

**FILE COPY**

IN THE SUPREME COURT OF THE STATE OF ALASKA

JANET HUDSON, ON BEHALF OF )  
HERSELF AND ALL OTHERS, )

Petitioners, )

v. )

CITIBANK (SOUTH DAKOTA) NA, )  
ALASKA LAW OFFICES, INC. and )  
CLAYTON WALKER, )

Respondents. )

Supreme Court Case No. S-14740  
Trial Court No. 3AN-11-09196 CI

*Consolidated with*

CYNTHIA STEWART, ON BEHALF OF )  
HERSELF and ALL OTHERS WHO ARE )  
SIMILARLY SITUATED, )

Petitioners, )

v. )

MIDLAND FUNDING LLC, ALASKA LAW )  
OFFICES, INC. AND CLAYTON WALKER, )

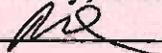
Respondents. )

Supreme Court Case No. S-14826  
Trial Court No. 3AN-11-12054 CI

ON PETITION FOR REVIEW FROM THE SUPERIOR COURT  
THIRD JUDICIAL DISTRICT AT ANCHORAGE  
THE HONORABLE FRANK A. PFIFFNER, PRESIDING

**RESPONDENTS' EXCERPTS OF RECORD  
VOLUME 2 OF 2**

Filed in the Supreme Court of the  
State of Alaska, this 19th day of  
April, 2013.

Marilyn May, Clerk  
By: 

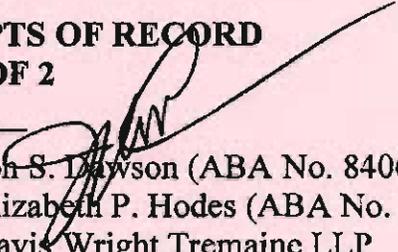
  
John S. Dawson (ABA No. 8406022)  
Elizabeth P. Hodes (ABA No. 0511108)  
Davis Wright Tremaine LLP  
188 West Northern Lights Blvd. #1100  
Anchorage, AK 99503  
Tel: (907) 257-5300  
Fax: (907) 257-5399



TABLE OF CONTENTS

VOLUME 1 OF 2

**Excerpts of Record in *Hudson v. Citibank (South Dakota) NA, et al.*, Case No. S-14740**

Memorandum in Support of Motion of Defendant Citibank N.A.,  
Successor in Interest to Citibank (South Dakota) N.A., to  
Compel Arbitration and to Stay Action (filed August 24, 2011)..... 421

Affidavit of Cathleen A. Walters (filed August 24, 2011) ..... 447

Exhibit 1, Citibank Card Agreement (Mar. 1999) ..... 453

Exhibit 2, Notice of Change in Terms (Oct. 2001) ..... 459

Exhibit 3, Credit Card Statement (Nov. 20, 2001)..... 462

Exhibit 4, Printout of Computer Screen of Hudson  
Account Records ..... 465

Exhibit 5, Credit Card Statement (Dec. 21, 2001) ..... 467

Exhibit 6, Printout of Computer Screen Showing  
Arbitration Indicator ..... 470

Exhibit 7, Notice of Change in Terms (Feb., 2005)..... 472

Exhibit 8, Credit Card Statement (Mar. 21, 2005) ..... 475

Exhibit 9, Card Agreement (Mar. 2005) ..... 478

Exhibit 10, Credit Card Statement (July 21, 2005)..... 483

Supplemental Brief to Motion to Compel Arbitration and to Stay Action  
(filed March 16, 2012) ..... 488

Exhibit A, *Guerrero v. Equifax Credit Info. Services, Inc., et al.*  
Case No. 2:11-cv-06555-PSG-PLA, Order Compelling Arbitration ..... 505

Supplemental Reply Brief in Support of Motion to Compel  
Arbitration and to Stay Action (filed March 27, 2012)..... 516

Response to Petition for Review (filed May 29, 2012) ..... 529

**Excerpts of Record in Stewart v. Midland Funding, LLC, Case No. S-14826**

Application for Commission to Take Out of State Deposition and for Issuance of Subpoena Duces Tecum.....	544
Affidavit of Jon S. Dawson in Support of Application for Commission to Take Out-of-State Deposition and for Issuance of Subpoena Duces Tecum.....	548
Exhibit A, Notice of Records Deposition .....	551
Memorandum in Support of Motion to Compel Arbitration and Stay Action (filed April 9, 2012) .....	555
Exhibit 1, <u>Daugherty v. Experian Info. Solutions, Inc.</u> , Case No. 4:11-cv-01285-SBA, Order Granting Motion to Compel Arbitration.....	582
Exhibit 2, <u>Daugherty v. Experian Info. Solutions, Inc.</u> , Case No. 4:11-cv-01285-SBA, Declaration of Adam R. Pogwist in Support of Motion to Compel Arbitration.....	594
Exhibit 3, <u>Hershler v. Citibank (South Dakota), N.A., et al.</u> Case No. 2:08-cv-06363-R-JWJ, Order Granting Citibank’s Motion to Compel Arbitration.....	636
Exhibit 4, <u>Yaqub v. Experian Info. Solutions, Inc., et al.</u> Case No. 2:11-cv-02190-VBF-FFM, Order re Motion to Compel Arbitration and Stay Action .....	644
Exhibit 5, Letter from South Dakota Attorney General re Arbitration Clause/Credit Cards (May 7, 2002).....	653
Exhibit 6, <u>Guerrero v. Equifax Credit Info. Services, Inc.</u> Case No. 2:11-cv-06555-PSG-PLA, Order Compelling Arbitration .....	657
Exhibit 7, <u>Conroy et al., v. Citibank, N.A. et al.</u> , Case No. 2:10-cv-04930-SVW-AJW, Order Granting Defendants’ Motion to Compel Arbitration.....	668

VOLUME 2 OF 2

**Excerpts of Record in *Stewart v. Midland Funding, LLC*, Case No. S-14826 (cont.)**

Affidavit of Jon S. Dawson in Support of Midland Funding, LLC's Motion to Compel Arbitration and Stay Action (filed April 9, 2012) .....	676
Exhibit A, Letter to Northern Justice Project re Arbitration Demand (January 30, 2012) .....	678
Notice of Filing Declaration of Regularly Conducted Business Activity (filed April 9, 2012) .....	679
Declaration for Records of Regularly Conducted Business Activity and Attached Records (executed March 9, 2012) .....	681
Affidavit of Kyle Hannan (filed April 9, 2012) .....	725
Exhibit A, Bill of Sale and Assignment (July 16, 2010).....	730
Exhibit B, Asset Schedule .....	731
Exhibit C, Account Information (Cynthia M. Stewart), Sears Gold Mastercard .....	732
Notice of Supplemental Authority in Support of Defendant's Motion to Compel Arbitration and Stay Action (filed May 2, 2012).....	733
Exhibit A, <i>Hudson v. Citibank (South Dakota), N.A.</i> , Case No. 3AN-11-9196 CI, Order (lodged April 30, 2012) .....	735
Notice of Filing Notice of Records Deposition and Subpoena (filed June 21, 2012).....	799
Response to Petition for Review (filed August 20, 2012) .....	803
Exhibit A, Plaintiff's Authenticated Account Statements .....	820
Exhibit B, Plaintiff's Motion for Extension of Time .....	834
Order Granting Petitions for Review and Consolidating Cases (lodged 9/17/2012) .....	836

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27

Jon S. Dawson  
David M. Hymas  
DAVIS WRIGHT TREMAINE LLP  
701 West 8<sup>th</sup> Avenue, Suite 800  
Anchorage, AK 99501  
(907) 257-5300

Attorneys for Midland Funding, LLC

IN THE SUPERIOR COURT FOR THE STATE OF ALASKA  
THIRD JUDICIAL DISTRICT AT ANCHORAGE

CYNTHIA STEWART, )  
on behalf of herself )  
and all others similarly situated, )

Plaintiffs, )

vs. )

MIDLAND FUNDING, LLC, )  
ALASKA LAW OFFICES, INC, )  
and CLAYTON WALKER, )

Defendants. )

**COPY**  
Original Received  
APR 09 2012  
Clerk of the Trial Courts

Case No. 3AN-11-12054 CI

AFFIDAVIT OF JON S. DAWSON IN SUPPORT OF MIDLAND FUNDING,  
LLC'S MOTION TO COMPEL ARBITRATION AND STAY ACTION

State of Alaska )  
) ss.  
Third Judicial District )

Jon S. Dawson, being first sworn under oath, deposes and testifies as follows:

1. I am a partner with Davis Wright Tremaine LLP, attorneys for Defendant  
Midland Funding, LLC ("Midland") in the above-captioned proceeding. I am competent

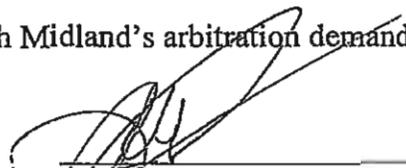
Davis Wright Tremaine LLP  
LAW OFFICES  
Suite 800 • 701 West 8<sup>th</sup> Avenue  
Anchorage, Alaska 99501  
(907) 257-5300 • Fax: (907) 257-5399

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27

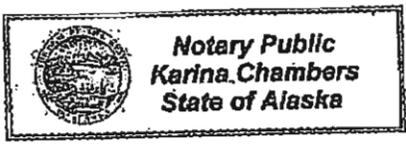
to make this affidavit and do so on personal knowledge.

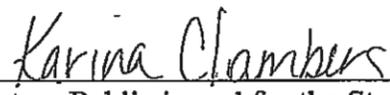
2. On January 30, 2012, Midland sent an arbitration demand to Plaintiff.  
Attached as Exhibit A is a true and correct copy of the arbitration demand letter Midland sent to Plaintiff.

3. Plaintiff has not complied with Midland's arbitration demand.

  
\_\_\_\_\_  
Jon S. Dawson

SUBSCRIBED AND SWORN TO before me this 9<sup>th</sup> day of April, 2012.



  
\_\_\_\_\_  
Notary Public in and for the State of Alaska  
My Commission Expires: 1/31/2013

Certificate of Service

On the 9th day April, 2012, a true and correct copy of the foregoing document was sent by U.S. Mail, postage paid, to the following parties:

James J. Davis, Jr.  
Northern Justice Project, LLC  
310 K St., Suite 200  
Anchorage, AK 99501

Marc Wilhelm  
Richmond & Quinn  
360 K Street, Suite 200  
Anchorage, AK 99501

By:   
\_\_\_\_\_  
Karina Chambers



Suite 800  
701 West Eighth Avenue  
Anchorage, AK 99501-3468

David M. Hymas  
(907) 257-5307 tel  
(907) 257-5399 fax

[jondawson@dwt.com](mailto:jondawson@dwt.com)

January 30, 2012

Jim Davis  
Northern Justice Project  
310 K St., Suite 200  
Anchorage, AK 99501

Re: *Arbitration Demand*

Dear Jim:

I am writing with regard to the lawsuit filed by Ms. Cynthia Stewart against our client, Midland Funding, LLC. The credit card account related to Ms. Stewart's suit was issued by Citibank. The terms and conditions on that Citibank account include a provision allowing either party to demand arbitration whenever a dispute arises related to the account.

As you know, Citibank sold Ms. Stewart's account after she went into default. Consequently, Midland now has the right to demand arbitration under that account. Accordingly, this letter constitutes Midland's formal request demanding arbitration in this matter.

If you do not agree, Midland plans to file a motion with the court to compel arbitration. Consistent with this request, Midland will shortly be sending a notice of records deposition to Citibank in order to obtain Citibank's official documents and files related to Ms. Stewart's account.

Feel free to contact me to the extent that you have any questions.

Best regards,

Davis Wright Tremaine LLP

David M. Hymas

Anchorage  
Bellevue  
Los Angeles

New York  
Portland  
San Francisco

Seattle  
Shanghai  
Washington, D.C.

