return any Card or unused checks to us upon request.

If a merchant fails to provide your purchase to your satisfaction and you request a credit to your Account, we will investigate the dispute. If we resolve the dispute in your favor, we will issue a credit to your Account and you will be deemed to have assigned to us your claim against the merchant and/or any third party for the credited amount. Upon our request, you agree to provide us with written evidence of such assignment.

Your rights and responsibilities under the Fair Credit Billing Act described in the billing rights summary on pages 18-19 and on the back of your monthly billing statement apply only to credit card transactions. This special rule for credit card transactions does not apply to purchases made with a balance transfer check or cash advance. Therefore, if you have a problem with the quality of goods or services that you purchased with a balance transfer check, cash advance check or the proceeds of a cash advance, you do not have the right to withhold payment of the amount due.

AUTHORIZED USERS. If you want to cancel the authority of a current Authorized User to use your Account or a Card, you must notify us in writing or by telephone and destroy any Card in that person's possession. None of your rights under this Agreement (other than to pay amounts owed) may be exercised by any person not a party to this Agreement acting pursuant to a power of attorney, without our separate written agreement (which we are not obligated to give).

UNAUTHORIZED USE. If a Card is lost or stolen, or if you think that someone is using your Account or a Card without your permission, notify us immediately. You can notify us by telephoning 1-800-DISCOVER (1-800-347-2683), or by writing DISCOVER CARD, PO Box 15156, Wilmington, DE 19886-1002. You agree to assist us in determining the facts relating to any theft or possible unauthorized use of your Account or a Card and to comply with such procedures as we may require in connection with our investigation. If you have enrolled in an automatic billing arrangement, such as a monthly gym membership, and wish to continue the automatic billing arrangement, you must provide the merchant with your new Account number.

CREDIT LIMIT-AVAILABLE CREDIT. We will advise you of your Account credit limit. We may impose a lower limit that will apply to cash advances, referred to as the cash advance credit limit. You agree not to allow your unpaid balance, including Finance Charges and fees, to exceed your Account credit limit. If you exceed your Account credit limit, we may request immediate payment of the amount by which you exceed your Account

balance exceeded your Account credit limit are also included in this category until the initial special rate otherwise would have expired. In calculating the daily balance of the balance transfer transaction category on the first day of the billing period, we subtract the unpaid balance of those Balance Transfer Transaction Fee Finance Charges and balance transfers that become purchase rate balance transfers on that day and we add that unpaid balance to the balance of the purchase transaction category.

All fees charged to your Account are added to the purchase transaction category with the exception of Cash Advance Transaction Fee Finance Charges which are added to the cash advance transaction category and Balance Transfer Transaction Fee Finance Charges which are added to the balance transfer transaction category. If a transaction is posted to your Account after the close of the billing period in which it occurs, we will treat the transaction as having occurred on the first day of the billing period in which it is posted to your Account.

(1) Rate Plans

The Daily Periodic Rate and corresponding Annual Percentage Rate that apply to each transaction category is either a fixed rate or a variable rate as set forth in your Pricing Schedule. The Daily Periodic Rate is 1/365th of the corresponding Annual Percentage Rate. The variable Annual Percentage Rate for a transaction category is determined by adding a specified number of percentage points to the Prime Rate. This is shown on the Pricing Schedule as "Prime + (percentage points)." For purposes of this Agreement, the Prime Rate is the highest rate of interest listed as the "prime rate" in the money rates section of *The Wall Street Journal* on the last business day of the month. The Prime Rate is merely a pricing index and does not represent the lowest or best interest rate available to a borrower at any bank at any given time. Your Annual Percentage Rate will increase or decrease when the Prime Rate changes. This change will be effective beginning on the first day of the billing period that begins during the same month as the change in the Prime Rate.

(2) Annual Percentage Rate for Purchases

We may have offered you an introductory rate on purchases. The introductory rate is the Annual Percentage Rate that will apply to purchases for the time period specified in the offer, subject to the Default Rate Plan Section. After expiration of this time period, the Annual Percentage Rate for purchases will apply. The Daily Periodic Rate and corresponding Annual Percentage Rates in effect on the date this Agreement is furnished to you are set forth in the Pricing Schedule.

(3) Annual Percentage Rate for Cash Advances

The Daily Periodic Rate and corresponding Annual Percentage Rate in effect on the date of this Agreement is furnished to you are set forth in the Pricing Schedule.

(4) Annual Percentage Rate for Balance Transfers

The Daily Periodic Rate and corresponding Annual Percentage Rate in effect for special rate balance transfers will be set forth

in the offer from us under which you make the balance transfer. As indicated in the Balance Transfers Section above, purchase rate balance transfers will be subject to the Daily Periodic Rate and corresponding Annual Percentage Rate that apply to purchases and the Default Rate Plan Section.

The Daily Periodic Rate and corresponding Annual Percentage Rate in effect on the date this Agreement is furnished to you are set forth in the Pricing Schedule.

DEFAULT RATE PLAN. We will review your Account on the last day of each billing period to determine the Annual Percentage Rate that will apply to your Account. In reviewing your Account, we will look at the current billing period as well as the previous eleven billing periods. Any increased rate described below will apply beginning with the first day of the billing period in which we review your Account.

If we did not receive a required payment by the Payment Due Date during the billing period in which we review your Account, then any initial special rate on balance transfers and any introductory or promotional rate on purchases that currently applies to your Account, and any such rate that we have previously offered to you, will terminate and the standard Annual Percentage Rate for purchases will apply to your balance of balance transfers and purchases as well as any introductory or promotional rate on purchases and any initial special rate on balance transfers that we have previously offered to you. In addition, if the standard Annual Percentage Rate for purchases is less than 19.99% and during the immediately preceding eleven billing periods we did not receive a required payment by the Payment Due Date, then the standard ANNUAL PERCENTAGE RATE for purchases will be increased to 19.99% (a Daily Periodic Rate of 0.5477%) and the standard ANNUAL PERCENTAGE RATE for cash advances will also be increased to 19.99% (a Daily Periodic Rate of 0.5477%) if it is currently less than 19.99%.

If your outstanding balance exceeds your Account credit limit as of the day we review your Account and your outstanding balance exceeded your Account credit limit as of the last day of any billing period in the immediately preceding eleven billing periods, then any initial special rate on balance transfers and any introductory or promotional rate on purchases that currently applies to your Account, and any such rate that we have previously offered to you will terminate and the standard Annual Percentage Rate for purchases will apply to the balance of your balance transfers and purchases as well as any introductory or promotional rate on purchases and any initial special rate on balance transfers that we have previously offered to you. If the standard Annual Percentage Rate for purchases is less than 19.99%, then the standard ANNUAL PERCENTAGE RATE for purchases will be increased to 19.99% (a Daily Periodic Rate of 0.5477%) and the standard ANNUAL PERCENTAGE RATE for cash advances will also be increased to 19.99% (a Daily Periodic Rate of 0.5477%) if it is currently less than 19.99%.

If your standard ANNUAL PERCENTAGE RATE for purchases is less than 24.99% and during the current and immediately preceding eleven billing periods you either failed three times to make a required payment when due or exceeded your Account credit

- 8 -

limit three times as of the last day of a billing period, then the standard ANNUAL PERCENTAGE RATE for purchases and for cash advances will be increased to 24.99% (a Daily Periodic Rate of 0.6847%).

CASH ADVANCE TRANSACTION FEE FINANCE CHARGES. We will charge you a Cash Advance Transaction Fee Finance Charge of 3% of the amount of each new cash advance. There is a minimum Cash Advance Transaction Fee FINANCE CHARGE of \$5.00 and no maximum Cash Advance Transaction Fee FINANCE CHARGE. The imposition of Cash Advance Transaction Fee Finance Charges may result in an Annual Percentage Rate for cash advances that is higher than the nominal Annual Percentage Rate. All forms of cash advances, including the use of Discover Card checks, regardless of the purpose for which used, are subject to Cash Advance Transaction Fee Finance Charges. To obtain the total Finance Charge on cash advances for each billing period, we add any Cash Advance Transaction Fee Finance Charges for the billing period charged under this Section to any Periodic Finance Charges calculated under the Periodic Finance Charges Section for the cash advance transaction category.

BALANCE TRANSFER TRANSACTION FEE FINANCE CHARGES. If the balance transfer offer you receive contains a Balance Transfer Transaction Fee Finance Charge, we will charge you a Balance Transfer Transaction Fee Finance Charge for the amount of each balance transfer made under that offer. If there is a Balance Transfer Transaction Fee Finance Charge in conjunction with the offer you received when you applied for an Account, it will be in the amount set forth in the Pricing Schedule. The imposition of Balance Transfer Transaction Fee Finance Charges may result in an Annual Percentage Rate for balance transfers that is higher than the nominal Annual Percentage Rate. To obtain the total Finance Charge on balance transfers for each billing period, we add any Balance Transfer Transaction Fee Finance Charges calculated under the Periodic Finance Charges section for the balance transfer transaction category.

MINIMUM FINANCE CHARGE. We will charge you a minimum FINANCE CHARGE of \$5.00 for any billing period in which some FINANCE CHARGE of less than \$5.00 would otherwise be imposed.

RETURNED CHECK FEE. We will charge you a Returned Check Fee of \$29 each time you pay us with a check that is returned unpaid. This fee will also apply if a debit transaction to a deposit account from which you have authorized us in writing, electronically or orally to periodically deduct all or a part of an amount you owe us under this Agreement is returned unpaid. We will charge you this fee the first time any payment is returned unpaid, even if it is paid upon resubmission.

RETURNED DISCOVER CARD CHECK FEE. We will charge you a Returned Check Fee of \$29 each time we decline to honor a Discover Card cash advance check, balance transfer check or other promotional check.

STOP PAYMENT FEE. We may charge a Stop Payment Fee of \$15 each time we stop payment at your request on a cash advance check, balance transfer check, or other promotional check.

- 9 -

LATE FEE. We will charge you a Late Fee if you have failed, as of the Payment Due Date, to make the Minimum Payment Due that was required to be paid by that date. The amount of the Late Fee is based on the sum of all outstanding purchases, cash advances, balance transfers, other charges, other fees and Finance Charges at the end of the billing period. If the sum is less than \$100, the Late Fee is \$15. If the sum is equal to or greater than \$100, and less than \$1,000, the Late Fee is \$25. If the sum is equal to or greater than \$1,000, the Late Fee is \$35.

PAY-BY-PHONE FEE. We may from time to time allow you to make payments by authorizing us over the telephone to transfer or pay funds from a deposit account to your Account. We will charge a Pay-by-Phone Fee of \$15 for each such transfer or payment.

RESEARCH FEE. We may charge you a Research Fee of \$5.00 for each copy of a billing statement or sales slip that you request. However, we will not charge a fee if you request copies in connection with a billing error.

OVERLIMIT FEE. We will charge you an Overlimit Fee each time that, as of the close of a billing period, your outstanding Account balance exceeds your Account credit limit. This fee may be charged even if the transaction which causes you to exceed your Account credit limit is authorized by us or if you exceed your Account credit limit due to the posting of Finance Charges or fees to your Account. The amount of the Overlimit Fee is based on the sum of all outstanding purchases, cash advances, balance transfers, other charges, other fees and Finance Charges at the end of the billing period. If the sum is equal to or less than \$1,000, the Overlimit Fee is \$15. If the sum is greater than \$1,000, the Overlimit Fee is \$35.

DEFAULT-ACCELERATION-COLLECTION COSTS. You are in default if you become insolvent; if you file a bankruptcy petition or have one filed against you; if we have a reasonable belief that you are unable or unwilling to repay your obligations to us; if you are declared incompetent by a court or if a court appoints a guardian for you or a conservator for your assets; if you die; or if you fail to comply with the terms of this Agreement, including failing to make a required payment when due, exceeding your Account credit limit, or using your Card or Account for a Prohibited Transaction; if you fail to make a required payment when due on any other account you have with us or with another creditor. If you are in default, we may declare the entire balance of your Account immediately due and payable without notice. If we refer the collection of your Account to an attorney or employ an attorney to represent us with regard to recovery of money that you owe us, we may charge you reasonable attorneys' fees and court or other collection costs as permitted by law and as actually incurred by us. We may delay enforcing or not enforce any of our rights under this Agreement without losing or waiving any of them.

CANCELLATION. You may cancel your Account by notifying us in writing or by telephone and returning or destroying every Card and unused check that we have provided you. Of course, you will still be responsible to pay any amount you owe us according to

- 10 -

the terms of this Agreement. If your Account is a joint Account, either Cardmember may cancel the Account, but you will both remain responsible to pay any amount owed to us according to the terms of this Agreement. We may cancel or suspend your Account at any time without notice. We may choose not to renew your Account beyond the expiration date shown on the face of a Card) without notice.