DWT 18869779v1 0095295-000001

[www.dwt.com](http://www.dwt.com)

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

Jon S. Dawson  
David M. Hymas  
DAVIS WRIGHT TREMAINE LLP  
701 West 8<sup>th</sup> Avenue, Suite 800  
Anchorage, AK 99501  
(907) 257-5300

Attorneys for Midland Funding, LLC

IN THE SUPERIOR COURT FOR THE STATE OF ALASKA  
THIRD JUDICIAL DISTRICT AT ANCHORAGE

CYNTHIA STEWART, )  
on behalf of herself and all )  
others similarly situated, )

Plaintiffs, )

vs. )

MIDLAND FUNDING, LLC, )  
ALASKA LAW OFFICES, INC, and )  
CLAYTON WALKER, )

Defendants. )

Case No. 3AN-11-12054 CI

COPY  
Original Received  
APR 09 2012  
Court of the Trial Courts

NOTICE OF FILING OF DECLARATION OF REGULARLY CONDUCTED  
BUSINESS ACTIVITY

Defendant Midland Funding, LLC, gives notice that it is filing the Declaration for  
Records of Regularly Conducted Business Activity executed by Mariya A. Kharlamova,  
and certain documents produced therewith (Bates numbers MID0007, MID0047,

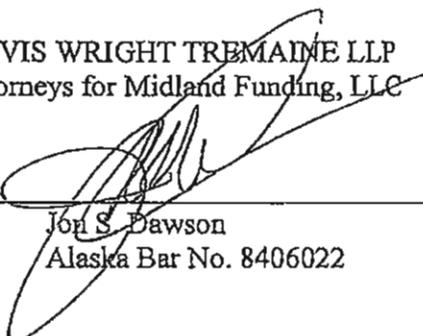
Davis Wright Tremaine LLP  
LAW OFFICES  
Suite 800 - 701 West 8<sup>th</sup> Avenue  
Anchorage, Alaska 99501  
(907) 257-5300 - Fax: (907) 257-5399

Davis Wright Tremaine LLP  
LAW OFFICES  
Suite 800 • 701 West 8<sup>th</sup> Avenue  
Anchorage, Alaska 99501  
(907) 257-5300 • Fax: (907) 257-5399

1 MID0051-68, MID0088-0110) in support of its Motion to Compel Arbitration and Stay  
2 Action.

3 DATED this 9<sup>th</sup> day of April, 2012.

4  
5 DAVIS WRIGHT TREMAINE LLP  
6 Attorneys for Midland Funding, LLC

7 By:   
8 Jon S. Dawson  
9 Alaska Bar No. 8406022

10 Certificate of Service

11 On the 9th day April, 2012, a  
12 true and correct copy of the foregoing  
13 document was sent by U.S. Mail,  
14 postage paid, to the following parties:

15 James J. Davis, Jr.  
16 Northern Justice Project, LLC  
17 310 K St., Suite 200  
18 Anchorage, AK 99501

19 Marc Wilhelm  
20 Richmond & Quinn  
21 360 K Street, Suite 200  
22 Anchorage, AK 99501

23 By: Karina Chambers  
24 Karina Chambers

25  
26 NOTICE OF FILING: KHARLAMOVA DECLARATION AND DOCUMENTS- Page 2 of 2  
Cynthia Stewart v. Midland Funding, LLC et al., Case No. 3AN-11-12054 CI

**DECLARATION FOR RECORDS OF REGULARLY CONDUCTED BUSINESS ACTIVITY**

Re: Notice of Records Depositions, and Subpoena for Taking Deposition and Exh. A thereto, in *Stewart v. Midland Funding LLC, et al.*, Case No. 3AN-11-12054 Civil (Alaska Superior Ct.)  
Account Holder: Cynthia Stewart  
Account Number: [REDACTED] 3235

I, Mariya Kharlamova, declare that I am employed by Citigroup Management Corp. (the "Bank") in the Legal Department and am the Bank's designated duly authorized Custodian of Records for documents and/or information produced under the above referenced legal order. The Bank reserves its right to designate another Custodian as it deems appropriate in the event an actual appearance is required concerning the records produced herein.

The records produced herewith are true and correct copies of all of the Bank's documents that are responsive to the above-referenced Notice of Records Deposition and Subpoena served pursuant to the above referenced case. I certify the authenticity of the records and that they were:

- A. Made at or near the time of the occurrence, condition, or event of the matters set forth by, or from information transmitted by, a person with knowledge of these matters.
- B. Kept in the course of regularly conducted activity.
- C. Made by the regularly conducted activity as a regular practice, by the personnel of the business.

I declare under penalty of perjury under the law(s) of the State of South Dakota that the foregoing is true and correct.

Executed on this 9 day of March, 2012.

Gina Steineke  
Custodian of Records

M. Kharlamova

GINA J. STEINEKE  
Notary Public  
State of South Dakota Minnehaha County  
My Commission Expires: March 27, 2015

Mariya Kharlamova  
Legal Support Specialist  
Citigroup Management Corp.  
Citi Consumer Subpoena Compliance Unit  
701 E. 60th St. N./MC1251  
Sioux Falls, SD 57117  
Phone (605) 731-3714

BS3 [REDACTED] 3235  
 SYS 1238 PRIN 5300 AGNT 0090  
 CUST NAME STEWART, CYNTHIA M  
 CO-MAKER  
 ADDRESS 1 [REDACTED]  
 ADDRESS 2 [REDACTED]  
 CITY [REDACTED] ST [REDACTED]  
 ZIP [REDACTED]  
 SSN [REDACTED]  
 CREDIT LIMIT [REDACTED]  
 CASH LIMIT [REDACTED] CASH IND  
 CASH OTB [REDACTED]  
 MERCH LIMIT [REDACTED]  
 MERCH OTB [REDACTED]  
 CURRENT BAL [REDACTED]  
 AMOUNT DUE [REDACTED] 01-02-12  
 LAST PAYMENT [REDACTED] 04-15-09  
 LST PURCHASE [REDACTED] 12-29-02  
 XREF 1 0000000000000000  
 XREF 2 [REDACTED]  
 XREF 3 [REDACTED]

HOME PH [REDACTED] 01/05/12 16:04  
 BUS PH [REDACTED]  
 STATUS CD X/Z 11-04-09  
 BILLING CY 02 STMT HOLD Y  
 INSURANCE 0  
 AUTH FLAG Y  
 NBR RTN CK 0 MONTHS 99  
 HIGH BALANCE [REDACTED]  
 PREV YR INT 0.00  
 DATE OPEN 03-02  
 DISP 0 0 0  
 STR ORIGIN 1089  
 CUSTOMER NUM [REDACTED]  
 SOURCE CODE 47  
 STR LST PUR [REDACTED]  
 REFERENCE NM [REDACTED] 0.00  
 BONUS POINTS [REDACTED]  
 PLS EXP DATE 00/00/0000

Page: 1 Document Name: untitled

@CMI

ACCOUNT # ██████████ 3235 PAGE 01 OF 01  
STEWART, CYNTHIA M\*\* ██████████ \*\*ANCHORAGE\*\*AK\*99501-5344\* ██████████ 3  
235\*0

	----- ADDED -----	----- LAST USED -----
ARCHIVE DATE: 02/21/2018	USERID.....: EGV	USERID.....: EGV
OVERRIDE DATE:	DATE.....: 02/21/2009	DATE.....: 02/21/2009
OPERATOR.....:	TIME.....: 17:24:06	TIME.....: 17:24:06
MEMO TYPE...: PERM	TERMIN.....: CIT2	TERMIN.....: CIT2
	----- MEMO TEXT -----	
JAN 2009 CIT - SEG A027 - SM3C0109 - P+19.99 - STMT INSERT		

PF3=RETURN PF5=PI1 PF7=BACKWARD PF8=FORWARD PF10=PREV MEMO PF11=NEXT MEMO

Date: 1/5/2012 Time: 5:06:52 PM

MID0047

## Notice of Change in Terms, Right to Opt Out and Information Update

These changes apply to your account ending in the last four numbers that appear after your name on the envelope used for this mailing.

**The Changes.** We, Citibank (South Dakota), N.A., are changing your card agreement and replacing it with a new one. The changes will be effective for all billing periods that begin on or after February 3, 2009. The changes will be effective whether or not you receive a billing statement.

We have identified below some of the changes to your card agreement (listing the title of the new section). For complete details regarding those changes, please review the entire section of your new card agreement. Your new card agreement is enclosed. Supplemental Pricing Information ("Supplement"), which is part of your new card agreement, follows this notice.

- **APRs.** This section, its subsections and the Supplement describe the annual percentage rates ("APR's"); how we determine any APRs based on the U.S. Prime Rate; how all APRs may automatically increase to the default APR if you do not make the minimum payment when due, go over the credit line, or make a payment to us that is not honored; and the effect of APR increases. The regular Sears purchase APR is increasing. The regular External APR is increasing. The cash access APR is increasing. The default APR is increasing. See the Supplement below for complete rate information.
- **Promotions.** This section describes that we may offer you promotional terms.
- **Periodic Finance Charges Based on APRs.** This section and its subsections describe periodic finance charges, when periodic finance charges begin, the grace period on purchases, the calculation of periodic finance charges, the balance subject to finance charge, and the minimum finance charge and how we determine it. The minimum **FINANCE CHARGE** is increasing to \$2.
- **Transaction Fee for Cash Access and Balance Transfers.** This subsection describes the transaction fee for cash access and balance transfers. This fee is 3% of the amount of each cash access transaction or balance transfer, but not less than \$5. This fee is a **FINANCE CHARGE**.
- **Transaction Fee for Foreign Purchases.** This subsection describes how we calculate the fee for foreign purchases, which is changing. This fee, a **FINANCE CHARGE**, will be 3% of the U.S. dollar amount of each purchase made outside the U.S., whether made in U.S. dollars or in a foreign currency.

MID0051

- **Other Fees.** This section and its subsections describe other fees. These include the late payment fee, the over-the-credit-line fee, the returned payment fee, the returned convenience check fee, and the stop payment on convenience check fee. The late payment fee is \$15 on balances up to \$50; \$39 on balances of \$50 and over. The over-the-credit-line fee, the returned payment fee, the returned convenience check fee, and the stop payment on convenience check fee are increasing to \$39.
- **Payments.** This section and its subsections describe the minimum payment, how we calculate it, how we apply payments, and payment instructions.
- **Arbitration.** This section and its subsections describe arbitration, how arbitration works, what claims are covered, and survival and severability of terms.

**Right to Opt Out.** To opt out of these changes, you must call or write us by March 31, 2009. When you do, you must tell us that you are opting out. Call us at the toll-free number shown on your account statement or on the back of your card. (Please have your account number available.) Write us at PO BOX 6280, Sioux Falls, SD 57117-6280. (Include your name, address, and account number on your letter.) If you opt out of these changes, we will close your account, unless it is already closed. You must then repay the balance under the current terms.

#### Information Update

**Payment requirements.** Payment requirements (including the requirement that payment be received at our processing facility by 5 p.m. local time there to be credited as of that day) will be on your billing statement.

**Optional Pay by Phone Service.** The card agreement contains a subsection that describes our optional Pay by Phone Service.

We hope you choose to take full advantage of your credit card account and all the benefits and services we offer you. Please save this document for future reference.

#### SUPPLEMENTAL PRICING INFORMATION

This Supplemental Pricing Information is part of your card agreement. The variable annual percentage rates and daily periodic rates shown below are as of December 1, 2008.

	Current ***APR***	Current DPR	US Prime Rate plus
Regular Internal Purchases	23.99%	0.0658%	19.99%
Regular External Purchases	23.99%	0.0658%	19.99%
Cash Access	26.99%	0.0740%	22.99%
Default+	29.99%	0.0822%	up to 23.99%

+ The default rate is the U.S. Prime Rate plus up to 21.99%, or up to 29.99%, whichever is greater.

Abbreviations: APR means annual percentage rate; DPR means daily percentage rate.

## CARD AGREEMENT

This Card Agreement is your contract with us. It governs the use of your card and account. The Supplemental Pricing Information ("Supplement") is part of this Agreement. Please read this Agreement, including the Supplement, carefully. Keep both for your records.

### **FACTS ABOUT RATES AND FEES**

This is a summary of rates and fees on your account. Please see the related sections of this Agreement for more complete information.