PRIVACY. We respect the privacy of information about you and your Account. Our Privacy Policy includes a summary of the personal information we collect, when it may be shared with others, how we safeguard the confidentiality and security of information and the steps you may take to limit our sharing of such information with others. Please read it carefully as it is part of your Cardmember Agreement. As indicated in our Privacy Policy, we may report to credit reporting agencies and other creditors the status and payment history of your Account, including negative credit information. We normally report to such credit reporting agencies each month. If you believe that our report of your Account status is inaccurate or incomplete, please write us at the following address: Discover Card, PO Box 15316, Wilmington DE 19850-5316. Please include your name, address, home telephone number and Account number.

We may from time to time review your credit, employment and income records. Our personnel may listen to or record telephone calls between you and our representatives in order to evaluate the quality of our service to our Cardmembers without notice to you. We may use any medium, including but not limited to mail, live telephone calls, automated telephone equipment, prerecorded telephone calls, and e-mail to contact you about your Account or offer you products or services that may be of value to you. If you prefer not to be contacted in one or more of these ways, call us at 1-800-DISCOVER or write to us at Discover Card, PO Box 15354, Wilmington, DE 19850. We provide various methods by which you can obtain information about your Account. We will only release such information to you, any Authorized User that our records indicate is an authorized buyer on your Account, and any other person with your prior permission, in addition to as provided in our Privacy Policy or as required by law. Our security measures cannot insure against unauthorized inquiries. You agree that we will not be responsible for the release of information to anyone who, even if without your authorization or permission, has gained possession of a Card or has learned other identifying characteristics about you such as your personal identification number, Account number or social security number.

ELECTRONIC COMMUNICATIONS. We may offer you the opportunity to receive certain notices from us electronically rather than through the mail, including monthly billing statements and change of terms notices. The terms and conditions for receiving these electronic communications will be described in the offer.

CREDIT AUTHORIZATIONS. Certain transactions will require our authorization prior to completion of the transaction. In some cases, you may be asked to provide identification. If our authorization system is not working, we may not be able to

- 11 -

authorize a transaction. We will not be liable to you if any of these events happen.

CHANGE OF TERMS. We may change any term or part of this Agreement, including, but not limited to, any finance charge rate, fee or method of computing any balance upon which the finance charge rate is assessed, or add any new term or part to this Agreement by sending you a written or electronically delivered notice at least 15 days before the change is to become effective. We may apply any such change to the outstanding balance of your Account on the effective date of the change and to new charges made after that date. If you do not agree to the change, you must notify us in writing or electronically within 15 days after the mailing of the notice of change at the address provided in the notice of change, in which case your Account will be closed and you must pay the balance that you owe us under the existing terms of the unchanged Agreement. Otherwise, you will have agreed to the changes in the notice. Use of your Account after the effective date of the change will be deemed acceptance of the new terms as of such effective date, even if you previously notified us that you did not agree to the change.

CHANGE OF ADDRESS OR TELEPHONE NUMBER. If you change your address or telephone number you must notify us of your new address or telephone number within 15 days.

ASSIGNMENT OF ACCOUNT. We may sell, assign or transfer your Account or any portion thereof without notice to you. You may not sell, assign or transfer your Account without first obtaining our prior written consent.

ARBITRATION OF DISPUTES. In the event of any past, present or future claim or dispute (whether based upon contract, tort, statute, common law or equity) between you and us arising from or relating to your Account, any prior account you have had with us, your application, the relationships which result from your Account or the enforceability or scope of this arbitration provision, of the Agreement or of any prior agreement, you or we may elect to resolve the claim or dispute by binding arbitration.

IF EITHER YOU OR WE ELECT ARBITRATION, NEITHER YOU NOR WE SHALL HAVE THE RIGHT TO LITIGATE THAT CLAIM IN COURT OR TO HAVE A JURY TRIAL ON THAT CLAIM. PRE-HEARING DISCOVERY RIGHTS AND POST-HEARING APPEAL RIGHTS WILL BE LIMITED. NEITHER YOU NOR WE SHALL BE ENTITLED TO JOIN OR CONSOLIDATE CLAIMS IN ARBITRATION BY OR AGAINST OTHER CARDMEMBERS WITH RESPECT TO OTHER ACCOUNTS, OR LITIGATE IN COURT OR ARBITRATE ANY CLAIMS AS A REPRESENTATIVE OR MEMBER OF A CLASS OR IN A PRIVATE ATTORNEY GENERAL CAPACITY ("Class Action Waiver"). Notwithstanding anything else to the contrary in this arbitration provision, only a court, and not an arbitrator, shall determine the validity and effect of the Class Action Waiver. Even if all parties have opted to litigate a claim in court, you or we may elect arbitration with respect to any claim made by a new party or any new claims later asserted in that lawsuit, and nothing undertaken therein shall constitute a waiver of any rights under this arbitration provision.

- 12 -

We will not invoke our right to arbitrate an individual claim you bring in small claims court or your state's equivalent court, if any, so long as the claim is pending only in that court and does not exceed \$5,000.

Your Account involves interstate commerce, and this provision shall be governed by the Federal Arbitration Act (FAA). The arbitration shall be conducted, at the option of whoever files the arbitration claim, by either JAMS or the National Arbitration Forum (NAF) in accordance with their procedures in effect when the claim is filed. For a copy of their procedures, to file a claim or for other information, contact JAMS at 1920 Main Street, Suite 300, Irvine, CA 92614 (phone 1-800-352-5267) or NAF at P.O. Box 50191, Minneapolis, MN 55405 (phone 1-800-474-2371). No other arbitration forum will be permitted, except as agreed to pursuant to either the Change of Terms section or in writing signed by both parties. At your written request, we will advance any arbitration filing, administrative and hearing fees which you would be required to pay to pursue a claim or dispute as a result of our electing to arbitrate that claim or dispute. Send requests to P.O. Box 15192, Wilmington, DE 19886-1020. The arbitrator will decide who will ultimately be responsible for paying those fees. In no event will you be required to reimburse us for any arbitration filing, administrative, or hearing fees in an amount greater than what your and our combined court costs would have been if the claim had been resolved in a state court with jurisdiction. In no event will you be required to pay any fees or costs incurred by us in connection with an arbitration proceeding where such a requirement is prohibited by law.

Any arbitration hearing will take place in the federal judicial district where you reside. The arbitrator shall follow applicable substantive law to the extent consistent with the FAA and applicable statutes of limitations and shall honor claims of privilege recognized at law and shall be authorized to award all remedies permitted by the substantive laws that would apply if the action were pending in court. If requested by any party, the arbitrator shall write an opinion containing the reasons for the award. The arbitrator's decision will be final and binding except for any appeal rights under the FAA and except that if the amount in controversy exceeds \$100,000, any party may appeal the award within 30 days to a three-arbitrator panel which shall review the award *de novo*. Unless applicable law provides otherwise, the appealing party will pay the cost of the appeal, regardless of its outcome. However, we will consider in good faith any reasonable request for us to bear the fees charged by the arbitration administrator and the arbitrators in connection with the appeal. Judgment upon any award by the arbitrator may be enforced in any court having jurisdiction.

Our rights and obligations under this arbitration provision shall inure to the benefit of and be binding upon our parent corporations, subsidiaries, affiliates (including, without limitation, Discover Financial Services, Inc.), predecessors, successors, assigns, as well as the officers, directors and employees of each of these entities, and will also inure to the benefit of any third party named as a co-defendant with us or with any of the foregoing in a claim which is subject to this arbitration provision. Your rights and obligations under this arbitration provision shall inure to the

- 13 -

benefit of and be binding upon all persons contractually liable under this Agreement and all Authorized Users of the Account. This arbitration provision shall survive termination of your Account as well as voluntary payment in full by you, any legal proceedings by us to collect a debt owed by you, any bankruptcy by you and any sale by us of your Account.

COMPLIANCE WITH INTEREST RATE LIMITATIONS. We intend that this Agreement will comply with applicable interest rate limitations. You will not be required to pay Finance Charges or other charges at a rate that is greater than the maximum amount permitted by law. If it is ever finally determined that, but for this Section, the Finance Charges or other charges under this Agreement would exceed the maximum lawful amount, the Finance Charges and other charges will be reduced to the maximum lawful amount. Any excess amount that you have already paid will be used to reduce the outstanding balance of your Account or will be refunded to you by means of a check in our discretion.

GOVERNING LAW. This Agreement will be governed by the laws of the State of Delaware and applicable federal laws. If any part of this Agreement becomes unenforceable, it will not make any other part unenforceable, except that if the Class Action Waiver set forth above in the Arbitration of Disputes section is invalidated in any proceeding in which you and we are involved, then the Arbitration of Disputes section will be void with respect to that proceeding.

Discover Bank

DISCOVER CARD

R. D. Moby
Vice President

PRIVACY POLICY

We Respect Your Privacy

Our mission is to provide you with superior products and services, along with the peace of mind knowing that your privacy is secure. We understand your concerns about guarding information about you and your Account. We want to assure you that we have taken steps, and will continue to take steps, to safeguard that information.

This Privacy Policy describes our efforts to meet these objectives. It includes a summary of the following important information:

- A listing of the personal information we collect.
- The circumstances in which we may share information with others.
- The ways we safeguard the confidentiality and security of information.
- The steps you may take to limit our sharing of such information with others. See Section 4 for complete details.

- 14 -

Please read our Privacy Policy carefully. It will help you understand how we collect and share information.

1. What Personal Information Do We Collect?

To serve you better and manage our business, it is important that we collect and maintain accurate personal information about you. We obtain this information from applications and other forms you submit to us, from your dealings with us and others, from consumer reporting agencies, and from other sources, such as our Web sites. For example:

- We may obtain information such as your name, address and date of birth from applications and other forms you submit to us.
- We may obtain information such as Account balances, payment history, your use of your Account and the types of services you prefer from your transactions and other dealings with us and others.

- We may obtain information such as the balances of your loans with other lenders and your payment history with others from consumer reporting agencies.

- We may obtain information such as your Internet service provider, your domain name, your computer's operating system and Web browser, your Web site use and your product and service preferences from your visits to our Web sites.

2. Is Personal Information Shared With Others?

We limit the sharing of information with others. Many of the offers you receive for products and services are provided directly to you from us. For example, a retailer that accepts the Discover® Card may come to us with a special offer for Cardmembers, such as a discount certificate or product upgrade. After careful consideration of the nature of the offer and the company, we will create a list of Cardmembers who may be interested in the offer based on certain characteristics. We will send the offer directly to those Cardmembers on behalf of the retailer by, for example, including an insert in their monthly billing statement or mailing the offer ourselves. We control the information used to make the offer; we do not share the list or any information about our Cardmembers with the retailer. However, please understand that if you do receive this type of offer from us and choose to take advantage of it, the retailer may then learn information about you because only Cardmembers with certain characteristics received the offer.

There are, however, circumstances in which we may share the information we collect about you, as described in Section 1, with other companies in order to provide you with access to products and services and to service your Account effectively, as detailed below. We require these companies to adhere to our privacy standards and to use this information only for the limited purpose for which it was shared. We do not allow them to disclose it to others without our prior approval.

- 15 -

a. *Sharing Personal Information with Our Corporate Family*

We are part of the Morgan Stanley family of companies. Our corporate family offers a wide variety of products and services that can help you manage your finances. In order to provide you with access to these products and services, we may share the information we collect about you, as described in Section 1, with other members of our corporate family. These companies include financial service providers that offer mortgage lending services, securities and asset management services, investment opportunities and mutual funds, and may include non-financial service providers in the future as our corporate family continues to grow.

b. *Sharing Personal Information with Non-Affiliated Parties for Marketing Purposes*

We may share the information we collect about you, as described in Section 1, with non-affiliated third parties, including those that accept the Discover Card, in order to provide you with access to products and services offered directly by these companies that may be of value to you. These companies include financial service providers, such as insurance companies, and non-financial companies, such as retailers.

c. *Sharing Personal Information with Others*

We may share the information we collect about you, as described in Section 1, with companies that perform support or marketing services on our behalf, such as mailing, market research and data processing; other financial institutions with which we have joint marketing agreements; or companies that are our partners for cobrand credit card programs or reward programs. We may also share such information as permitted by law.

3. *How Do We Protect The Confidentiality, Security And Integrity Of Information About You?*

We maintain physical, electronic and procedural safeguards to protect the information we collect about you. Access to such information is restricted to individuals who need it in order to service your Account or provide products and services to you, and who are trained in the proper handling of such information. Employees who violate these confidentiality requirements are subject to our disciplinary process. Where third parties provide support services, we require them to conform to our privacy standards.