### **RATES—FINANCE CHARGES**

Purchase and Cash Access APRs. See Supplement. All APRs based on the Prime Rate may vary each billing cycle.

Default APR. See Supplement. The default APR equals the greater of (1) the Prime Rate plus up to 23.99% or (2) up to 29.99%. All APRs may automatically increase to the default APR if you do not make the minimum payment when due, go over the credit line, or make a payment to us that is not honored.

Minimum Finance Charge. \$2.

### **TRANSACTION FEES—FINANCE CHARGES**

Cash Access and Balance Transfer Fee. 3% of each transaction; \$5 minimum.

Foreign Purchase Fee. 3% of the U.S. dollar amount of each purchase made outside the U.S., whether made in U.S. dollars or in a foreign currency.

### **OTHER FEES**

Late Payment Fee. \$15 on balances up to \$50; \$39 on balances of \$50 and over.

Over-the-Credit-Line Fee. \$39.

Returned Payment Fee. \$39.

Returned Convenience Check Fee. \$39.

Stop Payment on Convenience Check Fee. \$39.

When can we change the rates, fees, and terms of this Agreement? We may change the rates, fees, and terms of this Agreement at any time for any reason. These reasons may be based on information in your credit report or general market conditions. If the change will cause a rate or fee to increase, you will receive advance notice and a right to opt out. If you opt out, we will close your account. You can then pay the remaining balance under the old rates, fees, and terms.

MID0053

#### Definitions

*account* means the relationship established between you and us by this Agreement.

*APR* means an annual percentage rate.

*authorized user* means any person you allow to use your account.

*card* means one or more cards or other access devices that we give you to get credit under this Agreement. This includes account numbers.

*External purchase* means any purchase involving a non-Sears entity. Balance transfers will be treated as External purchases unless otherwise provided in this Agreement.

*Sears* means Sears Holdings Corporation and its participating affiliates, subsidiaries and licensees.

*Sears purchase* means any purchase involving a Sears entity.

*we, us, and our* mean Citibank (South Dakota), N.A., the issuer of your account.

*you, your, and yours* mean the person who applied to open the account. It also means any other person responsible for complying with this Agreement.

#### Your Account

You agree to use your account in accordance with this Agreement. You must pay us for all amounts due on your account. This Agreement is binding on you unless you close your account within 30 days after receiving the card and you have not used or authorized use of the card. Your account must only be used for lawful transactions.

**Authorized Users.** You may request additional cards for authorized users. Each authorized user is your agent and may use, manage, and receive information about the account to the same extent as you, subject to any limitations we may impose. You must pay us for all charges made by authorized users. You must pay us even if you did not intend to be responsible for those charges. You must notify us to withdraw any permission you give to an authorized user to use your account.

**Joint Accounts.** If this is a joint account, each of you is responsible individually and together for all amounts owed. Each of you is responsible even if the account is used by only one of you. You will continue to be liable for the entire balance of the account, even if your co-applicant is ordered by a court to pay us. You will remain liable to us if your co-applicant fails to pay as ordered by the court. Your account status will continue to be reported to the credit bureau under each of your names. The delivery of notices or account statements to either of you serves as delivery to each of you. We may rely on

MID0054

instructions given by either of you. We are not liable to either of you for relying upon such instructions.

**Credit Line.** The full amount of your credit line is available to use where the card is honored. We will notify you separately if your account has a cash access feature. If it does, part of your credit line is called the cash access line. It is available for cash access transactions. If your account does not have a cash access feature, the terms of this Agreement relating to cash access transactions do not apply to your account. We may reduce or increase your credit line or cash access line at any time for any reason. We will notify you of any change, but the change may take effect before you receive the notice. You should always keep your total balance below the credit line. However, if the total balance goes over your credit line you still must pay us. If your account has a credit balance, we may reduce the credit balance by any new charges on your account. You may not maintain a credit balance in excess of your credit line.

**Checks.** We may provide you with convenience checks. When we do, we will tell you in writing whether they may be used for balance transfer transactions or cash access transactions. If we tell you they may be used for balance transfer transactions, any use will be a balance transfer transaction. You may use them to transfer a balance to your account or make other transactions. If we tell you they may be used for cash access transactions, any use will be a cash access transaction even if you use the check to make a payment to another creditor. You may not use convenience checks to pay an amount owed to us under this Agreement or any other Card Agreement you have with us. We do not certify these checks or return any checks that have been paid.

**Account Statement.** Your account statement shows the Account Balance. This is the total amount you owe us on the Billing Cycle Closing Date. To determine the Account Balance, we begin with the total balance at the start of the billing cycle. We add any purchases or cash access transactions. We subtract any credits or payments. We then add any periodic finance charges or fees and make other adjustments.

Your account statement also shows your transactions; the minimum amount due and payment due date; your credit line and cash access line; and your periodic finance charges and fees.

We deliver an account statement to only one address. You must notify Customer Service of a change in address. We may stop sending you statements if we deem your account uncollectible. We may also stop sending you statements if we send your account to an outside agency or attorney for collection. Periodic finance charges and fees continue to add up even if we stop sending statements.

MID0055

#### APRs

APRs Based on Prime. If any APR is based on the U.S. Prime Rate ("Prime Rate"), the APR will equal the Prime Rate plus an additional amount. The additional amount appears on the Supplement. For each billing cycle we calculate the Prime Rate two business days before the Billing Cycle Closing Date. At that time, we select the highest Prime Rate published in *The Wall Street Journal* within the last ninety days. If the Prime Rate changes any APR, we put the new APR into effect as of the first day of the billing cycle for which we calculate the APR. We apply the new APR to any existing balances, subject to any promotional rate that may apply. If *The Wall Street Journal* does not publish the Prime Rate, we will use a similar published rate.

**Default APR.** Your APRs (including promotional APRs) on your balances (including any purchase balances and accrued finance charges on those balances subject to promotional terms) may automatically increase to the default APR, and your promotional terms may end, if you default under any Card Agreement you have with us because you

- do not make the minimum payment when due,
- go over the credit line, or
- make a payment to us that is not honored.

The default APR equals the greater of (1) the Prime Rate plus up to 23.99% or (2) up to 29.99%. We set your default APR by reviewing the seriousness of your default with us and your credit history. The default APR takes effect as of the first day of the billing cycle in which you default. We will lower the APR for all balances at the default APR if you meet the terms of all Card Agreements you have with us for twelve billing cycles in a row. We may lower these APRs sooner based on your record with us.

**Effect of APR Increases.** If an APR increases, periodic finance charges increase. Your minimum payment may increase as well.

#### Promotions

We may offer you promotional terms for all or a part of any balances. Any promotional terms may apply for a limited period of time. They will be governed by the terms of the promotional offer and this Agreement. They may include Deferred Interest offers described below.

**Deferred Interest.** We will not impose finance charges on this balance if you pay it in full by the end of the promotional period. If you do not pay it in full by then, we will impose finance charges on this balance. We will impose these finance charges at the APR for regular Sears purchases or at the default APR if it applies. The promotional period will end if it expires or otherwise terminates. It will terminate if you default under any Card Agreement you have with us because you do not make the minimum payment when due, go over the credit line, or make

MID0056

a payment to us that is not honored. The offer will tell you if we do not require minimum payments on this balance during the promotional period. The offer also will tell you if we require separate minimum payments.

**Periodic Finance Charges Based on APRs**  
**Periodic Finance Charges.** We impose periodic finance charges when we apply APRs to your account balances. We do this every day by using a daily periodic rate. To get a daily periodic rate, we divide the APR by 365.

**When Periodic Finance Charges Begin.** Periodic finance charges begin the first day we add a charge to a daily balance. The charges we add to a daily balance include purchases, balance transfers, and cash access transactions. They also include finance charges and fees. We continue to impose periodic finance charges until we credit your account with full payment of the total amount you owe us.

**Grace Period on Purchases.** You can avoid periodic finance charges on purchases, but not on balance transfers and cash access transactions. This is called a grace period on purchases. The grace period is at least 20 days. To get the grace period on purchases, pay the following amount by the due date every billing cycle:

- the Account Balance, less
- any Deferred Interest balances that expire after the due date, plus
- any required minimum payments on your Deferred Interest balances.

If you do not, you will not get a grace period unless you pay the above amount by the due date for two billing cycles in a row. In addition, certain promotional offers may take away the grace period on purchases. Other promotional offers not described above may also allow you to have a grace period on purchases without having to pay all or a portion of the promotional balance by the due date. If either is the case, the promotional offer will describe what happens.

**Calculation of Periodic Finance Charges.** We calculate periodic finance charges each billing cycle. To do this:

- We start with each of your different balances. These balances include, for example, regular Sears purchases, balance transfers, other regular External purchases, Old Balances, cash access transactions, and different promotional balances. (When we calculate periodic finance charges, we treat each Deferred Interest transaction separately even if it has the same terms as another Deferred Interest transaction.)
- We calculate the daily balance for each of your different balances. To get a daily balance, we start with the balance as of the end of the previous day. We add any periodic

MID0057

finance charge on the previous day's balance. (This results in daily compounding of finance charges.) We add any new charges. We then subtract any new credits or payments.

- We multiply each daily balance by the daily periodic rate that applies to it. (You authorize us to round the result to the nearest cent.) We do this for each day in the billing cycle. This gives us the daily periodic finance charges for each of your different balances.
- We add up all the daily periodic finance charges. The sum is the total periodic finance charge for the billing cycle.

When we calculate daily balances, we add a purchase, balance transfer, or cash access transaction to the appropriate daily balance as of the transaction date. (This date may appear on the account statement as the Sale Date or the Transaction Date).

(The transaction date for a balance transfer or cash access transaction is the date we get a request to complete a transaction. When you send a convenience check directly to someone, the transaction date is the date we receive the check for payment.)

We add a transaction fee to the same balance as the transaction. We add other fees, including credit protection fees and insurance charges, to the regular Sears purchase balance. We add any remaining balance from a balance transfer at a promotional APR to the regular External purchase balance. We do this on the day after the promotional period expires. We subtract a payment or credit as of the day it is credited to the account and then make other adjustments. We treat a credit balance as a balance of zero.

**Balance Subject to Finance Charge.** For each different balance, your statement shows any balance subject to finance charge. The balance subject to finance charge is the average of the daily balances during the billing cycle. A billing cycle begins on the day after the Billing Cycle Closing Date of the previous billing cycle. It includes the Billing Cycle Closing Date of the current billing cycle.

You can use your account statement to calculate periodic finance charges. For each different balance multiply the balance subject to finance charge by its daily periodic rate. Multiply that amount by the number of days in the billing cycle. The result is the total periodic finance charge on that balance. Rounding may cause a small difference.

**Minimum Finance Charge.** If the total periodic finance charge is less than \$2, we charge a minimum FINANCE CHARGE of \$2. We add the additional amount to the regular Sears purchase balance or to one or more of the balances that is assessed a periodic finance charge.

#### Transaction Fees

**Transaction Fee for Cash Access and Balance Transfers.** You make a cash access transaction if you use a cash access con-

venience check; get money through an automated teller machine (ATM); or get money through home banking or a financial institution. You also make a cash access transaction if you make a wire transfer; buy a money order, traveler's check, lottery ticket, casino chip, or similar item; or engage in a similar transaction. You make a balance transfer if you use a balance transfer convenience check or contact us to transfer a balance. For each cash access transaction or balance transfer we add a transaction fee FINANCE CHARGE of 3% of the amount of the cash access transaction or balance transfer, but not less than \$5.

**Transaction Fee for Foreign Purchases.** We add a fee of 3% of the U.S. dollar amount of each purchase made outside the U.S., whether made in U.S. dollars or in a foreign currency. This fee is a FINANCE CHARGE.

#### Other Fees

**Late Payment Fee.** For each billing cycle, we add a late payment fee if you do not pay the Total Minimum Due (less the Amount Over Credit Line shown on your account statement) by the payment due date. This fee is based on your account balance at the time the late payment fee is added. The fee is \$15 on balances up to \$50; and \$39 on balances of \$50 and over. We add this fee to the regular Sears purchase balance.