It is important that the information we maintain about you is accurate and complete. If you see information in your monthly billing statements or elsewhere which suggests that our information is incomplete or inaccurate, please write to us at Discover Card, P.O. Box 30943, Salt Lake City, UT 84130-0943 so that we can update this information.

4. *How Can You Limit Sharing Of Information About You?*

We respect your privacy and offer you choices as to whether we may share information about you with others. If you prefer that we not share the information we collect about you, as described in

Section 1, with non-affiliated third parties or if you prefer that we not share that information with companies in our corporate family, you may opt out, that is, you may direct us not to share that information. If you indicate a preference that we do not share that information, please understand that you will not receive offers for products and services provided by other companies that could help you lower your costs, maximize your financial resources and manage your finances.

To indicate your preferences, call us at 1-800-225-5202 or write to us at Discover Card, P.O. Box 30961, Salt Lake City, UT 84130-0961. If you have previously notified us about your privacy preferences, it is not necessary to do so again unless you decide to change your preferences. Your written request should include your name, address, telephone number and Account number(s) and should not be sent with any other correspondence. In order to process your request, we require that the request be provided by you directly and not through a third party. You will need to provide us with your preferences for each credit card account you have with us.

You may notify us about your preferences at any time. Your request will remain in effect until you notify us otherwise. We will honor your request and not share the information we collect about you, except as permitted by law. For example, federal law permits us to share information about you with consumer reporting agencies, service providers and marketing partners. It also permits us to share information about our experiences and transactions with you, such as your Account balance and payment history, with other members of our corporate family. If you are a new Cardmember, we will not share any information about you, except as permitted by law, for thirty days after we provide this Policy to you in order to give you an opportunity to inform us about your preferences. If you are an existing Cardmember, please understand that you may continue to receive marketing offers directly from other companies that were already in production prior to the processing of your request.

This Privacy Policy is provided to the primary Cardmember listed on the Account. However, any joint Cardmember has the right to notify us about preferences and we will treat that request as applying to the entire Account. We do not share information about former customers, except as permitted by law.

This Privacy Policy is provided to you by Discover Bank and its subsidiaries, which currently include GTC Insurance Agency, Inc. It applies to the family of Discover Cards, and the products and services offered in connection with those cards, including The Register[®] card registration service (with the exception of any information registered in connection with the service, which will not be shared). It is part of your Cardmember Agreement and provides a further explanation of how we collect and share information. You may have other rights under state laws that apply to this information. Please note that you will also receive privacy notices for other credit card accounts you have with us, as well as other financial products and services provided to you by us and our affiliates. You will need to indicate your preferences for each of

- 17 -

these separately as disclosed in the notice.

Vermont Residents - Your State laws require financial institutions to obtain your consent prior to sharing information about you with others. Except as permitted by law, we will not share information we collect about you with non-affiliated third parties or companies in our corporate family unless you call us at 1-800-DISCOVER and authorize us to do so.

Your Billing Rights

KEEP THIS NOTICE FOR FUTURE USE

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

1. Notify Us in Case of Errors or Questions About Your Bill

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

In your letter, give us the following information:

- your name and Account number.
- your dollar amount of the suspected error.
- describe the error and explain, if you can, why you believe there is an error. If you need more information, describe the item you are not sure about.

If you have authorized us to pay your credit card bill automatically from your savings or checking account, you can stop the payment on any amount you think is wrong. To stop the payment, your letter must reach us three business days before the automatic payment is scheduled to occur.

2. Your Rights and Our Responsibilities After We Receive Your Written Notice

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

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

If we find that we made a mistake on your bill, you will not have

- 18 -

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

If you fail to pay the amount that we think you owe, we may report you as delinquent. However, if our explanation does not satisfy you and you write us within ten days telling us that you still refuse to pay, we must tell anyone we report you to that you have a question about your bill. And, we must tell you the name of anyone we reported you to. We must tell anyone we report you to that the matter has been settled between us when it finally is. If we don't follow these rules, we can't collect the first \$50 of the questioned amount, even if your bill was correct.

3. Special Rule For Credit Card Purchases

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

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

(b) the purchase price must have been more than \$50.

These limitations do not apply if we own or operate the merchant, or if we mailed you the advertisement for the goods or services.

DISCOVER® CARD CASHBACK BONUS® PROGRAM TERMS AND CONDITIONS

The Cashback Bonus® Terms and Conditions constitute a separate and independent agreement from the Cardmember Agreement and apply to Accounts that participate in the Cashback Bonus Program. However, these Terms and Conditions are subject to the Arbitration of Disputes section of the Cardmember Agreement, which is incorporated herein.

1. Cashback Bonus awards are amounts denominated in dollars and cents which may be accrued by Cardmembers by using their Discover® Card for qualified purchases. Cashback Bonus awards include Purchase Cashback Bonus awards and other Cashback Bonus awards as described below. Cashback Bonus awards are not accrued for Prohibited Transactions (as defined in the Cardmember Agreement), cash advances or balance transfers.

2. Purchase Cashback Bonus amounts are calculated based on purchases made during an annual period corresponding to the Cardmember's anniversary year as described in paragraph 3 below.

- 19 -

The first anniversary year begins on the date the Card is issued and ends on the last day of the twelfth monthly billing period which follows. Each successive anniversary year is the approximate one-year period comprised of the next twelve monthly billing periods.

3. Except as provided below and in paragraph 4 below, the accrued amount of a Purchase Cashback Bonus award is calculated by multiplying the total qualified purchases at the end of each billing period by:

- 25% (.0025), if the purchases are part of the first \$1,500 in purchases during the anniversary year; and
- 50% (.0050), if the purchases are part of the second \$1,500 in purchases during the anniversary year; and
- 1.0% (.01), if the purchases are part of the purchases in excess of \$3,000 during the anniversary year.

In addition, any purchases made at select warehouse clubs or discount stores, including grocery stores affiliated with these stores, will accrue a fixed Purchase Cashback Bonus award in .25% (.0025) of the amount of the purchases. However, these purchases are included in the total amount of purchases made during the anniversary year and are used to determine the applicable percentage rate listed above for other purchases. Please call 1-800-347-7896 or visit our Web site at Discovercard.com for a list of these select clubs and stores.

The total of these calculations for each anniversary year is the accrued amount of the Purchase Cashback Bonus award. The accrued amount of the Purchase Cashback Bonus award will be made available to Cardmembers as described below provided the conditions contained in paragraph 5 below are met. The calculation for the Purchase Cashback Bonus award begins again with the beginning of each anniversary year.

4. Cardmembers may also be offered, from time to time, other Cashback Bonus awards (e.g., by making a purchase at a specific merchant), the terms of which will be disclosed in the offer. These purchases will receive the award amount described in the offer. They will not be considered qualified purchases for purposes of determining the annual level of purchases and calculating the Purchase Cashback Bonus award unless otherwise disclosed in the offer. These other Cashback Bonus awards will accrue in the Cashback Bonus Account in accordance with these Terms and Conditions unless an alternative method of disbursement is disclosed in the offer. In addition, if, as of the date Discover Card determines whether a Cardmember has met the terms of the offer, the Cardmember's Account is closed or delinquent, the Cardmember will not receive this other Cashback Bonus award unless otherwise disclosed in the offer, nor will the Cardmember receive a Purchase Cashback Bonus award on these purchases. The accrued amount of these other Cashback Bonus awards will be made available to Cardmembers as described below provided the conditions contained in paragraph 5 below are met.

5. All Cashback Bonus awards will be held in the Cashback Bonus Account. The Cashback Bonus amount available for disbursement

- 20 -

is the amount in the Cashback Bonus Account as of the last day of the Cardmember's previous billing period. However, Cashback Bonus awards may be redeemed in increments of \$20 only. Cardmembers have no right to accrued Cashback Bonus amounts of less than \$20 or amounts within the \$20 increments.

Only Cardmembers in good standing with open Accounts may access the accrued Cashback Bonus awards in the Cashback Bonus Account. For purposes of the Cashback Bonus program, to be in good standing a Cardmember may not be delinquent (as described below) or in default (as defined in the Cardmember Agreement), and a Cardmember may not have used the Account for any prohibited Transactions. The Cardmember is delinquent if Discover Card has not received a required payment by the Payment Due Date shown on the monthly billing statement.

If an Account is inactive for 36 consecutive months, any amount of \$20 or more in accrued Cashback Bonus awards will be paid to the Cardmember as an Account credit in \$20 increments. If the \$20 minimum or an increment of \$20 thereafter is not reached, that amount will be forfeited. If an Account is closed for any reason, any Cashback Bonus awards in the Cashback Bonus Account will be forfeited.

6. A qualifying Cardmember may have the opportunity to choose the manner in which Cashback Bonus awards are disbursed including a credit to the Cardmember's Account, an electronic deposit into an account designated by the Cardmember, a check that is mailed to the Cardmember, a charitable donation to selected charities, or an exchange of the Cashback Bonus award for selected products or services, the terms of which will be contained in the offer. Cardmembers may select more than one redemption method, however each redemption and each redemption method must be in \$20 increments. Discover Card may change the redemption methods in its sole discretion from time to time. It is the Cardmember's responsibility to notify Discover Card in the event a Cashback Bonus disbursement is not received for any reason.

Cardmembers may redeem Cashback Bonus awards by calling 1-877-YOUR AWARD (1-877-968-7292) 24 hours a day / 7 days a week or on the Internet at Discovercard.com. Prior to redemption, the transactions on which Cashback Bonus awards are calculated may be audited for compliance with these Terms and Conditions.

7. In the event a Card is lost or stolen, the accrued amount of the Cashback Bonus awards in the Cashback Bonus Account, the amount of qualifying purchases and the anniversary date from the old Account will be transferred to the new Account.

8. Discover Card reserves the right to make other adjustments to Cashback Bonus amounts accrued based on Account activity. For example, any returns will decrement these amounts as determined in Discover Card's sole discretion. Discover Card also reserves the right to truncate or round Cashback Bonus amounts to the nearest cent as determined in its sole discretion. If the Cardmember receives a Cashback Bonus award in excess of the amount in the Cashback Bonus Account, the Cardmember's Account will be

- 21 -

debited for the entire amount of the erroneous award disbursement. This amount will be subject to the terms of the Cardmember Agreement, including but not limited to, the imposition of finance charges.

9. These terms and conditions are subject to change without notice. Changes may be made at any time and may include, but are not limited to, modifying the level of purchases required to qualify for the various tiers, establishing a maximum amount of Cashback Bonus Award Cardmembers may receive, changing the amount that must be accumulated in the Cashback Bonus Account before an award may be redeemed, changing the types of transactions that constitute a qualified purchase, changing the amount of Cashback Bonus award accrued on certain types of purchases, imposing additional restrictions, or terminating the program.

DESCRIPTION OF COVERAGE

SCHEDULED AIR TRAVEL ACCIDENT INSURANCE. Discover® Classic Cardmembers are provided with up to \$150,000 Scheduled Air Travel Accident* protection. Whenever you use your Discover Classic Card (the "credit card") to charge your entire Common Carrier Fare Ticket on any Commercial Aircraft operated by a Scheduled Air Carrier under a license for the transportation of passengers for hire (herein called Scheduled Air Carrier), you automatically receive this valuable coverage at no additional cost.

The benefits of the Policy providing your coverage are governed primarily by the law of a state other than Florida.

*Coverage is underwritten by National Union Fire Insurance Company of Pittsburgh, PA (the "Insurance Company"), with offices in New York, NY. Certain limitations and exclusions apply.

PLAN FEATURES

Benefit Amount: \$150,000 Family Aggregate Principal Sum

ACCIDENTAL DEATH BENEFITS. Insurance coverage will be equal to the benefit amount for accidental loss of life. The loss must occur within one year of the accident that caused the Injury. Family Aggregate Principal Sum means the total amount of insurance in force on the Cardmember, his or her spouse and their dependent children for any one accident. If more than one Insured Person dies as the result of the Injuries received in any one accident, the Family Aggregate Principal Sum will be pro-rated and paid in accordance with the claim payment and beneficiary provisions of the Policy. Once the Family Aggregate Principal Sum is paid for any one Insured Person in a Family that occurs as the result of any one accident, no further benefits are payable for further deaths in that Family due to injuries received in the same accident.