**Over-the-Credit-Line Fee.** We add a \$39 fee for each billing cycle that the Account Balance goes over your credit line. We add this fee even if transactions we authorize are a reason the Account Balance goes over your credit line. We add this fee to the regular Sears purchase balance.

**Returned Payment Fee.** We add a \$39 fee if a payment check or similar instrument is not honored or is returned because it cannot be processed. We also add this fee if an automatic debit is returned unpaid. We assess this fee the first time your check or payment is not honored, even if it is honored upon resubmission. We add this fee to the regular Sears purchase balance.

**Returned Convenience Check Fee.** We add a \$39 fee if we do not honor a convenience check. We may not honor these checks if the amount of the check would cause the balance to go over the cash access line or credit line. We may also not honor these checks if you default; if you did not comply with our instructions regarding the check; if your account has been closed; or for other reasons. We add this fee to the regular Sears purchase balance.

**Stop Payment on Convenience Check Fee.** We add a \$39 fee if we honor your request to stop payment on a convenience check. To stop payment on a convenience check write us at P.O. Box 6275, Sioux Falls, SD 57117. You can also call the Customer Service number on the account statement. If you call, you must confirm the call in writing within 14 days. A written stop pay-

MID0059

ment order is good for 6 months unless renewed in writing. We add this fee to the regular Sears purchase balance.

#### Information on Foreign Currency Conversion

Our network provider is MasterCard. MasterCard converts transactions in foreign currencies into U.S. dollars. MasterCard follows its own procedures to do so. These may change from time to time without notice. Currently, MasterCard uses a conversion rate in effect one day before its transaction processing date. It uses a government-mandated rate if required to do so. If not, it uses a wholesale market rate. A third party may convert a transaction into U.S. dollars or another currency before sending it to MasterCard. In these cases, the third party selects the conversion rate. In all cases, the conversion rate you get is the one used on the transaction's processing date. This may be different from the one in effect on the transaction's sale date or post date.

#### Payments

**Total Minimum Due.** You must pay at least the Total Minimum Due by the payment due date each billing cycle. The sooner you pay the Account Balance, the less you will pay in periodic finance charges.

We calculate the Total Minimum Due as follows. We begin with any past due amount. We add any amount in excess of your credit line. We also add any additional amount specified in a promotional offer. We then add the largest of the following:

- The Calculated Account Balance if it is less than \$10;
- \$10 if the Calculated Account Balance is at least \$10;
- 1% of the Calculated Account Balance (the result is rounded up to the nearest dollar) plus your billed periodic finance charges on the Calculated Account Balance and any applicable late payment fee. For this purpose, billed periodic finance charges do not include periodic finance charges that accrued during prior billing cycles on a Deferred Interest balance that ended during the billing cycle covered by the statement; or
- 1.5% of the Calculated Account Balance. (The result is rounded up to the nearest dollar.)

The Calculated Account Balance is the Account Balance on your account statement, less any balances subject to one of two types of promotional terms. The first are terms that do not require a minimum payment. The second are terms that require an additional amount as part of the Total Minimum Due. The Total Minimum Due is never more than the Calculated Account Balance plus any additional amount required by a promotional offer.

**Application of Payments.** You authorize us to apply payments and credits in a way that is most favorable or conven-

lent for us. This may include applying payments and credits to low APR balances first and to balances with longer promotional periods first.

**Payment Instructions.** We credit your payments in accordance with our payment instructions on the account statement. You must pay us in U.S. dollars. To do so, you must use a check, similar instrument, or automatic debit that is drawn on and honored by a bank in the U.S. Do not send cash. We can accept late or partial payments, or payments that reflect "paid in full" or other restrictive endorsements, without losing our rights. We also reserve the right to accept payments made in foreign currency and instruments drawn on funds on deposit outside the U.S. If we do, we select the currency conversion rate. We will then credit your account in U.S. dollars after deducting any costs incurred in processing your payment. Or we may bill you separately for these costs.

**Optional Pay by Phone Service.** You may use our optional Pay by Phone Service to make your payment by phone. To do so, call us to request the service. Each time you do, you agree to pay us the amount shown in the Pay by Phone section on the back of the account statement. Our representatives are trained to tell you this amount whenever you call to use the service.

#### **Credit Reporting**

We may report information about your account to credit bureaus. Late payments, missed payments, or other defaults on your account may be reflected in your credit report. We may report account information in your name and the names of authorized users. We may also obtain follow-up credit reports on you.

If you think we reported incorrect information to a credit bureau, write us at the Customer Service address on the account statement. We will investigate the matter. We will then tell you if we agree or disagree with you. If we agree with you, we will contact each credit bureau to which we reported and request a correction. If we disagree with you, we will tell you that.

#### **Information Sharing**

You authorize us to share information about you as permitted by law. This includes information we get from you and others. It also includes information about your transactions with us. Please see our Privacy Notice for details about our information sharing practices.

#### **Changes to this Agreement**

We may change the rates, fees, and terms of this Agreement at any time for any reason. These reasons may be based on information in your credit report or general market conditions. Any changes we make may add, replace, or remove

MID0061

provisions of this Agreement. They may also change your rights and obligations under this Agreement as well as ours. These changes are binding on you unless you have the right to opt out and you choose to opt out by following our instructions.

You will have a right to opt out if the change will cause a rate or fee to increase. In that case, we will mail you advance written notice of the change. We will do this at least 15 days before the beginning of the billing cycle in which the change takes effect. If you do not agree to the change, you can opt out by contacting us. You must do this within 25 days of the effective date of the change. If you opt out, we will close your account. You can then pay the remaining balance under the old rates, fees, and terms. If you use the card after the effective date of a change, you will be deemed to have accepted the change. This applies even if the 25 day opt out period has not expired.

#### Default

You default under this Agreement if you fail to pay the Total Minimum Due by its due date; go over your credit line; pay by a check or similar instrument that is not honored or that we must return because it cannot be processed; pay by automatic debit that is returned unpaid; file for bankruptcy; fail to comply with the terms of this Agreement; or default under any other Card Agreement that you have with us. If you default, we may close your account and demand immediate payment of the total balance.

#### Refusal of the Card, Closed Accounts, and Related Provisions

**Refusal of the Card.** We do not guarantee approval of transactions. We are not liable for transactions that are not approved. That is true even if you have enough credit. We may limit the number of transactions approved in one day. If we detect unusual or suspicious activity, we may suspend your credit privileges.

**Preauthorized Charges.** We may suspend any automatic or other preauthorized card charges you arrange with a third party. We may do this if you default; if the card is lost or stolen; or we change your account for any reason. If we do this, you are responsible for paying the third party directly if you wish to do so. You are also responsible for reinstating the preauthorized charges if you wish to do so and we permit it.

**Lost or Stolen Cards, Account Numbers, or Convenience Checks.** You must call us if any card, account number, or check is lost or stolen. You must also call us if you think someone used or may use them without permission. When you call, we may require you to provide information to help our investigation. We may require you to provide this information in writing. For example, we may ask you to identify any charges that were not made by you or someone authorized by you. We may also ask you to confirm that you received no benefit from those charges.

**Closing Your Account.** You may close your account by notifying us in writing or over the phone. If you close your account, you must still repay the total balance in accordance with this Agreement. We may also close your account or suspend account privileges at any time for any reason. We may do this without prior notice to you. We may also reissue a different card at any time. You must return any card to us upon request.

#### ARBITRATION

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

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

#### Claims Covered

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

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

What time frame applies to Claims subject to arbitration? Claims

arising in the past, present, or future, including Claims arising before the opening of your account, are subject to arbitration.

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

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

#### ***How Arbitration Works***

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

American Arbitration Association  
1633 Broadway, Floor 10  
New York, NY 10019  
Web site: [www.adr.org](http://www.adr.org)

National Arbitration Forum  
P.O. Box 50191  
Minneapolis, MN 55405  
Web site: [www.arbitration-forum.com](http://www.arbitration-forum.com)

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

**What procedures and law are applicable in arbitration?**

A single, neutral arbitrator will resolve Claims. The arbitrator will be either a lawyer with at least ten years experience or a retired or former judge, selected in accordance with the rules of the arbitration firm. The arbitration will follow procedures and rules of the arbitration firm in effect on the date the arbitration is filed unless those procedures and rules are inconsistent with this Agreement, in which case this Agreement will prevail. Those procedures and rules may limit the discovery available to you or

us. The arbitrator will take reasonable steps to protect customer account information and other confidential information if requested to do so by you or us. The arbitrator will apply applicable substantive law consistent with the FAA and applicable statutes of limitations, will honor claims of privilege recognized at law, and will have the power to award to a party any damages or other relief provided for under applicable law. You or we may choose to have a hearing and be represented by counsel. The arbitrator will make any award in writing and, if requested by you or us, will provide a brief statement of the reasons for the award. An award in arbitration shall determine the rights and obligations between the named parties only, and only in respect of the Claims in arbitration, and shall not have any bearing on the rights and obligations of any other person, or on the resolution of any other dispute.

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

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

**When is an arbitration award final?** The arbitrator's award is final and binding on the parties unless a party appeals it in writing to the arbitration firm within fifteen days of notice of the award. The appeal must request a new arbitration before a

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

***Survival and Severability of Terms***

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

***Governing Law and Enforcing our Rights***

**Governing Law.** Federal law and the law of South Dakota, where we are located, govern the terms and enforcement of this Agreement.

**Enforcing this Agreement.** We will not lose our rights under this Agreement because we delay in enforcing them or fail to enforce them.

**Collection Costs.** To the extent permitted by law, you are liable to us for our legal costs if we refer collection of your account to a lawyer who is not our salaried employee. These costs may include reasonable attorneys' fees. They may also include costs and expenses of any legal action.

**Assignment.** We may assign any or all of our rights and obligations under this Agreement to a third party.

**For Further Information**

Call us toll-free for further information. Call the toll-free Customer Service telephone number shown on the account statement or on the back of your card. You can also call local or toll-free Directory Assistance to get our telephone number.

  
Ken Stork  
President & CEO

Citibank (South Dakota), N.A.  
P.O. Box 6000  
Sioux Falls, SD 57117

#### Spanish Language Translation

As a customer service, we will provide you with a copy of this Agreement in Spanish upon your request and for your convenience. To obtain such a copy, write to us at P.O. Box 6275, Sioux Falls, SD 57117, or call us at 1-800-669-8488.

Como un servicio a nuestros clientes, le proveeremos una copia de este Acuerdo en español si usted así lo solicita. Para obtener dicha copia, pueda escribirnos al P.O. Box 6275, Sioux Falls, SD 57117, o llamarnos al 1-800-669-8488, y solicitar una versión en español de este Acuerdo.

#### *What To Do If There's An Error In Your Bill.*

##### *Your Billing Rights. Keep This Notice For Future Use.*

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

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

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

In your letter, give us the following information:

- Your name and account number.
- The dollar amount of the suspected error.
- Describe the error and explain, if you can, why you believe there is an error. If you need more information, describe the item you are unsure about.
- Please sign your letter.

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

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

We must acknowledge your letter within 30 days, unless we have corrected the error by then. Within 90 days, we must either correct the error or explain why we believe your account statement was correct. After we receive your letter, we cannot try to collect any amount you question, or report your account as delinquent. We can continue to bill you for the amount you question, including finance charges, and we can apply any

unpaid amount against your credit line. You do not have to pay any questioned amount while we are investigating, but you are still obligated to pay the parts of your balance that are not in question.

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

If you fail to pay the amount that we think you owe, we may report you as delinquent. However, if our explanation does not satisfy you and you write to us within 10 days telling us that you still refuse to pay, we must tell anyone we report you to that you have a question about your bill. And, we must tell you the name and address of anyone to whom we reported your account information. We must tell anyone we report you to that the matter has been settled between us when it is finally settled.

If we don't follow these rules, we can't collect the first \$60 of the questioned amount, even if your account statement was correct.

***Special Rule for Credit Card Purchases.***

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

- You must have made the purchase in your home state or, if not within your home state, within 100 miles of your current address; and
- The purchase price must have been more than \$50.