Maximum Accidental Death benefits payable under the Policy, if more than one Cardmember suffers a loss from the same accident, are limited to an aggregate of \$20,000,000 for all Cardmembers

combined. Any reduction of benefits necessary to comply with this limitation will be made on a proportionate basis to each Cardmember up to this aggregate limit of liability. As used herein, Cardmember means Cardmember, his or her insured spouse and insured dependent children. This aggregate limit does not replace or in any way affect the Family Aggregate Principal Sum stated under the Policy.

"Injury" means bodily injury: (a) which is sustained as a direct result of an unintended, unanticipated accident that is external to the body and that occurs while the injured person's coverage under this Policy is in force, and (b) which directly (independent of sickness, disease, mental infirmity, bodily infirmity or any other cause) causes a covered loss.

DISAPPEARANCE BENEFITS. We will presume you suffered loss of life due to an accident if: you are riding in a Scheduled Air Carrier that is involved in a covered accident and as a result of the accident, the Scheduled Air Carrier is wrecked, sinks, or disappears; and your body is not found within one (1) year of the accident.

The total of all benefits payable for you, your spouse and your dependent children from the same accident will not exceed the \$150,000 Family Aggregate Principal Sum.

ELIGIBILITY. This automatic insurance is provided to eligible holders of the credit card whose names appear on the credit card, their spouses and their unmarried dependent children under age 19 (age 23 if attending school on a full-time basis and fully dependent on you for support). However, the age limit does not apply to a child who is incapable of self-sustaining employment by reason of mental or physical incapacity.

EFFECTIVE DATES. Your insurance under this plan is effective on the later of: 1) July 1, 2001; or 2) the date you become an eligible person. Your insurance under this plan will cease on the earlier of: 1) the date the insurance coverage is terminated; or 2) on the date you cease to be an eligible holder of the credit card.

THE BENEFICIARY. Unless you designate otherwise with a beneficiary designation form, your death benefit will be paid, in equal shares, to the first surviving class of those that follow: (1) your spouse; (2) your children; (3) your parents; or (4) your brothers and sisters. If no class has a survivor, the beneficiary is your estate. You may change your beneficiary by writing to the Insurance Company at: Accident & Health Division, 500 West Madison Street, Suite 2250, Chicago, IL 60661.

CLAIM PROCEDURE. Claim forms may be obtained through the Insurance Company. Claims for benefits must be filed with the Insurance Company within 90 days or as soon as reasonably possible after the loss occurs.

PLAN OF INSURANCE COVERAGE. You, as a Cardmember, and your spouse and children will be covered against injuries that result in an accidental death while as a passenger in or on, including getting in or out of, or on or off of, any Scheduled Air Carrier if the Common Carrier Fare Ticket for the flight was charged to your credit card.

- 23 -

Companion tickets issued for free with the purchase of a full-fare common carrier ticket and used by a spouse or dependent child will be considered as fully charged to the credit card, if the corresponding full Common Carrier Fare Ticket is charged to the credit card.

Coverage is effective when you board the Scheduled Air Carrier, provided the full Common Carrier Fare Ticket is purchased, or the travel reservation is made for the companion tickets, prior to boarding such Scheduled Air Carrier. Coverage ends when you alight from the Scheduled Air Carrier.

EXCLUSIONS. Benefits are not payable if the loss is caused by or results from: 1) self-inflicted injury or suicide; 2) sickness, disease, or mental incapacity or bodily infirmity whether directly or indirectly; 3) infections of any kind regardless of how contracted, except bacterial infections that are directly caused by botulism, ptomaine poisoning or an accidental cut or wound independent and in the absence of any underlying sickness, disease or condition including but not limited to diabetes; 4) committing or attempting to commit a felony; 5) war or act of war, declared or undeclared; or (6) travel or flight in or on any vehicle used for aerial navigation, as a pilot, operator or crew member.

LIMITATIONS. Benefits will only be payable under one Cardmember account, the credit card under which the Common Carrier Fare Tickets were fully charged.

Benefits are not payable for losses due to injury sustained while on a trip for which the tickets were purchased with a frequent flyer voucher.

Complete provisions pertaining to this plan of insurance are contained in Policy #9029072 issued by National Union Fire Insurance Company of Pittsburgh, PA with offices in New York, NY. The premium for this insurance is paid by Discover Financial Services, Inc., out of income derived from its credit card operations.

Please read this Description of Coverage. Keep it in a safe place with your other insurance documents. This Description of Coverage (Form Number S30365DOC) is not a contract of insurance but is simply an informative statement to each eligible individual of the principal provisions of the insurance while in effect.

If a conflict exists between a statement in this Description of Coverage and any provisions in the Policy, the Policy will govern. Claims administered by: A&H Claims Department, P.O. Box 15701, Wilmington, DE 19850-5701, (800) 551-0824.

- 24 -

- 22 -

EXHIBIT "B"

File Number 116778103 Media Number 03338008540 Account Number 6011002654535491
PROVIDER PALISADES COLLECTION LLC ASSIGNEE OF DISC

Plaintiff = 349191
Account Number = 6011002654535491
Originator = DISCOVER
Current Balance = 10342.89
LSTPYMTDT = 2002/07/24
C/O DATE = 2003/02/28
Last Name = SNYDER
First Name = EDWARD
Middle Name =
Address 1 = 225 FULLER AVE
Address 2 =
City = FALLS CREEK
St = PA
Zip = 158400000
Home Phone = 8143712221
Work Phone = 0000000000
SSN = 203281933
dob =
CoMaker Last Name =
CoMaker First Name =
CoMaker Middle Name =
addrs 1 =
addrs 2 =
city =
st =
zip =
hm ph =
wk ph =
CoMaker SSN =
dob =
int rate =
opendate =
Asta Debtor Number = 8284253
First Delinquency Da = 2002/08/26
=

In The Court of Common Pleas of Clearfield County, Pennsylvania

Service # 1 of 1 Services

Sheriff Docket # **100351**

PALISADES COLLECTION LLC

Case # 05-422-CD

vs.

EDWARD SNYDER

SHERIFF RETURNS

NOW April 29, 2005 RETURNED THE WITHIN COMPLAINT "NOT SERVED" NEVER RECVD. JEFFERSON CO. ADV. AS TO EDWARD SNYDER, DEFENDANT.

SERVED BY: /

FILED
CP 012:39/61
MAY 02 2005

William A. Shaw
Prothonotary/Clerk of Courts

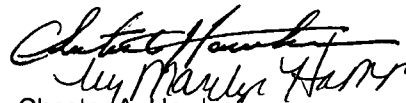
Return Costs

PURPOSE	VENDOR	CHECK #	AMOUNT
SURCHARGE	WOLPOFF	797986	10.00
SHERIFF HAWKINS	WOLPOFF	797986	15.37

Sworn to Before me This

_____ Day of _____ 2005

So Answers,


Chester A. Hawkins
Sheriff

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA

PALISADES COLLECTION LLC
 ASSIGNEE OF DISCOVER BANK
 210 SYLVAN AVENUE
 ENGLEWOOD CLIFFS, NJ 07632

: NO.

05-422-CD

I hereby certify this to be a true
 and attested copy of the original
 statement filed in this case.

Plaintiff

MAR 24 2005

VS.

CIVIL ACTION - LAW Attest.

EDWARD SNYDER

William A. Snyder
 Prothonotary/
 Clerk of Courts

225 FULLER AVE
 FALLS CREEK PA 15840

Defendant(s)

NOTICE

You have been sued in Court. If you wish to defend against the claims set forth in the following pages, you must take action within (20) days after this Complaint and Notice are served, by entering a written appearance personally or by an attorney and filing in writing with the Court your defenses or objections to the claims set forth against you. You are warned that if you fail to do so, the case may proceed without you and a judgment may be entered against you by the Court without further notice for any money claimed or any other claim or relief requested by the Plaintiff. You may lose money or property rights important to you.

YOU SHOULD TAKE THIS PAPER TO YOUR LAWYER AT ONCE. IF YOU DO NOT HAVE A LAWYER, OR CANNOT AFFORD ONE, GO TO OR TELEPHONE THE OFFICE SET FORTH BELOW TO FIND OUT WHERE YOU CAN GET HELP. THIS OFFICE CAN PROVIDE YOU WITH INFORMATION ABOUT HIRING A LAWYER.

IF YOU CANNOT AFFORD TO HIRE A LAWYER, THIS OFFICE MAY BE ABLE TO PROVIDE YOU WITH INFORMATION ABOUT AGENCIES THAT MAY OFFER LEGAL SERVICES TO ELIGIBLE PERSONS AT A REDUCED FEE OR NO FEE.

NOTICIA

Le han demandado a usted en la corte. Si usted quiere defensas de esas demandas expuestas en las paginas, siguientes, usted tiene veinte (20) dias de plazo al partir de la fecha de la demanda y la notificacion. Usted debe presentar una apariciencia escrita o en persona o por abogado y archivar en la corte en forma escrita sus defensas o sus objeciones a las demandas en corte de su persona. Sea avisado que si usted no se defiende, la corte tomara medidas y podria entrar una orden contra usted sin previo aviso o notificacion y por cualquier queja o alivio que es pedido en la peticion de demanda. Usted puede perder dinero o sus propiedades o otros derechos importantes para usted.

LLEVE ESTA DEMANDA A UN ABOGADO INMEDIATAMENTE. SI NO TIENE ABOGADO O SI NO TIENE EL DINERO SUFICIENTE DE PAGAR TAL SERVICIO VAYA EN PERSONA O LLAME POR TELEFONO A LA OFICINA CUYA DIRECCION SE ENCUENTRA ESCRITA ABAJO PARA AVERIGUAR DONDE SE PUEDE CONSEGUIR ASISTENCIA LEGAL.

PA Lawyer Referral Service
 Pennsylvania Bar Assn.
 P.O. Box 186

Harrisburg
 800-692-7375

PA 17108

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA

PALISADES COLLECTION LLC
 ASSIGNEE OF DISCOVER BANK
 210 SYLVAN AVENUE
 ENGLEWOOD CLIFFS, NJ 07632

: NO.

:

:

:

Plaintiff

:

VS.

CIVIL ACTION - LAW

:

EDWARD SNYDER

:

225 FULLER AVE
 FALLS CREEK PA 15840

:

Defendant(s)

:

COMPLAINT

Now comes the Plaintiff, PALISADES COLLECTION LLC, by and through its attorneys, and the law firm of Wolpoff & Abramson, L.L.P., and files this Complaint and in support avers as follows:

1. Plaintiff, PALISADES COLLECTION LLC
 ASSIGNEE OF DISCOVER BANK
 210 SYLVAN AVENUE
 ENGLEWOOD CLIFFS, NJ 07632

is a business entity doing business within the Commonwealth of Pennsylvania and the other states of the United States.

2. Defendant, EDWARD SNYDER, is an adult individual with a last known address of

225 FULLER AVE
 FALLS CREEK PA 15840

COUNTY OF CLEARFIELD

3. It is averred that Defendant(s) was/were issued an open end credit card account. The Terms and Conditions governing this account is attached hereto, incorporated herein and marked as Exhibit "A".

4. At all relevant times material hereto, Defendant(s) has/have used said charge card for the purchase of products, goods and/or for obtaining services.

5. Plaintiff provided Defendant(s) with copies of the Statements of Account showing all debits and credits for transactions on the aforementioned credit card account to which there was no bona fide objection by Defendant(s). A true and correct copy of the Statement of Account is attached hereto, incorporated herein, and marked as Exhibit "B".

6. As of the date of this Complaint, the remaining balance due, owing and unpaid on Defendant's credit card account as a result of the charges made by said Defendant(s) and/or any authorized users is the sum of \$ 10342.89.

7. Pursuant to the Credit Agreement and/or applicable Pennsylvania law, any unpaid or delinquent balances on said account shall continue to bear interest at the rate of 18.00%. See Exhibit "A" as previously identified herein.

8. As of the date of the filing of this Complaint, the amount of interest which has accrued is the sum of \$ 2422.79.

9. As of the filing of this Complaint, Plaintiff has incurred reasonable attorney's fees from the law office of Wolpoff & Abramson, L.L.P. in the collection of the amounts due from Defendant(s) incident to the within action based upon 20% of the principal amount due and owing, and Plaintiff shall continue to incur such attorney's fees through the conclusion of the proceedings.

10. The amount of attorney's fee which has accrued is the sum of \$ 2068.57.

11. Despite reasonable and repeated demands for payment, Defendant(s) has/have refused and continue to refuse to pay all sums due and owing on the aforementioned account balance, all to the damage and detriment of the Plaintiff.

12. The amount in controversy is within the jurisdictional amount requiring compulsory arbitration.

WHEREFORE, Plaintiff respectfully requests this Honorable Court enter Judgment in favor of the Plaintiff and against Defendant(s) in the amount of \$ 10342.89, plus attorneys fees in the amount of \$ 2068.57, plus interest in the amount of \$ 2422.79, plus costs of this action and any other relief as this Court deems just and reasonable.