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

Sears MasterCard®

Call us at 1-800-699-8488

Go to www.searscard.com

Write to us at PO Box #282 Sioux Falls, SD 57117-0282

CYNTHIA M STEWART

Account Number: [REDACTED] 3235

Page 1 of 1

Payment Due Date

12/02/08

Your Account Summary

Billing Cycle Closing Date 11/04/08  
 Amount Over Credit Line [REDACTED]  
 Amount Past Due [REDACTED]  
 Minimum Due [REDACTED]

Previous Balance [REDACTED]  
 Payments & Credits [REDACTED]  
 Purchases & Debits [REDACTED]  
 Other Charges [REDACTED]  
**FINANCE CHARGES**  
 Account Balance [REDACTED]

Your Credit Summary

Total Credit Line [REDACTED]  
 Available Credit Line [REDACTED]  
 Cash Access Line [REDACTED]  
 Available Cash [REDACTED]

Activity	Settled Date	Post Date	Description	Amount
	10/20/08	10/20/08	PAYMENT -THANK YOU	[REDACTED]

Rates	Rate Varies	Balance	Average Daily Balance	Corresponding ANNUAL PERCENTAGE RATE	Periodic Rate D=Day M=Month	Periodic FINANCE CHARGE
-------	-------------	---------	-----------------------	--------------------------------------	-----------------------------	-------------------------

SEARS  
 REGULAR  
 EXTERNAL  
 REGULAR  
 CASH ACCESS  
 REGULAR  
 Days in Billing Period: 29 Effective ANNUAL PERCENTAGE RATE: [REDACTED] Minimum FINANCE CHARGE: \$0.00

Cardmember News

The Settle Date is the Transaction Date.

Please follow payment instructions on reverse side. Payment must be received by 5:00 p.m. local time on Payment Due Date.

Sears MasterCard®

Account Number: [REDACTED] 3235

Account Balance [REDACTED]	Payment Due Date 12/02/08	Minimum Due [REDACTED]	Amount Enclosed \$ [REDACTED]
----------------------------	---------------------------	------------------------	-------------------------------

0000174 60 02 0 08309 1 TXS502 FUG 001 7 M

[Barcode]

CYNTHIA M STEWART  
 [REDACTED]  
 MILWAUKEE WI 53219-3200

[Barcode]

Make check payable to  
 SEARS CREDIT CARDS  
 PO BOX 163082  
 COLUMBUS, OH 43218-3082

Please make address corrections above.

100 5121079704073235 0272357 0005700 0005700 0216

MID0088

#### ACCOUNT STATEMENT

The Account Statement describes Account activity during a billing cycle, which is a period of about one month ending on the Billing Cycle Closing Date ("Billing Date"). The Account Statement shows a Payment Due Date and has a grace period of not less than 20 days between the Billing Date and the Payment Due Date.

#### FINANCE CHARGES

We calculate periodic rate Finance Charges separately for each balance type applicable to the Account: Sears regular purchases, Old Balances, External regular purchases, and Cash Access transactions. In addition, we may offer special promotions subject to different terms. The periodic Finance Charges for transactions subject to these terms will also be calculated separately. For periodic rate Finance Charge calculation purposes, Deferred Payment Balances are treated like Sears regular purchases unless otherwise specified in conjunction with a particular promotional offer.

When a periodic Finance Charge is imposed, the Finance Charge is imposed for each balance type applicable to the Account by (i) taking each daily balance, (ii) multiplying that daily balance by the applicable daily periodic rate, and (iii) adding together the resulting amounts for each day in the billing cycle. The total periodic Finance Charge for the billing cycle is the sum of the periodic Finance Charges for each balance type, rounded to the nearest cent.

There is a maximum FINANCE CHARGE of up to \$1.00 on the Account for any billing cycle in which a FINANCE CHARGE is due.

To determine the daily balance for each balance type applicable in the Account, we take the beginning balance for each balance type each day, add any new transactions of that type and any unpaid Finance Charges accrued from the previous day on that balance type, deduct payments and credits posted that day to that balance type and make other adjustments. A credit balance is treated as a balance of zero. New transactions are included in the daily balance as of the later of the transaction date or the first day of the billing cycle in which they are posted to the Account. Cash Access Transaction Fees, insurance charges, Sears AccountCare fees, Late Payment Fees, Returned Payment Fees and all other fees are included in the daily balance of Sears regular purchases as of the date they are posted to the Account. No Finance Charge Balances are included in the daily balance for Sears regular purchases and balance transfers are treated like External regular purchases at the end of the promotional period.

To determine the Average Daily Balance for each balance type, we add together the daily balance for each day in the billing cycle and divide the total by the number of days in the billing cycle.

You may calculate the periodic Finance Charge for each balance type (except for minor variations due to rounding) by (i) taking the Average Daily Balance for each balance type, (ii) multiplying the Average Daily Balance by the applicable daily periodic rate, and (iii) multiplying that amount by the number of days in the billing cycle.

There is no grace period on periodic Finance Charges on Cash Access and balance transfer transactions but you may avoid additional Finance Charges on purchases and/or Old Balances if we receive, by the time and in the manner as specified in the Cardholder Account Agreement in order to be credited as of the Payment Due Date, the Account Balance less any No Finance Charge Balances that expire after the Payment Due Date for that billing cycle.

#### Important Payment Instructions

**Credit Card Payments:** Payment must be received in proper form at our processing facility by 5:00 p.m. local time there to be credited as of that day. A payment received at the processing facility in proper form after that time will be credited as of the next day. Please allow 5-7 days for payments by regular mail to reach us. There may be a delay of up to 5 days in crediting a payment sent by mail if it is not in the proper form or is addressed to a location, including a store location, other than the address listed on the return envelope or on the front of the payment coupon, or, for courier or express mail payments, to the Express Payments Address set forth below. There may also be a delay of up to 5 days in crediting a payment made in-store.

**Proper Form:** For a payment sent by mail or courier to be in proper form, you must:

- Enclose a valid check or money order. No cash, bill cards, or foreign currency notes.
- Include your name and account number on the front of your check or money order.

Sending an eligible check with the payment coupon authorizes us to complete the payment by electronic debit. If we do, the checking account will be debited in the amount on the check, as soon as the day we receive the check, and the check will be destroyed.

#### Other Payment Options

- Visit [www.SearsCard.com](http://www.SearsCard.com) and sign up for online payments. If we receive your request to make an online payment by 5 p.m. Eastern time, we will credit your payment as of that day. If we receive your request to make an online payment after that time, we will credit your payment on the next day.
- Send payment by courier or express mail to the Express Payments address: Attention: Payments Department, 1600 Boltonfield Street, Columbus, OH 43223. Payment must be received in proper form at the proper address by 5 p.m. Eastern time in order to be credited as of that day. All payments received in proper form at the proper address after that time will be credited as of the next day.

#### BILLING RIGHTS SUMMARY

##### In Case of Errors or Questions About Your Bill

If you think your bill is wrong, or if you need more information about a transaction on your bill, write us on a separate sheet at the address listed on your bill where it says "Write to us at:" Write us as soon as possible. We must hear from you no later than 60 days after we sent you the first bill on which the error or problem appeared. You can telephone us, but doing so will not preserve your rights. In your letter, give us the following information:

- Your name and Account number
  - The dollar amount of the suspected error
  - Describe the error and explain, if you can, why you believe there is an error. If you need more information, describe the items 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 account you think is wrong. To stop the payment your letter must reach us three days before the automatic payment is scheduled to occur. 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. While we investigate your question, we cannot report you as delinquent or take any action to collect the amount you question.

##### Special Rule for Credit Card Purchases

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

- You must have made the purchase in your home state or if not within your home state, within 100 miles of your current mailing address; and
  - The purchase price must have been more than \$50.
- These limitations do not apply if we own or operate the merchant, or if we mailed you the advertisement for the property or services.

This document is issued by Citibank (South Dakota), N.A.

PLG-001

© HCY6037 - 1 - 04/17/08

MID0089

Sears MasterCard®

Call us at 1-800-669-8488  
Go to www.searscard.com

Write to us at PO Box 6282 Sioux Falls, SD 57117-6282

CYNTHIA M STEWART

Account Number: [REDACTED] 3235

Page 1 of 2

Payment Due Date

12/31/08

Your Account Summary

Billing Cycle Closing Date 12/03/08  
Amount Over Credit Line  
Amount Past Due  
Minimum Due

Previous Balance  
Payments & Credits  
Purchases & Debits  
Other Charges  
FINANCE CHARGES  
Account Balance

Your Credit Summary

Total Credit Line  
Available Credit Line  
Cash Access Line  
Available Cash

You're in charge.

We may have the payment solution just for you,  
and you're in control of how you do it.

Manage your account online OR by phone

- You can quickly go online, or call to get personal assistance
- See when a payment is due or posted
- Select from affordable payment options to meet your needs that may:
  - Lower your annual percentage rate
  - Lower your minimum payment

Contact us today—we can help.

Go online at www.searscard.com or call us at 1-800-669-8488

Activity	Settled Date	Post Date	Description	Amount
	12/02/08	12/02/08	LATE PAYMENT FEE	[REDACTED]

THE AMOUNT DUE SHOWN ABOVE INCLUDES A PAST DUE AMOUNT. YOU SHOULD SEND THE ENTIRE AMOUNT DUE NOW. IF PAYMENT HAS BEEN MADE RECENTLY, THANK YOU.

Please follow payment instructions on reverse side. Payment must be received by 5:00 p.m. local time on Payment Due Date.

Sears MasterCard®

Account Number: [REDACTED] 3235

Account Balance	Payment Due Date	Minimum Due	Amount Enclosed
[REDACTED]	12/31/08	[REDACTED]	\$ [REDACTED]

000037 EX 02 A 00338 1 TXS602 FUC 001 7 R

[REDACTED]

CYNTHIA M STEWART  
MILWAUKEE WI 53210-3122

[REDACTED]

Make check payable to  
SEARS CREDIT CARDS  
PO BOX 163082  
COLUMBUS, OH 43218-3082

Please make address corrections above.

300 5121079704073235 0280043 0011600 0000000 0211

MID0090

**ACCOUNT STATEMENT**

The Account Statement describes Account activity during a billing cycle, which is a period of about 28 days ending on the Billing Cycle Closing Date ("Billing Date"). The Account Statement shows a Payment Due Date and has a grace period of not less than 20 days after the Billing Date and the Payment Due Date.

**FINANCE CHARGES**

We calculate periodic rate Finance Charge on separately for each balance type applicable to the Account: Sears regular purchases, Sears regular purchases, External regular purchases, and Cash Access transactions. In addition, we may offer special promotions subject to different terms. The periodic Finance Charge for transactions subject to these terms will also be calculated separately. For periodic rate Finance Charge calculation purposes, Deferral Payment Balances are treated like Sears regular purchases unless otherwise specified in conjunction with a particular promotional offer.

When a periodic Finance Charge is imposed, the Finance Charge is imposed for each balance type applicable to the Account by (a) taking each daily balance, (b) multiplying that daily balance by the applicable daily periodic rate, and (c) adding together the resulting amounts for each day in the billing cycle. The total periodic Finance Charge for the billing cycle is the sum of the periodic Finance Charges for each balance type, rounded to the nearest cent.

There is a maximum FINANCE CHARGE of up to \$1.00 on the Account for any billing cycle in which a FINANCE CHARGE is due.

To determine the daily balance for each balance type applicable to the Account, we take the beginning balance for each balance type each day and any new transactions of that type and any unpaid Finance Charges accrued from the previous day on that balance type, deduct payments and credits posted that day to that balance type and make other adjustments. A credit balance is treated as a balance of zero. New transactions are included in the daily balance as of the later of the transaction date or the first day of the billing cycle in which they are posted to the Account. Cash Access Transaction Fees, Insurance Charges, Sears AccountCare fees, Late Payment Fees, Returned Payment Fees and all other fees are included in the daily balance of Sears regular purchases as of the date they are posted to the Account. No Finance Charge Balances are included in the daily balance for Sears regular purchases and balance transfers are treated like External regular purchases at the end of the promotional period.

To determine the Average Daily Balance for each balance type, we add together the daily balance for each day in the billing cycle and divide the total by the number of days in the billing cycle.

You may calculate the periodic Finance Charge for each balance type (except for minor variations due to rounding) by (a) taking the Average Daily Balance for each balance type, (b) multiplying the Average Daily Balance by the applicable daily periodic rate, and then (c) multiplying that amount by the number of days in the billing cycle.

There is no grace period on periodic Finance Charges on Cash Access and balance transfer transactions but you may avoid additional Finance Charges on purchases and/or Old Balances if you receive, by the time and in the amount as specified in the Cardholder Account Agreement in order to be credited as of the Payment Due Date, the Account Statement fees any Old Finance Charge Balances that expire after the Payment Due Date for that billing cycle.

**Important Payment Instructions**

Crediting Payments: Payment must be received in proper form at our processing facility by 5:00 p.m. local time there to be credited as of that day. A payment received at the processing facility in proper form after that time will be credited as of the next day. Please allow 3-7 days for payments by regular mail to reach us. There may be a delay of up to 3 days in crediting a payment sent by mail if it is not in the proper form or is addressed to a location, including a store location, other than the address listed on the return envelope or on the front of the payment coupon, or, for certain or express mail payments, to the Express Payments Address set forth below. There may also be a delay of up to 3 days in crediting a payment made in-store.

Proper Form: For a payment sent by mail or courier to be in proper form, you must:  
• Enclose a valid check or money order. No cash, gift cards, or foreign currency please.  
• Include your name and account number on the front of your check or money order.

Sending an eligible check with the payment coupon authorizes us to complete the payment by electronic debit. If we do, the checking account will be debited in the amount on the check, as soon as the day we receive the check, and the check will be destroyed.

**Other Payment Options**

- Visit [www.SearsCard.com](http://www.SearsCard.com) and sign up for online payments. If we receive your request to make an online payment by 5 p.m. Eastern Time, we will credit your payment as of that day. If we receive your request to make an online payment after that time, we will credit your payment on the next day.
- Send payment by courier or express mail to the Express Payments address: Attention: Payments Department, 1500 Ballwin Road, Columbia, OH 43224. Payment must be received in proper form at the proper address by 5 p.m. Eastern Time in order to be credited as of that day. All payments received in proper form at the proper address after that time will be credited as of the next day.

**BILLING RIGHTS SUMMARY**

**In Case of Errors or Questions About Your Bill**

If you think your bill is wrong, or if you need more information about a transaction on your bill, write us on a separate sheet at the address listed on your bill where it says "Write to Us at." Write us as soon as possible. We must hear from you no later than 60 days after we sent you the first bill on which the error or problem appeared. You can telephone us, but doing so will not preserve your rights. In your letter, give us the following information:

- Your name and Account number
  - The dollar amount of the suspected error
  - Describe the error and explain, if you can, why you believe there is an error. If you need more information, describe the items you are not sure about.
- If you have authorized us to pay your credit card bill automatically from your checking or checking account, you can stop the payment on any amount you think is wrong. To stop the payment you must reach us three days before the automatic payment is scheduled to occur. 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. While we investigate your question, we cannot report you as delinquent or take any action to collect the amount you owe.

**Special Rule for Credit Card Purchases**

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

- You must have made the purchase in your home state or, if not within your home state, within 100 miles of your current mailing address and
  - The purchase price must have been more than \$50.
- These restrictions do not apply if we own or operate the merchant, or if we entered your information for the property or services.

This account is issued by Citibank (Sears Bank (U), N.A.

HJG-001

01CYEST-1 - 01/17/00

MID0091

Sears MasterCard®

Call us at 1-800-666-8488  
Go to [www.searscard.com](http://www.searscard.com)

Write to us at: PO Box 6282, Sioux Falls, SD 57117-6282

CYNTHIA M STEWART  
Account Number: XXXX XXXX XXXX 3235  
Page 2 of 2  
327

Payment Due Date

12/31/06

Rates	Rate Varies	Balance	Average Daily Balance	Corresponding ANNUAL PERCENTAGE RATE	Periodic Rate \$/Day No Month	Periodic FINANCE CHARGE
SEARS						
REGULAR						
EXTERNAL						
REGULAR						
CASH ACCESS						
REGULAR						
Days in Billing Period:	71			Effective ANNUAL PERCENTAGE RATE:		Maximum FINANCE CHARGE: \$1.00

Cardmember News

The Sale Date is the Transaction Date.

The "Effective ANNUAL PERCENTAGE RATE" includes all transaction and periodic finance charges imposed this billing period on all balances on which finance charges were imposed. If the "Effective ANNUAL PERCENTAGE RATE" is N/A, no finance charges (after adjustments) were imposed this billing period.

Finance charges may be accruing on promotional balances and may be billed to your account under the terms of the promotional offer. Refer to the corresponding APR for the APR that applies to each balance.

MID0092

Sears MasterCard®

Call us at 1-800-009-6488  
Go to [www.searscard.com](http://www.searscard.com)  
Write to us at PO Box 6282 Sioux Falls, SD 57117-5282

CYNTHIA M STEWART  
Account Number: [REDACTED] 3235  
Page 1 of 2

Payment Due Date

02/02/09

Your Account Summary

Billing Cycle Closing Date 01/05/09  
Amount Over Credit Line [REDACTED]  
Amount Past Due [REDACTED]  
Minimum Due [REDACTED]  
Previous Balance [REDACTED]  
Payments & Credits [REDACTED]  
Purchases & Debits [REDACTED]  
Other Charges [REDACTED]  
FINANCE CHARGES [REDACTED]  
Account Balance [REDACTED]

Your Credit Summary

Total Credit Line [REDACTED]  
Available Credit Line [REDACTED]  
Cash Access Line [REDACTED]  
Available Cash [REDACTED]

Activity	Sale Date	Post Date	Description	Amount
	12/09/08	12/09/08	PAYMENT -THANK YOU	[REDACTED]

YOUR TOTAL ACCOUNT BALANCE IS OVER THE CREDIT LIMIT. PLEASE PAY THE DIFFERENCE BETWEEN YOUR CREDIT LIMIT AND YOUR CURRENT TOTAL ACCOUNT BALANCE. IF YOU HAVE ALREADY SENT US THIS PAYMENT, THANK YOU.

Please follow payment instructions on reverse side. Payment must be received by 5:00 p.m. local time on Payment Due Date.

Sears MasterCard®

Account Number: [REDACTED] 3235

Account Balance [REDACTED]	Payment Due Date 02/02/09	Minimum Due [REDACTED]	Amount Enclosed \$ [REDACTED]
----------------------------	---------------------------	------------------------	-------------------------------

000717 00 02 1370 0905 2 135502 FUG 091 7 H



CYNTHIA M STEWART  
[REDACTED]  
MILWAUKEE WI 53219-3122

Make check payable to  
SEARS CREDIT CARDS  
PO BOX 183082  
COLUMBUS, OH 43218-3082

Please make address corrections above.

100 5121079704073235 0273442 0005700 0012000 0214

MID0093

**ACCOUNT STATEMENT**

The Account Statement describes Account activity during a billing cycle, which is a period of about one month ending on the Billing Cycle Closing Date ("Billing Date"). The Account Statement shows a Payment Due Date and has a grace period of not less than 20 days between the Billing Date and the Payment Due Date.

**FINANCE CHARGES**

We calculate periodic rate Finance Charges separately for each balance type applicable to the Account: Sears regular purchases, Old Balance, External regular purchases, and Cash Access transactions. In addition, we may offer special promotions subject to different terms. The periodic Finance Charges for transactions subject to these terms will also be calculated separately. For periodic rate Finance Charge calculation purposes, Deferred Payment Balances are treated like Sears regular purchases unless otherwise specified in conjunction with a particular promotional offer.

When a periodic Finance Charge is imposed, the Finance Charge is imposed for each balance type applicable to the Account by (a) taking each daily balance, (b) multiplying that daily balance by the applicable daily periodic rate, and (c) adding together the resulting amounts for each day in the billing cycle. The total periodic Finance Charge for the Billing Cycle is the sum of the periodic Finance Charges for each balance type, rounded to the nearest cent.

There is a minimum FINANCE CHARGE of up to \$1.00 on the Account for any Billing Cycle in which a FINANCE CHARGE is due.

To determine the daily balance for each balance type applicable to the Account, we take the beginning balance for each balance type each day, add any new transactions of that type, and any unpaid Finance Charges accrued from the previous day on that balance type, deduct payments and credits posted not due to that balance type and make other adjustments. A credit balance is treated as a balance of zero. New transactions are included in the daily balance as of the later of the transaction date or the first day of the billing cycle in which they are posted to the Account. Cash Access Transaction Fees, Insurance Charges, Sears Account Care Fees, Late Payment Fees, Returned Payment Fees and all other fees are included in the daily balance of Sears regular purchases as of the date they are posted to the Account. No Finance Charge Balances are included in the daily balance for Sears regular purchases and balance transfers are treated like External regular purchases at the end of the periodic period.

To determine the Average Daily Balance for each balance type, we add together the daily balance for each day in the billing cycle and divide the total by the number of days in the billing cycle.

You may calculate the periodic Finance Charge for each balance type (except for minor variations due to rounding) by (a) taking the Average Daily Balance for each balance type, (b) multiplying the Average Daily Balance by the applicable daily periodic rate, and then (c) multiplying that amount by the number of days in the billing cycle.

There is no grace period on periodic Finance Charges on Cash Access card balance transfer transactions but you may avoid additional Finance Charges on purchases and/or Card Balances if we receive, by the time and in the manner as specified in the Cardholder Account Agreement in order to be credited as of the Payment Due Date, the Account Balance less any No Finance Charge Balances that expire after the Payment Due Date for that Billing Cycle.

**Important Payment Instructions**

Crediting Payments: Payment must be received in proper form at our processing facility by 5:00 p.m. local time there to be credited as of that day. A payment received at the processing facility in proper form after that time will be credited as of the next day. Please allow 3-7 days for payments by regular mail to reach us. There may be a delay of up to 3 days in crediting a payment sent by mail if it is not in the proper form or is addressed to a location, including a store location, other than the address listed on the return envelope or on the front of the payment coupon, or for carrier or postage mail payments, to the Express Payments Address set forth below. There may also be a delay of up to 3 days in crediting a payment made in-store.

Proper Form for a payment sent by mail or courier to be in proper form, you must: • Enclose a valid check or money order, US cash, gold coin, or foreign currency check. • Include your name and account number on the front of your check or money order.

Sending an eligible check with the payment coupon authorizes us to complete the payment by electronic debit. If we do, the checking account will be debited in the amount on the check, as soon as the day we receive the check, and the check will be destroyed.

**Other Payment Options:**

- Visit [www.SearsCard.com](http://www.SearsCard.com) and sign up for online payments. If we receive your request to make an online payment by 3 p.m. Eastern time, we will credit your payment as of that day. If we receive your request to make an online payment after that time, we will credit your payment on the next day.
- Send payment by mail or courier mail to the Express Payments Address: Attention: Payments Department, 1500 Oldroyd Street, Columbus, OH 43228. Payment must be received in proper form at the proper address by 3 p.m. Eastern time in order to be credited as of that day. All payments received in proper form at the proper address after that time will be credited as of the next day.

**BILLING RIGHTS SUMMARY**

**In Case of Errors or Questions About Your Bill:** If you think your bill is wrong, or if you need more information about a transaction on your bill, write us on a separate sheet at the address listed on your bill where it says "Write to us at." Write us as soon as possible. We must hear from you no later than 60 days after we sent you the first bill on which the error or problem appeared. You can telephone us, but doing so will not preserve your rights. In your letter, give us the following information:

- Our name and Account number
  - The dollar amount of the suspected error
  - Describe the error and explain, if you can, why you believe there is an error. If you need more information, describe the items 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 seven days before the payment is scheduled to occur.
- 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. While we investigate your question, we cannot report you as delinquent or take any action to collect the amount in question.

**Special Rules for Credit Card Purchases**

If you have a problem with the quality of property or services that you purchased with a credit card, and you have tried in good faith to contact the problem with the merchant, you may have 90 days not to pay the remaining due on the property or services. There are two conditions on this right:

- You must have made the purchase in your home state or if not within your home state, within 100 miles of your current mailing address; and
- The purchase price must have been more than \$50.