Respectfully submitted,

Philip P. Warholik

Amy F. Doyle	#87062
Daniel F. Wolfson	#20617
Bruce H. Cherkis	#18837
Philip C. Warholik	#86341
Ronald M. Abramson	#94266
Ronald S. Canter	#94000
Donald P. Shiffer, III	#89451

WOLPOFF & ABRAMSON, L.L.P.
Attorneys in the Practice of Debt Collection
267 East Market St., York, PA 17403
(717) 846-1252
Counsel for Plaintiff

ATTORNEY VERIFICATION

I hereby state that I am the attorney for the Plaintiff, who is located outside of this jurisdiction and in order to file the within document in an expedient and timely manner, am authorized to take this verification on behalf of said Plaintiff in this action and verify that the statements made in the foregoing Complaint are true and correct to the best of my knowledge, information, and belief, based upon information provided by the Plaintiff.

The undersigned understands that false statements herein are made subject to the penalties of 18 Pa.C.S. Section 4904, relating to unsworn falsification to authorities.

Date:

Philip C. Warholick

Amy F. Doyle	#87062
Daniel F. Wolfson	#20617
Bruce H. Cherkis	#18837
Philip C. Warholick	#86341
Ronald M. Abramson	#94266
Ronald S. Canter	#94000
Donald P. Shiffer, III	#89451

WOLPOFF & ABRAMSON, L.L.P.
 Attorneys in the Practice of Debt Collection
 267 East Market St., York, PA 17403
 (717) 846-1252
 Counsel for Plaintiff

EXHIBIT "A"



IMPORTANT INFORMATION ABOUT YOUR ACCOUNT

CARDMEMBER AGREEMENT

The terms and conditions of your Account, including how we calculate finance charges, our fees and an Arbitration of Disputes section. *You have the right to reject the arbitration provision with respect to your new Account within 30 days after receiving your Card, as explained in the "Acceptance of Agreement" section.....* **SEE PAGES 1 - 14**

PRIVACY POLICY

A summary of the personal information we collect, when it may be shared with others, and how we safeguard the confidentiality and security of information. *You may limit our sharing of such information with others* **SEE PAGES 14 - 18**

BILLING RIGHTS

Important information about your rights and our responsibilities under the Fair Credit Billing Act **SEE PAGES 18 - 19**

CASHBACK BONUS* TERMS AND CONDITIONS

The terms and conditions of the Cashback Bonus* award program, including a description of how your award is calculated and how to redeem it **SEE PAGES 19 - 22**

DESCRIPTION OF COVERAGE

The terms and conditions of the Scheduled Air Travel Accident Insurance that is provided at no charge to you when you use your Card to purchase airline tickets..... **SEE PAGES 22 - 24**



CARDMEMBER AGREEMENT

Please read this Agreement carefully before using your Discover® Card Account. It contains the terms and conditions of your Account, some of which may have changed from earlier materials provided to you. In the event of any differences, this Agreement shall control.

We respect your privacy. See the Privacy Section on page 11 and our Privacy Policy for additional information.

The Arbitration of Disputes Section on page 12 includes a waiver of a number of rights, including the right to a jury trial.

CARDMEMBER AGREEMENT

Agreement Terms	2
Acceptance of Agreement	2
Use of Your Account	2
Authorized Users	3
Unauthorized Use	3
Credit Limit-Available Credit	3
Promise to Pay	4
Monthly Billing Statement	4
Monthly Payment Options	4
Minimum Monthly Payment	5
Credit Balances	5
Balance Transfers	5
Finance Charges	5
Periodic Finance Charges	6
Default Rate Plan	8
Cash Advance Transaction Fee Finance Charges	9
Balance Transfer Transaction Fee Finance Charges	9
Minimum Finance Charge	9
Returned Check Fee	9
Stop Payment Fee	9
Late Fee	10
Pay-by-Phone Fee	10
Research Fee	10
Overlimit Fee	10
Default-Acceleration-Collection Costs	10
Cancellation	10
Privacy	11
Electronic Communications	11
Credit Authorizations	11
Change of Terms	12
Change of Address	12
Assignment of Account	12
Arbitration of Disputes	12
Compliance with Interest Rate Limitations	13
Governing Law	13

AGREEMENT TERMS. The word "Account" means your Discover Card Account. The word "Card" means any one or more Discover Cards issued to you or someone else with your authorization. The words "you", "your", or "yours" refer to, in addition to you, the Cardmember, any other person or persons who are also contractually liable under this Agreement. The words "we", "us", and "our" refer to Discover Bank, the issuer of your Discover Card. The words "Authorized User" mean any person whom you authorize to use your Account or a Card, whether you notify us or not. The words "Pricing Schedule" mean the document accompanying your Card and listing the Finance Charge rates that apply to your Account. The Pricing Schedule is part of this Agreement.

ACCEPTANCE OF AGREEMENT. The use of your Account or a Card by you or an Authorized User, or your failure to cancel your Account within 30 days after receiving a Card, means you accept this Agreement, including the Arbitration of Disputes provision on pages 12-14. You may, however, reject the Arbitration of Disputes section by providing us a notice of rejection within 30 days after receiving a Card, at the following address: Discover Card, P.O. Box 30938, Salt Lake City, UT 84130-0938. If you were previously subject to arbitration with respect to any Account, this right to reject arbitration will not apply to you in the event that the Account has been reopened or replacement Cards are sent to you. Your rejection notice must include your name, address, telephone number, Account number and signature and must not be sent with any other correspondence. Calling us to indicate that you reject the Arbitration of Disputes section or sending a rejection notice in a manner or format that does not comply with all applicable requirements is insufficient notice. In order to process your notice, we require that the notice be provided by you directly and not through a third party. Rejection of arbitration will not affect your other rights or responsibilities under this Agreement or your obligation to arbitrate disputes under any other account as to which you and we have agreed to arbitrate disputes. If you do not send a rejection notice, you will be obligated by the Arbitration of Disputes section with respect to this and any prior account you have had with us, even if you have previously sent a rejection notice with respect to that prior account.

USE OF YOUR ACCOUNT. Your Account may be used for:

- Purchases - to purchase or lease goods or services from participating merchants by presenting your Card or Account number.
- Cash Advances - to obtain cash advances from participating automated teller machines, financial institutions or other locations, or by means of checks which we may furnish to you, all in accordance with such additional terms and conditions as may be imposed from time to time.
- Balance Transfers - to transfer balances from other creditors or to make other transactions by means of balance transfer coupons or checks, in accordance with such additional terms and conditions as we may offer from time to time.

In addition, your Account may be used to guarantee reservations at participating establishments. You will be liable for

guaranteed reservations that are not canceled prior to the time specified by the establishment.

Your Account may be used for personal, family, household and charitable purposes. Your Account may not be used to obtain loans to purchase, carry or trade in securities, or to pay any amount you owe under this Agreement ("Prohibited Transactions"). Prior to its use, each Card must be signed by the person to whom it is issued. We are not responsible for the refusal of anyone to accept or honor a Card or to accept checks that we have provided you. You must return any Card or unused checks to us upon request.

If a merchant fails to provide your purchase to your satisfaction and you request a credit to your Account, we will investigate the dispute. If we resolve the dispute in your favor, we will issue a credit to your Account and you will be deemed to have assigned to us your claim against the merchant and/or any third party for the credited amount. Upon our request, you agree to provide us with written evidence of such assignment.

Your rights and responsibilities under the Fair Credit Billing Act described in the billing rights summary on pages 18-19 and on the back of your monthly billing statement apply only to credit card transactions. This special rule for credit card transactions does not apply to purchases made with a balance transfer check or cash advance. Therefore, if you have a problem with the quality of goods or services that you purchased with a balance transfer check, cash advance check or the proceeds of a cash advance, you do not have the right to withhold payment of the amount due.

AUTHORIZED USERS. If you want to cancel the authority of a current Authorized User to use your Account or a Card, you must notify us in writing or by telephone and destroy any Card in that person's possession. None of your rights under this Agreement (other than to pay amounts owed) may be exercised by any person not a party to this Agreement acting pursuant to a power of attorney, without our separate written agreement (which we are not obligated to give).

UNAUTHORIZED USE: If a Card is lost or stolen, or if you think that someone is using your Account or a Card without your permission, notify us immediately. You can notify us by telephoning 1-800-DISCOVER (1-800-347-2683), or by writing DISCOVER CARD, PO Box 15156, Wilmington, DE 19886-1002. You agree to assist us in determining the facts relating to any theft or possible unauthorized use of your Account or a Card and to comply with such procedures as we may require in connection with our investigation. If you have enrolled in an automatic billing arrangement, such as a monthly gym membership, and wish to continue the automatic billing arrangement, you must provide the merchant with your new Account number.

CREDIT LIMIT-AVAILABLE CREDIT. We will advise you of your Account credit limit. We may impose a lower limit that will apply to cash advances, referred to as the cash advance credit limit. You agree not to allow your unpaid balance, including Finance Charges and fees, to exceed your Account credit limit. If you exceed your Account credit limit, we may request immediate payment of the amount by which you exceed your Account

balance exceeded your Account credit limit are also included in this category until the initial special rate otherwise would have expired. In calculating the daily balance of the balance transfer transaction category on the first day of the billing period, we subtract the unpaid balance of those Balance Transfer Transaction Fee Finance Charges and balance transfers that become purchase rate balance transfers on that day and we add that unpaid balance to the balance of the purchase transaction category.

All fees charged to your Account are added to the purchase transaction category with the exception of Cash Advance Transaction Fee Finance Charges which are added to the cash advance transaction category and Balance Transfer Transaction Fee Finance Charges which are added to the balance transfer transaction category. If a transaction is posted to your Account after the close of the billing period in which it occurs, we will treat the transaction as having occurred on the first day of the billing period in which it is posted to your Account.

(1) Rate Plans

The Daily Periodic Rate and corresponding Annual Percentage Rate that apply to each transaction category is either a fixed rate or a variable rate as set forth in your Pricing Schedule. The Daily Periodic Rate is 1/365th of the corresponding Annual Percentage Rate. The variable Annual Percentage Rate for a transaction category is determined by adding a specified number of percentage points to the Prime Rate. This is shown on the Pricing Schedule as "Prime + (percentage points)." For purposes of this Agreement, the Prime Rate is the highest rate of interest listed as the "prime rate" in the money rates section of *The Wall Street Journal* on the last business day of the month. The Prime Rate is merely a pricing index and does not represent the lowest or best interest rate available to a borrower at any bank at any given time. Your Annual Percentage Rate will increase or decrease when the Prime Rate changes. This change will be effective beginning on the first day of the billing period that begins during the same month as the change in the Prime Rate.

(2) Annual Percentage Rate for Purchases

We may have offered you an introductory rate on purchases. The introductory rate is the Annual Percentage Rate that will apply to purchases for the time period specified in the offer, subject to the Default Rate Plan Section. After expiration of this time period, the Annual Percentage Rate for purchases will apply. The Daily Periodic Rate and corresponding Annual Percentage Rates in effect on the date this Agreement is furnished to you are set forth in the Pricing Schedule.

(3) Annual Percentage Rate for Cash Advances

The Daily Periodic Rate and corresponding Annual Percentage Rate in effect on the date of this Agreement is furnished to you are set forth in the Pricing Schedule.

(4) Annual Percentage Rate for Balance Transfers

The Daily Periodic Rate and corresponding Annual Percentage Rate in effect for special rate balance transfers will be set forth

in the offer from us under which you make the balance transfer. As indicated in the Balance Transfers Section above, purchase rate balance transfers will be subject to the Daily Periodic Rate and corresponding Annual Percentage Rate that apply to purchases and the Default Rate Plan Section.

The Daily Periodic Rate and corresponding Annual Percentage Rate in effect on the date this Agreement is furnished to you are set forth in the Pricing Schedule.

DEFAULT RATE PLAN. We will review your Account on the last day of each billing period to determine the Annual Percentage Rates that will apply to your Account. In reviewing your Account, we will look at the current billing period as well as the previous eleven billing periods. Any increased rate described below will apply beginning with the first day of the billing period in which we review your Account.

If we did not receive a required payment by the Payment Due Date during the billing period in which we review your Account, then any initial special rate on balance transfers and any introductory or promotional rate on purchases that currently applies to your Account, and any such rate that we have previously offered to you, will terminate and the standard Annual Percentage Rate for purchases will apply to your balance of balance transfers and purchases as well as any introductory or promotional rate on purchases and any initial special rate on balance transfers that we have previously offered to you. In addition, if the standard Annual Percentage Rate for purchases is less than 19.99% and during the immediately preceding eleven billing periods we did not receive a required payment by the Payment Due Date, then the standard ANNUAL PERCENTAGE RATE for purchases will be increased to 19.99% (a Daily Periodic Rate of .05477%) and the standard ANNUAL PERCENTAGE RATE for cash advances will also be increased to 19.99% (a Daily Periodic Rate of .05477%) if it is currently less than 19.99%.

If your outstanding balance exceeds your Account credit limit as of the day we review your Account and your outstanding balance exceeded your Account credit limit as of the last day of any billing period in the immediately preceding eleven billing periods, then any initial special rate on balance transfers and any introductory or promotional rate on purchases that currently applies to your Account, and any such rate that we have previously offered to you will terminate and the standard Annual Percentage Rate for purchases will apply to the balance of your balance transfers and purchases as well as any introductory or promotional rate on purchases and any initial special rate on balance transfers that we have previously offered to you. If the standard Annual Percentage Rate for purchases is less than 19.99%, then the standard ANNUAL PERCENTAGE RATE for purchases will be increased to 19.99% (a Daily Periodic Rate of .05477%) and the standard ANNUAL PERCENTAGE RATE for cash advances will also be increased to 19.99% (a Daily Periodic Rate of .05477%) if it is currently less than 19.99%.

If your standard ANNUAL PERCENTAGE RATE for purchases is less than 24.99% and during the current and immediately preceding eleven billing periods you either failed three times to make a required payment when due or exceeded your Account credit

limit three times as of the last day of a billing period, then the standard ANNUAL PERCENTAGE RATE for purchases and for cash advances will be increased to 24.99% (a Daily Periodic Rate of .068477%).

CASH ADVANCE TRANSACTION FEE FINANCE CHARGES. We will charge you a Cash Advance Transaction Fee Finance Charge of 3% of the amount of each new cash advance. There is a minimum Cash Advance Transaction Fee Finance CHARGE of \$5.00 and no maximum Cash Advance Transaction Fee FINANCE CHARGE. The imposition of Cash Advance Transaction Fee Finance Charges may result in an Annual Percentage Rate for cash advances that is higher than the nominal Annual Percentage Rate. All forms of cash advances, including the use of Discover Card checks, regardless of the purpose for which used, are subject to Cash Advance Transaction Fee Finance Charges. To obtain the total Finance Charge on cash advances for each billing period, we add any Cash Advance Transaction Fee Finance Charges for the billing period charged under this Section to any Periodic Finance Charges calculated under the Periodic Finance Charges Section for the cash advance transaction category.

BALANCE TRANSFER TRANSACTION FEE FINANCE CHARGES. If the balance transfer offer you receive contains a Balance Transfer Transaction Fee Finance Charge, we will charge you a Balance Transfer Transaction Fee Finance Charge for the amount of each balance transfer made under that offer. If there is a Balance Transfer Transaction Fee Finance Charge in conjunction with the offer you received when you applied for an Account, it will be in the amount set forth in the Pricing Schedule. The imposition of Balance Transfer Transaction Fee Finance Charges may result in an Annual Percentage Rate for balance transfers that is higher than the nominal Annual Percentage Rate. To obtain the total Finance Charge on balance transfers for each billing period, we add any Balance Transfer Transaction Fee Finance Charges calculated under the Periodic Finance Charges section for the balance transfer transaction category.

MINIMUM FINANCE CHARGE. We will charge you a minimum FINANCE CHARGE of \$.50 for any billing period in which some FINANCE CHARGE of less than \$.50 would otherwise be imposed.

RETURNED CHECK FEE. We will charge you a Returned Check Fee of \$29 each time you pay us with a check that is returned unpaid. This fee will also apply if a debit transaction to a deposit account from which you have authorized us in writing, electronically or orally to periodically deduct all or a part of an amount you owe us under this Agreement is returned unpaid. We will charge you this fee the first time any payment is returned unpaid, even if it is paid upon resubmission.

RETURNED DISCOVER CARD CHECK FEE. We will charge you a Returned Check Fee of \$29 each time we decline to honor a Discover Card cash advance check, balance transfer check or other promotional check.

STOP PAYMENT FEE. We may charge a Stop Payment Fee of \$15 each time we stop payment at your request on a cash advance check, balance transfer check, or other promotional check.

LATE FEE. We will charge you a Late Fee if you have failed, as of the Payment Due Date, to make the Minimum Payment Due that was required to be paid by that date. The amount of the Late Fee is based on the sum of all outstanding purchases, cash advances, balance transfers, other charges, other fees and Finance Charges at the end of the billing period. If the sum is less than \$100, the Late Fee is \$15. If the sum is equal to or greater than \$100, and less than \$1,000, the Late Fee is \$25. If the sum is equal to or greater than \$1,000, the Late Fee is \$35.

PAY-BY-PHONE FEE. We may from time to time allow you to make payments by authorizing us over the telephone to transfer or pay funds from a deposit account to your Account. We will charge a Pay-by-Phone Fee of \$15 for each such transfer or payment.

RESEARCH FEE. We may charge you a Research Fee of \$5.00 for each copy of a billing statement or sales slip that you request. However, we will not charge a fee if you request copies in connection with a billing error.

OVERLIMIT FEE. We will charge you an Overlimit Fee each time that, as of the close of a billing period, your outstanding Account balance exceeds your Account credit limit. This fee may be charged even if the transaction which causes you to exceed your Account credit limit is authorized by us or if you exceed your Account credit limit due to the posting of Finance Charges or fees to your Account. The amount of the Overlimit Fee is based on the sum of all outstanding purchases, cash advances, balance transfers, other charges, other fees and Finance Charges at the end of the billing period. If the sum is equal to or less than \$1,000, the Overlimit Fee is \$15. If the sum is greater than \$1,000, the Overlimit Fee is \$35.

DEFAULT-ACCELERATION-COLLECTION COSTS. You are in default if you become insolvent; if you file a bankruptcy petition or have one filed against you; if we have a reasonable belief that you are unable or unwilling to repay your obligations to us; if you are declared incompetent by a court or if a court appoints a guardian for you or a conservator for your assets; if you die; or if you fail to comply with the terms of this Agreement, including failing to make a required payment when due, exceeding your Account credit limit, or using your Card or Account for a Prohibited transaction; if you fail to make a required payment when due on any other account you have with us or with another creditor. If you are in default, we may declare the entire balance of your Account immediately due and payable without notice. If we refer the collection of your Account to an attorney or employ an attorney to represent us with regard to recovery of money that you owe us, we may charge you reasonable attorneys' fees and court or other collection costs as permitted by law and as actually incurred by us. We may delay enforcing or not enforce any of our rights under this Agreement without losing or waiving any of them.

CANCELLATION. You may cancel your Account by notifying us in writing or by telephone and returning or destroying every Card and unused check that we have provided you. Of course, you will still be responsible to pay any amount you owe us according to

- 10 -

the terms of this Agreement. If your Account is a joint Account, either Cardmember may cancel the Account, but you will both remain responsible to pay any amount owed to us according to the terms of this Agreement. We may cancel or suspend your Account at any time without notice. We may choose not to renew your Account (beyond the expiration date shown on the face of a Card) without notice.

PRIVACY. We respect the privacy of information about you and your Account. Our Privacy Policy includes a summary of the personal information we collect, when it may be shared with others, how we safeguard the confidentiality and security of information and the steps you may take to limit our sharing of such information with others. Please read it carefully as it is part of your Cardmember Agreement. As indicated in our Privacy Policy, we may report to credit reporting agencies and other creditors the status and payment history of your Account, including negative credit information. We normally report to such credit reporting agencies each month. If you believe that our report of your Account status is inaccurate or incomplete, please write us at the following address: Discover Card, PO Box 15316, Wilmington DE 19850-5316. Please include your name, address, home telephone number and Account number.

We may from time to time review your credit, employment and income records. Our personnel may listen to or record telephone calls between you and our representatives in order to evaluate the quality of our service to our Cardmembers without notice to you. We may use any medium, including but not limited to mail, live telephone calls, automated telephone equipment, prerecorded telephone calls, and e-mail to contact you about your Account or offer you products or services that may be of value to you. If you prefer not to be contacted in one or more of these ways, call us at 1-800-DISCOVER or write to us at Discover Card, PO Box 15354, Wilmington, DE 19850. We provide various methods by which you can obtain information about your Account. We will only release such information to you, any Authorized User that our records indicate is an authorized buyer on your Account, and any other person with your prior permission, in addition to as provided in our Privacy Policy or as required by law. Our security measures cannot insure against unauthorized inquiries. You agree that we will not be responsible for the release of information to anyone who, even if without your authorization or permission, has gained possession of a Card or has learned other identifying characteristics about you such as your personal identification number, Account number or social security number.

ELECTRONIC COMMUNICATIONS. We may offer you the opportunity to receive certain notices from us electronically rather than through the mail, including monthly billing statements and change of terms notices. The terms and conditions for receiving these electronic communications will be described in the offer.

CREDIT AUTHORIZATIONS. Certain transactions will require our authorization prior to completion of the transaction. In some cases, you may be asked to provide identification. If our authorization system is not working, we may not be able to

- 11 -

authorize a transaction. We will not be liable to you if any of these events happen.

CHANGE OF TERMS. We may change any term or part of this Agreement, including, but not limited to, any finance charge rate, fee or method of computing any balance upon which the finance charge rate is assessed, or add any new term or part to this Agreement by sending you a written or electronically delivered notice at least 15 days before the change is to become effective. We may apply any such change to the outstanding balance of your Account on the effective date of the change and to new charges made after that date. If you do not agree to the change, you must notify us in writing or electronically within 15 days after the mailing of the notice of change at the address provided in the notice of change, in which case your Account will be closed and you must pay us the balance that you owe us under the existing terms of the unchanged Agreement. Otherwise, you will have agreed to the changes in the notice. Use of your Account after the effective date of the change will be deemed acceptance of the new terms as of such effective date, even if you previously notified us that you did not agree to the change.

CHANGE OF ADDRESS OR TELEPHONE NUMBER. If you change your address or telephone number you must notify us of your new address or telephone number within 15 days.

ASSIGNMENT OF ACCOUNT. We may sell, assign or transfer your Account or any portion thereof without notice to you. You may not sell, assign or transfer your Account without first obtaining our prior written consent.

ARBITRATION OF DISPUTES. In the event of any past, present or future claim or dispute (whether based upon contract, tort, statute, common law or equity) between you and us arising from or relating to your Account, any prior account you have had with us, your application, the relationships which result from your Account or the enforceability or scope of this arbitration provision, of the Agreement or of any prior agreement, you or we may elect to resolve the claim or dispute by binding arbitration.

IF EITHER YOU OR WE ELECT ARBITRATION, NEITHER YOU NOR WE SHALL HAVE THE RIGHT TO LITIGATE THAT CLAIM IN COURT OR TO HAVE A JURY TRIAL ON THAT CLAIM. PRE-HEARING DISCOVERY RIGHTS AND POST-HEARING APPEAL RIGHTS WILL BE LIMITED. NEITHER YOU NOR WE SHALL BE ENTITLED TO JOIN OR CONSOLIDATE CLAIMS IN ARBITRATION BY OR AGAINST OTHER CARDMEMBERS WITH RESPECT TO OTHER ACCOUNTS, OR LITIGATE IN COURT OR ARBITRATE ANY CLAIMS AS A REPRESENTATIVE OR MEMBER OF A CLASS OR IN A PRIVATE ATTORNEY GENERAL CAPACITY ("Class Action Waiver"). Notwithstanding anything else to the contrary in this arbitration provision, only a court, and not an arbitrator, shall determine the validity and effect of the Class Action Waiver. Even if all parties have opted to litigate a claim in court, you or we may elect arbitration with respect to any claim made by a new party or any new claims later asserted in that lawsuit, and nothing undertaken therein shall constitute a waiver of any rights under this arbitration provision.

- 12 -

We will not invoke our right to arbitrate an individual claim you bring in small claims court or your state's equivalent court, if any, so long as the claim is pending only in that court and does not exceed \$5,000.