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

This account is issued by Citibank (South Dakota), N.A.

PLS-001

C1000557 - 1 04/12/00

MID0094

Sears MasterCard®

Call us at 1-800-560-6188

Go to [www.searscard.com](http://www.searscard.com)

Write to us at PO Box 8282, Sioux Falls, SD 57117-6282

CYNTHIA M STEWART  
 Account Number: XXXX XXXX XXXX 3235  
 Page 2 of 2  
 727

Payment Due Date  
 02/02/09

Rates	Rate Applies	Balance	Average Daily Balance	Corresponding ANNUAL PERCENTAGE RATE	Periodic Rate Day-Month	Periodic FINANCE CHARGE
SEARS						
REGULAR						
EXTERNAL						
REGULAR						
CASH ACCESS						
REGULAR						
Days in Billing Period: 30			Effective ANNUAL PERCENTAGE RATE:		Minimum FINANCE CHARGE: \$0.00	

Cardmember News

PLEASE SEE THE ENCLOSED NOTICE OF CHANGE IN TERMS FOR IMPORTANT INFORMATION.

Please see the enclosed privacy notice for important information.

The Sale Date is the Transaction Date.

The "Effective ANNUAL PERCENTAGE RATE" includes all transaction and periodic finance charges imposed this billing period on all balances on which finance charges were imposed. If the "Effective ANNUAL PERCENTAGE RATE" is N/A, no finance charges (after adjustments) were imposed this billing period.

Finance charges may be accruing on promotional balances and may be billed to your account under the terms of the promotional offer. Refer to the corresponding APR for the APR that applies to each balance.

MID0095

Sears MasterCard®

Call us at 1-800-660-8488  
Go to www.searscard.com

Write to us at PO Box 6282 Sioux Falls, SD 57117-6282

CYNTHIA M STEWART  
Account Number: [REDACTED] 3235  
Page 1 of 2

Payment Due Date  
**03/03/09**

**Your Account Summary**

Billing Cycle Closing Date 02/03/09  
Amount Over Credit Line [REDACTED]  
Amount Past Due [REDACTED]  
Minimum Due [REDACTED]  
Previous Balance [REDACTED]  
Payments & Credits [REDACTED]  
Purchases & Debits [REDACTED]  
Other Charges [REDACTED]  
FINANCE CHARGES [REDACTED]  
Account Balance [REDACTED]

**Your Credit Summary**

Total Credit Line [REDACTED]  
Available Credit Line [REDACTED]  
Cash Access Line [REDACTED]  
Available Cash [REDACTED]

Activity	Sale Date	Post Date	Description	Amount
	01/23/09	01/23/09	PAYMENT -THANK YOU	[REDACTED]

Rates	Rate Value	Balance	Average Daily Balance	Corresponding ANNUAL PERCENTAGE RATE	Periodic Rate Per Day	Periodic FINANCE CHARGE
SEARS REGULAR EXTERNAL REGULAR CASH ACCESS REGULAR		[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Days in Billing Period: 29				Minimum ANNUAL PERCENTAGE RATE: [REDACTED]		Minimum FINANCE CHARGE: \$0.00

**Cardmember News**

The Sale Date is the Transaction Date.

Please follow payment instructions on reverse side. Payment must be received by 5:00 p.m. local time on Payment Due Date.

Sears MasterCard®

Account Number: [REDACTED] 3235

Account Balance	Payment Due Date	Minimum Due	Amount Enclosed
[REDACTED]	03/03/09	[REDACTED]	\$ [REDACTED]

020297 00 02 A 09034 1 TX302 PUG 011 1 N



CYNTHIA M STEWART  
[REDACTED]  
MILWAUKEE WI 53219-3122



Make check payable to  
SEARS CREDIT CARDS  
PO BOX 183082  
COLUMBUS, OH 43218-3082

Please make address corrections above.

100 5123079704073235 0272200 0005700 0006000 0210

MID0096

**ACCOUNT STATEMENT**

The Account Statement describes Account activity during a billing cycle, which is a period of about one month ending on the Billing Cycle Closing Date ("Billing Date"). The Account Statement shows a Payment Due Date and has a grace period of not less than 20 days between the Billing Date and the Payment Due Date.

**FINANCE CHARGES**

We calculate periodic rate Finance Charges separately for each balance type applicable to the Account: Sears regular purchases, Old Balances, External regular purchases, and Cash Access transactions. In addition, we may offer special promotions subject to different terms. The periodic Finance Charges for transactions subject to these terms will also be calculated separately. For periodic rate Finance Charge calculation purposes, Deferring Payment Balances are treated like Sears regular purchases unless otherwise specified in conjunction with a particular promotional offer.

When a periodic Finance Charge is imposed, the Finance Charge is imposed for each balance type applicable to the Account by (i) taking each daily balance, (ii) multiplying that daily balance by the applicable daily periodic rate, and (iii) adding together the resulting amounts for each day in the billing cycle. The total periodic Finance Charge for the billing cycle is the sum of the periodic Finance Charges for each balance type, rounded to the nearest cent.

There is a minimum FINANCE CHARGE of up to \$1.00 on the Account for any billing cycle in which a FINANCE CHARGE is due.

To determine the daily balance for each balance type applicable to the Account, we take the beginning balance for each balance type each day, add any new transactions of that type and any unpaid Finance Charges accrued from the previous day on that balance type, deduct payments and credits posted that day to that balance type and make other adjustments. A credit balance is treated as a balance of zero. Most transactions are included in the daily balance as of the later of the transaction date or the first day of the billing cycle in which they are posted to the Account. Cash Access transaction fees, insurance charges, Sears Account Care fees, Late Payment Fees, Returned Payment Fees and all other fees are included in the daily balance of Sears regular purchases as of the date they are posted to the Account. No Finance Charge Balances are included in the daily balance for Sears regular purchases and balance transfers are treated like External regular purchases at the end of the post-billed period.

To determine the Average Daily Balance for each balance type, we add together the daily balance for each day in the billing cycle and divide the total by the number of days in the billing cycle. We may calculate the periodic Finance Charge for each balance type (except for major variations due to rounding) by (i) taking the Average Daily Balance for each balance type, (ii) multiplying the Average Daily Balance by the applicable daily periodic rate, and then (iii) multiplying that amount by the number of days in the billing cycle.

There is no grace period on periodic Finance Charges on Cash Access and balance transfer transactions but you may avoid additional Finance Charges on purchases under Old Balances if we receive, by the time and in the manner as specified in the Discover Card Account Agreement, in order to be credited as of the Payment Due Date, the Account Balance less any No Finance Charge Balances that expire after the Payment Due Date for that billing cycle.

**Important Payment Instructions**

Credit Card Payments: Payment must be received in proper form at our processing facility by 5:00 p.m. local time there to be credited as of that day. A payment received at the processing facility in proper form after that time will be credited as of the next day. Please allow 5-7 days for payments by regular mail to reach us. There may be a delay of up to 5 days in crediting a payment sent by mail if it is not in the proper form or is addressed to a location, including a store location, other than the address listed on the return envelope or on the front of the payment coupon, or for courier or express mail payments to the Express Payment Address set forth below. There may also be a delay of up to 5 days in crediting a payment made by phone.

Proper form for a payment sent by mail or courier to be in proper form, you must:  
• Enclose a valid check or money order. No cash, gift cards, or foreign currency please.  
• Include your name and account number on the front of your check or money order.

Sending an e-check with the payment coupon authorizes us to complete the payment by electronic debit. If we do, the checking account will be debited in the amount on the check, as soon as the day we receive the check, and the check will be destroyed.

**Other Payment Options:**

- Visit [www.SearsCard.com](http://www.SearsCard.com) and click on "make payments" for online payments. If we receive your request to make an online payment by 5 p.m. Eastern time, we will credit your payment as of that day. If we receive your request to make an online payment after that time, we will credit your payment on the next day.
- Send payment by courier or express mail to the Express Payments address: Attention: Payments Department, 1820 Bostonfield Street, Columbus, OH 43228. Payment must be received in proper form at the proper address by 5 p.m. Eastern time in order to be credited as of that day. All payments received in proper form at the proper address after that time will be credited as of the next day.

**BILLING RIGHTS SUMMARY**

**In Case of Errors or Questions About Your Bill**

If you think your bill is wrong, or if you need more information about a transaction on your bill, write us on a separate sheet at the address listed on your bill where it says "Write to us at." Write us as soon as possible. We must hear from you no later than 60 days after we send you the first bill on which the error or problem appeared. You can't sue us, but doing so will not preserve your rights. In your letter, give us the following information:

- The name and Account number
  - The dollar amount of the suspected error
  - Describe the error and explain, if you can, why you believe there is an error. If you need more information, describe the items 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 account you think is wrong. To stop the payment, your letter must reach us three days before the automatic payment is scheduled to occur.
- 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. While we investigate your question, we cannot report you as delinquent or take any action to collect the amount you question.

**Special Rule for Credit Card Purchases**

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

- You must have made the purchase in your home state or, if not within your home state, within 100 miles of your current mailing address; and
  - The purchase price can't have been more than \$50.
- These limitations do not apply if we own or operate the merchant, or if we received you the advertisement for the property or services.

This account is issued by Citibank (South Dakota), N.A.

RU0-001

CHY6257 • 1 • 04/17/08

MID0097

Sears MasterCard®

Call us at 1-800-866-8488  
Go to [www.searscard.com](http://www.searscard.com)

Write to us at PO Box 8202 Sioux Falls, SD 57117-6782

CYNTHIA M STEWART  
Account Number: XXXX XXXX XXXX 3236  
Page 2 of 2  
297

Payment Due Date

03/03/09

**Cardmember News**

---

The "Effective ANNUAL PERCENTAGE RATE" includes all transaction and periodic finance charges imposed this billing period on all balances on which finance charges were imposed. If the "Effective ANNUAL PERCENTAGE RATE" is N/A, no finance charges (after adjustments) were imposed this billing period.

Finance charges may be accruing on promotional balances and may be billed to your account under the terms of the promotional offer. Refer to the corresponding APR for the APR that applies to each balance.

MID0098

Sears MasterCard®

Call us at 1-800-659-8480  
Go to [www.searscard.com](http://www.searscard.com)  
Write to us at PO Box 6282 Sioux Falls, SD 57117-6282

CYNTHIA M STEWART  
Account Number: [REDACTED] 3235  
Page 1 of 2

Payment Due Date  
04/01/09

Your Account Summary

Billing Cycle Closing Date 03/04/09  
Amount Over Credit Line [REDACTED]  
Amount Past Due [REDACTED]  
Current Minimum Due [REDACTED]  
Total Minimum Due [REDACTED]

Previous Balance [REDACTED]  
Payments & Credits [REDACTED]  
Purchases & Debits [REDACTED]  
Other Charges [REDACTED]  
FINANCE CHARGES [REDACTED]  
Account Balance [REDACTED]

Your Credit Summary

Total Credit Line [REDACTED]  
Available Credit Line [REDACTED]  
Cash Access Line [REDACTED]  
Available Cash [REDACTED]

Activity	Sale Date	Past Date	Description	Amount
	02/12/09	02/12/09	PAYMENT - THANK YOU	[REDACTED]

Rates	Rate Values	Balance	Average Daily Balance	Corresponding ANNUAL PERCENTAGE RATE	Periodic Rate Per Day	Periodic FINANCE CHARGE
-------	-------------	---------	-----------------------	--------------------------------------	-----------------------	-------------------------

SEARS  
REGULAR  
EXTERNAL  
REGULAR  
CASH ACCESS  
REGULAR  
Days in Billing Period: 28  
Minimum ANNUAL PERCENTAGE RATE: [REDACTED]  
Minimum FINANCE CHARGE: \$3.50

Please follow payment instructions on reverse side. Payment must be received by 5:00 p.m. local time on Payment Due Date.

Sears MasterCard®

Account Number: [REDACTED] 3235

Account Balance	Payment Due Date	Total Minimum Due	Amount Enclosed
[REDACTED]	04/01/09	[REDACTED]	\$ [REDACTED]

089185 60 01 A 0563 1 00500 FVG 041 Y N



CYNTHIA M STEWART  
[REDACTED]  
MILWAUKEE WI 53219-3122



Make checks payable to  
SEARS CREDIT CARDS  
PO BOX 183082  
COLUMBUS, OH 43216-3082

Please make address corrections above.