Your Account involves interstate commerce, and this provision shall be governed by the Federal Arbitration Act (FAA). The arbitration shall be conducted, at the option of whoever files the arbitration claim, by either JAMS or the National Arbitration Forum (NAF) in accordance with their procedures in effect when the claim is filed. For a copy of their procedures, to file a claim or for other information, contact JAMS at 1920 Main Street, Suite 300, Irvine, CA 92614 (phone 1-800-352-5267) or NAF at P.O. Box 50191, Minneapolis, MN 55405 (phone 1-800-474-2371). No other arbitration forum will be permitted, except as agreed to pursuant to either the Change of Terms section or in writing signed by both parties. At your written request, we will advance any arbitration filing, administrative and hearing fees which you would be required to pay to pursue a claim or dispute as a result of our electing to arbitrate that claim or dispute. Send requests to P.O. Box 15192, Wilmington, DE 19886-1020. The arbitrator will decide who will ultimately be responsible for paying those fees. In no event will you be required to reimburse us for any arbitration filing, administrative, or hearing fees in an amount greater than what you and our combined court costs would have been if the claim had been resolved in a state court with jurisdiction. In no event will you be required to pay any fees or costs incurred by us in connection with an arbitration proceeding where such a requirement is prohibited by law.

Any arbitration hearing will take place in the federal judicial district where you reside. The arbitrator shall follow applicable substantive law to the extent consistent with the FAA and applicable statutes of limitations and shall honor claims of privilege recognized at law and shall be authorized to award all remedies permitted by the substantive laws that would apply if the action were pending in court. If requested by any party, the arbitrator shall write an opinion containing the reasons for the award. The arbitrator's decision will be final and binding except for any appeal rights under the FAA and except that if the amount in controversy exceeds \$100,000, any party may appeal the award within 30 days to a three-arbitrator panel which shall review the award *de novo*. Unless applicable law provides otherwise, the appealing party will pay the cost of the appeal, regardless of its outcome. However, we will consider in good faith any reasonable request for us to bear the fees charged by the arbitration administrator and the arbitrators in connection with the appeal. Judgment upon any award by the arbitrator may be enforced in any court having jurisdiction.

Our rights and obligations under this arbitration provision shall inure to the benefit of and be binding upon our parent corporations, subsidiaries, affiliates (including, without limitation, Discover Financial Services, Inc.), predecessors, successors, assigns, as well as the officers, directors and employees of each of these entities, and will also inure to the benefit of any third party named as a co-defendant with us or with any of the foregoing in a claim which is subject to this arbitration provision. Your rights and obligations under this arbitration provision shall inure to the

- 13 -

benefit of and be binding upon all persons contractually liable under this Agreement and all Authorized Users of the Account. This arbitration provision shall survive termination of your Account as well as voluntary payment in full by you, any legal proceedings by us to collect a debt owed by you, any bankruptcy by you and any sale by us of your Account.

COMPLIANCE WITH INTEREST RATE LIMITATIONS. We intend that this Agreement will comply with applicable interest rate limitations. You will not be required to pay Finance Charges or other charges at a rate that is greater than the maximum amount permitted by law. If it is ever finally determined that, but for this Section, the Finance Charges or other charges under this Agreement would exceed the maximum lawful amount, the Finance Charges and other charges will be reduced to the maximum lawful amount. Any excess amount that you have already paid will be used to reduce the outstanding balance of your Account or will be refunded to you by means of a check in our discretion.

GOVERNING LAW. This Agreement will be governed by the laws of the State of Delaware and applicable federal laws. If any part of this Agreement becomes unenforceable, it will not make any other part unenforceable, except that if the Class Action Waiver set forth above in the Arbitration of Disputes section is invalidated in any proceeding in which you and we are involved, then the Arbitration of Disputes section will be void with respect to that proceeding.

Discover Bank

DISCOVER CARD

R. D. McElroy
Vice President

PRIVACY POLICY

We Respect Your Privacy

Our mission is to provide you with superior products and services, along with the peace of mind knowing that your privacy is secure. We understand your concerns about guarding information about you and your Account. We want to assure you that we have taken steps, and will continue to take steps, to safeguard that information.

This Privacy Policy describes our efforts to meet these objectives. It includes a summary of the following important information:

- A listing of the personal information we collect.
- The circumstances in which we may share information with others.
- The ways we safeguard the confidentiality and security of information.
- The steps you may take to limit our sharing of such information with others. See Section 4 for complete details.

- 14 -

Please read our Privacy Policy carefully. It will help you understand how we collect and share information.

1. What Personal Information Do We Collect?

To serve you better and manage our business, it is important that we collect and maintain accurate personal information about you. We obtain this information from applications and other forms you submit to us, from your dealings with us and others, from consumer reporting agencies, and from other sources, such as our Web sites. For example:

- We may obtain information such as your name, address and date of birth from applications and other forms you submit to us.
- We may obtain information such as Account balances, payment history, your use of your Account and the types of services you prefer from your transactions and other dealings with us and others.
- We may obtain information such as the balances of your loans with other lenders and your payment history with others from consumer reporting agencies.
- We may obtain information such as your Internet service provider, your domain name, your computer's operating system and Web browser, your Web site use and your product and service preferences from your visits to our Web sites.

2. Is Personal Information Shared With Others?

We limit the sharing of information with others. Many of the offers you receive for products and services are provided directly to you from us. For example, a retailer that accepts the Discover® Card may come to us with a special offer for Cardmembers, such as a discount certificate or product upgrade. After careful consideration of the nature of the offer and the company, we will create a list of Cardmembers who may be interested in the offer based on certain characteristics. We will send the offer directly to those Cardmembers on behalf of the retailer by, for example, including an insert in their monthly billing statement or mailing the offer ourselves. We control the information used to make the offer; we do not share the list or any information about our Cardmembers with the retailer. However, please understand that if you do receive this type of offer from us and choose to take advantage of it, the retailer may then learn information about you because only Cardmembers with certain characteristics received the offer.

There are, however, circumstances in which we may share the information we collect about you, as described in Section 1, with other companies in order to provide you with access to products and services and to service your Account effectively, as detailed below. We require these companies to adhere to our privacy standards and to use this information only for the limited purpose for which it was shared. We do not allow them to disclose it to others without our prior approval.

- 15 -

a. *Sharing Personal Information with Our Corporate Family*
We are part of the Morgan Stanley family of companies. Our corporate family offers a wide variety of products and services that can help you manage your finances. In order to provide you with access to these products and services, we may share the information we collect about you, as described in Section 1, with other members of our corporate family. These companies include financial service providers that offer mortgage lending services, securities and asset management services, investment opportunities and mutual funds, and may include non-financial service providers in the future as our corporate family continues to grow.

b. *Sharing Personal Information with Non-Affiliated Parties for Marketing Purposes*

We may share the information we collect about you, as described in Section 1, with non-affiliated third parties, including those that accept the Discover Card, in order to provide you with access to products and services offered directly by these companies that may be of value to you. These companies include financial service providers, such as insurance companies, and non-financial companies, such as retailers.

c. *Sharing Personal Information with Others*

We may share the information we collect about you, as described in Section 1, with companies that perform support or marketing services on our behalf, such as mailing, market research and data processing; other financial institutions with which we have joint marketing agreements; or companies that are our partners for cobrand credit card programs or reward programs. We may also share such information as permitted by law.

3. *How Do We Protect The Confidentiality, Security And Integrity Of Information About You?*

We maintain physical, electronic and procedural safeguards to protect the information we collect about you. Access to such information is restricted to individuals who need it in order to service your Account or provide products and services to you, and who are trained in the proper handling of such information. Employees who violate these confidentiality requirements are subject to our disciplinary process. Where third parties provide support services, we require them to conform to our privacy standards.

It is important that the information we maintain about you is accurate and complete. If you see information in your monthly billing statements or elsewhere which suggests that our information is incomplete or inaccurate, please write to us at Discover Card, P.O. Box 30943, Salt Lake City, UT 84130-0943 so that we can update this information.

4. *How Can You Limit Sharing Of Information About You?*

We respect your privacy and offer you choices as to whether we may share information about you with others. If you prefer that we not share the information we collect about you, as described in

- 16 -

Section 1, with non-affiliated third parties or if you prefer that we not share that information with companies in our corporate family, you may opt out, that is, you may direct us not to share that information. If you indicate a preference that we do not share that information, please understand that you will not receive offers for products and services provided by other companies that could help you lower your costs, maximize your financial resources and manage your finances.

To indicate your preferences, call us at 1-800-225-5202 or write to us at Discover Card, P.O. Box 30961, Salt Lake City, UT 84130-0961. If you have previously notified us about your privacy preferences, it is not necessary to do so again unless you decide to change your preferences. Your written request should include your name, address, telephone number and Account number(s) and should not be sent with any other correspondence. In order to process your request, we require that the request be provided by you directly and not through a third party. You will need to provide us with your preferences for each credit card account you have with us.

You may notify us about your preferences at any time. Your request will remain in effect until you notify us otherwise. We will honor your request and not share the information we collect about you, except as permitted by law. For example, federal law permits us to share information about you with consumer reporting agencies, service providers and marketing partners. It also permits us to share information about our experiences and transactions with you, such as your Account balance and payment history, with other members of our corporate family. If you are a new Cardmember, we will not share any information about you, except as permitted by law, for thirty days after we provide this Policy to you in order to give you an opportunity to inform us about your preferences. If you are an existing Cardmember, please understand that you may continue to receive marketing offers directly from other companies that were already in production prior to the processing of your request.

This Privacy Policy is provided to the primary Cardmember listed on the Account. However, any joint Cardmember has the right to notify us about preferences and we will treat that request as applying to the entire Account. We do not share information about former customers, except as permitted by law.

This Privacy Policy is provided to you by Discover Bank and its subsidiaries, which currently include GTC Insurance Agency, Inc. It applies to the family of Discover Cards, and the products and services offered in connection with those cards, including The Register® card registration service (with the exception of any information registered in connection with the service, which will not be shared). It is part of your Cardmember Agreement and provides a further explanation of how we collect and share information. You may have other rights under state laws that apply to this information. Please note that you will also receive privacy notices for other credit card accounts you have with us, as well as other financial products and services provided to you by us and our affiliates. You will need to indicate your preferences for each of

- 17 -

these separately as disclosed in the notice.

Vermont Residents – Your State laws require financial institutions to obtain your consent prior to sharing information about you with others. Except as permitted by law, we will not share information we collect about you with non-affiliated third parties or companies in our corporate family unless you call us at 1-800-DISCOVER and authorize us to do so.

Your Billing Rights

KEEP THIS NOTICE FOR FUTURE USE

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

1. *Notify Us In Case of Errors or Questions About Your Bill*

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

In your letter, give us the following information:

- your name and Account number.
- your dollar amount of the suspected error.
- describe the error and explain, if you can, why you believe there is an error. If you need more information, describe the item you are not sure about.

If you have authorized us to pay your credit card bill automatically from your savings or checking account, you can stop the payment on any amount you think is wrong. To stop the payment, your letter must reach us three business days before the automatic payment is scheduled to occur.

2. *Your Rights and Our Responsibilities After We Receive Your Written Notice*

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

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

If we find that we made a mistake on your bill, you will not have

- 18 -

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

If you fail to pay the amount that we think you owe, we may report you as delinquent. However, if our explanation does not satisfy you and you write us within ten days telling us that you still refuse to pay, we must tell anyone we report you to that you have a question about your bill. And, we must tell you the name of anyone we reported you to. We must tell anyone we report you to that the matter has been settled between us when it finally is, if we don't follow these rules, we can't collect the first \$50 of the questioned amount, even if your bill was correct.

3. Special Rule For Credit Card Purchases

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

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

(b) the purchase price must have been more than \$50.

These limitations do not apply if we own or operate the merchant, or if we mailed you the advertisement for the goods or services.

DISCOVER® CARD CASHBACK BONUS® PROGRAM TERMS AND CONDITIONS

The Cashback Bonus® Terms and Conditions constitute a separate and independent agreement from the Cardmember Agreement and apply to Accounts that participate in the Cashback Bonus Program. However, these Terms and Conditions are subject to the Arbitration of Disputes section of the Cardmember Agreement, which is incorporated herein.

1. Cashback Bonus awards are amounts denominated in dollars and cents which may be accrued by Cardmembers by using their Discover® Card for qualified purchases. Cashback Bonus awards include Purchase Cashback Bonus awards and other Cashback Bonus awards as described below. Cashback Bonus awards are not accrued for Prohibited Transactions (as defined in the Cardmember Agreement), cash advances or balance transfers.

2. Purchase Cashback Bonus amounts are calculated based on purchases made during an annual period corresponding to the Cardmember's anniversary year as described in paragraph 3 below.

- 19 -

The first anniversary year begins on the date the Card is issued and ends on the last day of the twelfth monthly billing period which follows. Each successive anniversary year is the approximate one-year period comprised of the next twelve monthly billing periods.

3. Except as provided below and in paragraph 4 below, the accrued amount of a Purchase Cashback Bonus award is calculated by multiplying the total qualified purchases at the end of each billing period by:

- .25% (.0025), if the purchases are part of the first \$1,500 in purchases during the anniversary year; and
- .50% (.0050), if the purchases are part of the second \$1,500 in purchases during the anniversary year; and
- 1.0% (.01), if the purchases are part of the purchases in excess of \$3,000 during the anniversary year.

In addition, any purchases made at select warehouse clubs or discount stores, including grocery stores affiliated with these stores, will accrue a fixed Purchase Cashback Bonus award in .25% (.0025) of the amount of the purchases. However, these purchases are included in the total amount of purchases made during the anniversary year and are used to determine the applicable percentage rate listed above for other purchases. Please call 1-800-347-7896 or visit our Web site at Discovercard.com for a list of these select clubs and stores.

The total of these calculations for each anniversary year is the accrued amount of the Purchase Cashback Bonus award. The accrued amount of the Purchase Cashback Bonus award will be made available to Cardmembers as described below provided the conditions contained in paragraph 5 below are met. The calculation for the Purchase Cashback Bonus award begins again with the beginning of each anniversary year.

4. Cardmembers may also be offered, from time to time, other Cashback Bonus awards (e.g., by making a purchase at a specific merchant), the terms of which will be disclosed in the offer. These purchases will receive the award amount described in the offer. They will not be considered qualified purchases for purposes of determining the annual level of purchases and calculating the Purchase Cashback Bonus award unless otherwise disclosed in the offer. These other Cashback Bonus awards will accrue in the Cashback Bonus Account in accordance with these Terms and Conditions unless an alternative method of disbursement is disclosed in the offer. In addition, if, as of the date Discover Card determines whether a Cardmember has met the terms of the offer, the Cardmember's Account is closed or delinquent, the Cardmember will not receive this other Cashback Bonus award unless otherwise disclosed in the offer, nor will the Cardmember receive a Purchase Cashback Bonus award on these purchases. The accrued amount of these other Cashback Bonus awards will be made available to Cardmembers as described below provided the conditions contained in paragraph 5 below are met.

5. All Cashback Bonus awards will be held in the Cashback Bonus Account. The Cashback Bonus amount available for disbursement

- 20 -

is the amount in the Cashback Bonus Account as of the last day of the Cardmember's previous billing period. However, Cashback Bonus awards may be redeemed in increments of \$20 only. Cardmembers have no right to accrued Cashback Bonus amounts of less than \$20 or amounts within the \$20 increments.

Only Cardmembers in good standing with open Accounts may access the accrued Cashback Bonus awards in the Cashback Bonus Account. For purposes of the Cashback Bonus program, to be in good standing a Cardmember may not be delinquent (as described below) or in default (as defined in the Cardmember Agreement), and a Cardmember may not have used the Account for any prohibited Transactions. The Cardmember is delinquent if Discover Card has not received a required payment by the Payment Due Date shown on the monthly billing statement.

If an Account is inactive for 36 consecutive months, any amount of \$20 or more in accrued Cashback Bonus awards will be paid to the Cardmember as an Account credit in \$20 increments. If the \$20 minimum or an increment of \$20 thereafter is not reached, that amount will be forfeited. If an Account is closed for any reason, any Cashback Bonus awards in the Cashback Bonus Account will be forfeited.

6. A qualifying Cardmember may have the opportunity to choose the manner in which Cashback Bonus awards are disbursed including a credit to the Cardmember's Account, an electronic deposit into an account designated by the Cardmember, a check that is mailed to the Cardmember, a charitable donation to selected charities, or an exchange of the Cashback Bonus award for selected products or services, the terms of which will be contained in the offer. Cardmembers may select more than one redemption method, however each redemption and each redemption method must be in \$20 increments. Discover Card may change the redemption methods in its sole discretion from time to time. It is the Cardmember's responsibility to notify Discover Card in the event a Cashback Bonus disbursement is not received for any reason.

Cardmembers may redeem Cashback Bonus awards by calling 1-877-YOUR AWARD (1-877-968-7292) 24 hours a day 7 days a week or on the Internet at Discovercard.com. Prior to redemption, the transactions on which Cashback Bonus awards are calculated may be audited for compliance with these Terms and Conditions.

7. In the event a Card is lost or stolen, the accrued amount of the Cashback Bonus awards in the Cashback Bonus Account, the amount of qualifying purchases and the anniversary date from the old Account will be transferred to the new Account.

8. Discover Card reserves the right to make other adjustments to Cashback Bonus amounts accrued based on Account activity. For example, any returns will decrement these amounts as determined in Discover Card's sole discretion. Discover Card also reserves the right to truncate or round Cashback Bonus amounts to the nearest cent as determined in its sole discretion. If the Cardmember receives a Cashback Bonus award in excess of the amount in the Cashback Bonus Account, the Cardmember's Account will be

- 21 -

debited for the entire amount of the erroneous award disbursement. This amount will be subject to the terms of the Cardmember Agreement, including but not limited to, the imposition of finance charges.

9. These terms and conditions are subject to change without notice. Changes may be made at any time and may include, but are not limited to, modifying the level of purchases required to qualify for the various tiers, establishing a maximum amount of Cashback Bonus award Cardmembers may receive, changing the amount that must be accumulated in the Cashback Bonus Account before an award may be redeemed, changing the types of transactions that constitute a qualified purchase, changing the amount of Cashback Bonus award accrued on certain types of purchases, imposing additional restrictions, or terminating the program.

DESCRIPTION OF COVERAGE

SCHEDULED AIR TRAVEL ACCIDENT INSURANCE. Discover® Classic Cardmembers are provided with up to \$150,000 Scheduled Air Travel Accident* protection. Whenever you use your Discover Classic Card (the "credit card") to charge your entire Common Carrier Fare Ticket on any Commercial Aircraft operated by a Scheduled Air Carrier under a license for the transportation of passengers for hire (herein called Scheduled Air Carrier), you automatically receive this valuable coverage at no additional cost.

The benefits of the Policy providing your coverage are governed primarily by the law of a state other than Florida.

*Coverage is underwritten by National Union Fire Insurance Company of Pittsburgh, PA (the "Insurance Company"), with offices in New York, NY. Certain limitations and exclusions apply.

PLAN FEATURES

Benefit Amount: \$150,000 Family Aggregate Principal Sum

ACCIDENTAL DEATH BENEFITS. Insurance coverage will be equal to the benefit amount for accidental loss of life. The loss must occur within one year of the accident that caused the Injury. Family Aggregate Principal Sum means the total amount of Insurance in force on the Cardmember, his or her spouse and their dependent children for any one accident. If more than one Insured Person dies as the result of the Injuries received in any one accident, the Family Aggregate Principal Sum will be pro-rated and paid in accordance with the claim payment and beneficiary provisions of the Policy. Once the Family Aggregate Principal Sum is paid for any one Insured Person in a Family that occurs as the result of any one accident, no further benefits are payable for further deaths in that Family due to Injuries received in the same accident.

Maximum Accidental Death benefits payable under the Policy, if more than one Cardmember suffers a loss from the same accident, are limited to an aggregate of \$20,000,000 for all Cardmembers

- 22 -

combined. Any reduction of benefits necessary to comply with this limitation will be made on a proportionate basis to each Cardmember up to this aggregate limit of liability. As used herein, Cardmember means Cardmember, his or her insured spouse and insured dependent children. This aggregate limit does not replace or in any way affect the Family Aggregate Principal Sum stated under the Policy.

"Injury" means bodily injury; (a) which is sustained as a direct result of an unintended, unanticipated accident that is external to the body and that occurs while the injured person's coverage under this Policy is in force, and (b) which directly (independent of sickness, disease, mental infirmity, bodily infirmity or any other cause) causes a covered loss.

DISAPPEARANCE BENEFITS. We will presume you suffered loss of life due to an accident if: you are riding in a Scheduled Air Carrier that is involved in a covered accident and as a result of the accident, the Scheduled Air Carrier is wrecked, sinks, or disappears; and your body is not found within one (1) year of the accident.

The total of all benefits payable for you, your spouse and your dependent children from the same accident will not exceed the \$150,000 Family Aggregate Principal Sum.

ELIGIBILITY. This automatic insurance is provided to eligible holders of the credit card whose names appear on the credit card, their spouses and their unmarried dependent children under age 19 (age 23 if attending school on a full-time basis and fully dependent on you for support). However, the age limit does not apply to a child who is incapable of self-sustaining employment by reason of mental or physical incapacity.

EFFECTIVE DATES. Your insurance under this plan is effective on the later of: 1) July 1, 2001; or 2) the date you become an eligible person. Your insurance under this plan will cease on the earlier of: 1) the date the insurance coverage is terminated; or 2) on the date you cease to be an eligible holder of the credit card.

THE BENEFICIARY. Unless you designate otherwise with a beneficiary designation form, your death benefit will be paid, in equal shares, to the first surviving class of those that follow: (1) your spouse; (2) your children; (3) your parents; or (4) your brothers and sisters. If no class has a survivor, the beneficiary is your estate. You may change your beneficiary by writing to the Insurance Company at: Accident & Health Division, 500 West Madison Street, Suite 2250, Chicago, IL 60661.

CLAIM PROCEDURE. Claim forms may be obtained through the Insurance Company. Claims for benefits must be filed with the Insurance Company within 90 days or as soon as reasonably possible after the loss occurs.

PLAN OF INSURANCE COVERAGE. You, as a Cardmember, and your spouse and children will be covered against injuries that result in an accidental death while as a passenger in or on, including getting in or out of, or on or off of, any Scheduled Air Carrier if the Common Carrier Fare Ticket for the flight was charged to your credit card.

- 23 -

Companion tickets issued for free with the purchase of a full-fare common carrier ticket and used by a spouse or dependent child will be considered as fully charged to the credit card, if the corresponding full Common Carrier Fare Ticket is charged to the credit card.

Coverage is effective when you board the Scheduled Air Carrier, provided the full Common Carrier Fare Ticket is purchased, or the travel reservation is made for the companion tickets, prior to boarding such Scheduled Air Carrier. Coverage ends when you alight from the Scheduled Air Carrier.

EXCLUSIONS. Benefits are not payable if the loss is caused by or results from: 1) self-inflicted injury or suicide; 2) sickness, disease, or mental incapacity or bodily infirmity whether directly or indirectly; 3) infections of any kind regardless of how contracted, except bacterial infections that are directly caused by botulism, ptomaine poisoning or an accidental cut or wound independent and in the absence of any underlying sickness, disease or condition including but not limited to diabetes; 4) committing or attempting to commit a felony; 5) war or act of war, declared or undeclared; or (6) travel or flight in or on any vehicle used for aerial navigation, as a pilot, operator or crew member.

LIMITATIONS. Benefits will only be payable under one Cardmember account, the credit card under which the Common Carrier Fare Tickets were fully charged.

Benefits are not payable for losses due to injury sustained while on a trip for which the tickets were purchased with a frequent flyer voucher.

Complete provisions pertaining to this plan of insurance are contained in Policy #9029072 issued by National Union Fire Insurance Company of Pittsburgh, PA with offices in New York, NY. The premium for this insurance is paid by Discover Financial Services, Inc., out of income derived from its credit card operations.

Please read this Description of Coverage. Keep it in a safe place with your other insurance documents. This Description of Coverage (form Number 530355DOC) is not a contract of insurance but is simply an informative statement to each eligible individual of the principal provisions of the Insurance while in effect.

If a conflict exists between a statement in this Description of Coverage and any provisions in the Policy, the Policy will govern. Claims administered by: A&H Claims Department, P.O. Box 15701, Wilmington, DE 19850-5701, (800) 551-0824.

- 24 -

99591

EXHIBIT "B"

File Number 116778103 Media Number 03338008540 Account Number 6011002654535491
PROVIDER PALISADES COLLECTION LLC ASSIGNEE OF DISC

Plaintiff = 349191
Account Number = 6011002654535491
Originator = DISCOVER
Current Balance = 10342.89
LSTPYMTDT = 2002/07/24
C/O DATE = 2003/02/28
Last Name = SNYDER
First Name = EDWARD
Middle Name =
Address 1 = 225 FULLER AVE
Address 2 =
City = FALLS CREEK
St = PA
Zip = 158400000
Home Phone = 8143712221
Work Phone = 0000000000
SSN = 203281933
dob =
CoMaker Last Name =
CoMaker First Name =
CoMaker Middle Name =
addrs 1 =
addrs 2 =
city =
st =
zip =
hm ph =
wk ph =
CoMaker SSN =
dob =
int rate =
opendate =
Asta Debtor Number = 8284253
First Delinquency Da = 2002/08/26
=