100 5121079704073235 0271785 0034710 0005700 0215

MID0099

**Information About Your Account**

**Grace Period on Purchases.** You can avoid periodic finance charges on purchases, but not on balance transfers and cash advances transactions (if available on your account). This is called a grace period on purchases. You enjoy a grace period of at least 20 days. To do so, pay the following amount by the due date every billing cycle:

- The Account Balance, less
- Any Deferred Interest balances that expire after the due date.

If you do not, you will not get a grace period unless you pay the above amount by the due date for two billing cycles in a row. In addition, certain promotional offers may take away the grace period on purchases. Other promotional offers, in addition to Deferred Interest offers, may also require you to have a pre-paid or purchases without having to pay a portion of the periodic finance charges by the due date. If either is the case, the promotional offer will describe what happens.

**Balance Subject to Finance Charge.** We use an average daily balance method (including new transactions) to calculate periodic finance charges. We do this separately for each balance. These balances include, for example, regular 5.99% purchases, balance transfers, cash advances, certain purchases, Old Balances, cash advance transactions, and certain promotional balances, as applicable to your account. (When we calculate periodic finance charges, we treat each Deferred Interest transaction separately even if it has the same terms as another Deferred Interest transaction.)

We figure the periodic finance charge by multiplying the daily balance by its daily periodic rate. We do this by each day in the billing cycle. To get a daily balance, we start with the balance as of the end of the previous day. We add any periodic finance charge on the previous day's balance. (Payments in daily correspondence of finance charges.) We add any new charges. We then subtract any new credits or payments and other adjustments. A credit balance is treated as a balance of zero. For each balance, the Average Daily Balance is the average of the daily balances during the billing cycle. If you multiply this figure for each balance by its daily periodic rate and by the number of days in the billing cycle, the result is the total periodic finance charge on that balance. Rounding may cause a small difference.

**Statement Date.** The Statement Date shown on the Account Statement is also the Transaction Date.

**Annual Membership Fee.** Any annual membership fee is billed once a year. The amount of this fee appears on the statement when the fee is billed. We will refund this fee if you notify us that you are closing your account within 30 days of the mailing or delivery date of the statement on which the fee is billed. You will get the refund even if you use your card during that period.

**Penalty APR.** The Penalty APR may be applied to your account if you: (1) Make a late payment; (2) Do not pay your credit card; (3) Make a payment that is returned; or (4) Do any of the preceding (1) through (3) on another account that you have with us.

**How Long Will the Penalty APR Apply?** If your APR is increased for any of these reasons, the Penalty APR will apply until you make 12 consecutive on-time payments on time and do not do (1) through (3) above on any account you have with us during that time period. The penalty APR may end sooner in accordance with your Card Agreement, and required by applicable law.

**Billing Rights Summary**

**In Case of Errors or Disputes About Your Bill.** If you think your bill is wrong, or if you need more information about a transaction on your bill, write us at the address listed on this statement where it says "Write to us at." Write us as soon as possible. We must hear from you no later than 60 days after we send you the first bill on which the error or problem appeared. You can telephone us, but doing so will not preserve your rights. In your letter give us the following information:

- Your name and account number.
- The dollar amount of the disputed charge.
- 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 disputing a bill.

- Please sign your letter.

You do not have to pay any amount in question while we are investigating. But you are still obligated to pay the portion of your bill that is not in question. While we investigate your question, we cannot report you as delinquent on the disputed amount to the credit bureaus to affect the amount of your question.

**Special Rule for Credit Card Purchases**

If you have a problem with the quality of goods or services that you purchased with a credit card, and you have tried in good faith to correct the problem with the merchant, you may not have to pay the remaining amount due on the goods or services. You have this protection only when the purchase price is more than \$50 and the purchase is made in your home state or within 100 miles of your mailing address. If we own or operate the business, or if we mailed you the advertisement for the property or services, all purchases are covered regardless of amount or location of purchase.

**Important Payment Instructions**

**Crediting Payments.** We must receive your payment in proper form at our processing facility by 5 p.m. local time there. If we do, it will be credited as of that day. A payment received at the processing facility in proper form after that time will be credited as of the next day. Allow 5 to 7 days for payments by regular mail to reach us. There may be a delay of up to 5 days in crediting a payment we receive full or in proper form or is not sent to the correct address. To correct a delay for a payment sent by regular mail to the address listed on the return envelope or on the front of the payment envelope, a payment made in-store is not sent to the correct address. The correct address for a payment sent by credit or email is on the back of the payment envelope.

**Proper Form.** For a payment sent by mail or courier to be in proper form, you must:

- Enclose a valid check or money order, cash, coin, or foreign currency payment.
- Include your name and account number on the front of your check or money order.

If you send an eligible check with this payment coupon, you authorize us to complete your payment by electronic debit. If we do, the checking account will be debited if in the amount on the check. We may do this as soon as the day we receive the check. Also, the check will be destroyed.

**Copy Fee.** We charge \$3 for each copy of an account statement that dates back 3 months or more. We add the fee to the regular Statement purchase balance. We waive the fee if your request for the copy relates to a billing error or disputed purchase.

**Payment Options Other Than Regular Mail**

**Online Payments.** Visit [www.SearsCard.com](http://www.SearsCard.com) and sign up for online payments. Enrollment may take a few days. If we receive your request to make an online payment by 5 p.m. Eastern time, we will credit your payment as of that day. If we receive your request to make an online payment after that time, we will credit your payment as of the next day. For security reasons, you may be unable to pay your entire Account Balance with your first online payment.

**Pay by Phone Service.** You may use this service any time to make a payment by phone. You will be charged \$1.95 to use this service. Call by 5 p.m. Eastern time to have your payment credited as of that day. If you call after that time, your payment will be credited as of the next day. We may process your payment electronically after we verify your identity.

**Express Payments.** You can send payment by courier or express mail to the Express Payments Address: Payments Department, 1500 Battlefield Street, Columbus, OH 43220. Payment must be received in proper form at the proper address by 5 p.m. Eastern time to be credited as of that day. All payments received in proper form at the proper address after that time will be credited as of the next day.

**Report a Lost or Stolen Card Immediately.** You may call Customer Service 24 hours a day, 7 days a week.

Account issued by Citibank (South Dakota), N.A.

16337 EN Rev 01/10

01070057 - 3 - 12/10/2009

**New Address**

If your address has changed, please print any changes below

Name:

Street Address:

City, State, Zip:

Phone:

MID0100

Sears MasterCard®

Call us at 1-800-609-8488  
Go to [www.searscard.com](http://www.searscard.com)  
Write to us at PO Box 8282 Sioux Falls, SD 57117-8282

CYNTHIA M STEWART  
Account Number: XXXX XXXX XXXX 3235  
Page 2 of 2  
0186

Payment Due Date

04/01/09

**Cardmember News**

---

The Sale Date is the Transaction Date.

The "Effective ANNUAL PERCENTAGE RATE" includes all transaction and periodic finance charges imposed this billing period on all balances on which finance charges were imposed. If the "Effective ANNUAL PERCENTAGE RATE" is N/A, no finance charges (after adjustments) were imposed this billing period.

Finance charges may be accruing on promotional balances and may be billed to your account under the terms of the promotional offer. Refer to the corresponding APR for the APR that applies to each balance.

MID0101



**Information About Your Account**

**Grace Period on Purchases.** You can avoid paying finance charges on purchases, but not on balance transfers and cash advances (2. Available on your account). This is called a grace period on purchases. You can get a grace period of at least 20 days. To do so, pay the following amount by the due date every billing cycle:

- the Account Balance, less
- any Deferred Interest balances that expire after the due date.

If you do not, you will not get a grace period unless you pay the above amount by the due date for the billing cycle in a row. In addition, certain promotional offers may give you a grace period on purchases. Other promotional offers, in addition to Deferred Interest offers, may also allow you to have a grace period on purchases without having to pay all or a portion of the promotional balance by the due date. If either is the case, they will be indicated on the bill.

**Balance Subject to Finance Charge.** We use an average daily balance method (including new transactions) to calculate periodic finance charges. We do this separately for each balance. These balances include, for example, regular Sears purchases, balance transfers, other regular External purchases, Card Balance, cash advance transactions, and deferred periodic balances, as applicable to your account. (When we calculate periodic finance charges, we treat each Deferred Interest transaction separately even if it has the same terms as another Deferred Interest transaction.)

We have the periodic finance charge by multiplying the daily balance by its daily periodic rate. We do this for each day in the billing cycle. To get the daily balance, we start with the balance as of the end of the previous day. We add any periodic finance charges on the previous day's balance. (This results in daily compounding of finance charges.) We add any new charges. We then subtract any new credits or payments and make other adjustments. A credit balance is treated as a balance of zero. For each balance, the Average Daily Balance is the average of the daily balances during the billing cycle. If you multiply this amount by each balance by its daily periodic rate and by the number of days in the billing cycle, the result is the total periodic finance charge on that balance. Rounding may cause a small difference.

**Safe Date.** The Safe Date shown on the Account Statement is also the Transaction Date.

**Annual Membership Fee.** Any annual membership fee is billed once a year. The amount of the fee appears on the statement when the fee is billed. We will refund this fee if you notify us that you are closing your account within 30 days of the mailing of the billing date of the statement on which the fee is billed. You will get the refund even if you use your card during that period.

**Penalty APR.** The Penalty APR may be applied to your account if you: (1) Make a late payment; (2) Oversee your credit limit; (3) Make a payment that is returned; or (4) Do any of the preceding (1) through (3) on two or more accounts that you have with us.

**How Long Will the Penalty APR Apply?** If your APRs are increased for any of these reasons, the Penalty APR will apply until you make 12 consecutive on-time payments on time and do not do (1) through (3) above on any account you have with us during the 180-day period. The penalty APR may end sooner in accordance with your Card Agreement, or if required by applicable law.

**Billing Rights Summary**

**In Case of Errors or Questions About Your Bill.** If you think your bill is wrong, or if you need more information about a transaction on your bill, write us at the address listed on the statement where it says "Write to us at." Write us as soon as possible. We must hear from you no later than 60 days after we send you the first bill on which the error or problem appeared. You can telephone us, but doing so will not preserve your rights. In your letter, give us the following information:

- Your name and account number
- The dollar amount of the suspected error
- Describe the error and explain, if you can, why you believe there is an error.

If you need more information, describe the item you are unsure about. - Please sign your letter.

You do not have to pay any amount in question while we are investigating. But you are still obligated to pay the part of your bill that we are not in question. While we investigate your question, we cannot report you as delinquent in the disputed amount to any credit bureau to collect the amount you question.

**Special Rule for Credit Card Purchases**

If you have a problem with the quality of goods or services that you purchased with a credit card, and you have acted in good faith to correct the problem with the merchant, you may not have to pay the remaining amount due on the goods or services. You have this protection only when the purchase price is more than \$50 and the purchase is made in your home state or within 100 miles of your mailing address. If we cannot locate the merchant, or if we received your first objection for the property or services, all purchases are covered regardless of amount or location of purchase.

**Important Payment Instructions**

**Crediting Payments.** We must receive your payment by proper form at per processing facility by 5 p.m. Eastern time. If you do, it will be credited as of that day. A payment received at the processing facility in proper form after that time will be credited as of the next day. Allow 5 to 7 days for payments by regular mail to reach us. This may be a delay of up to 5 days in crediting a payment we receive that is not in proper form or is not sent to the correct address. If a payment address for a payment sent by regular mail is the address listed on the return envelope or on the front of the payment coupon, a payment made by courier or express mail to the correct address. The correct address for a payment sent by courier or express mail is the Express Payments Address shown below.

**Proper Form.** For a payment sent by regular mail to be proper form, you must:

- Enclose a valid check or money order, cash, gift cards, or foreign currency notes.
- Include your name and account number on the front of your check or money order.

If you send a check with this payment coupon, you authorize us to complete your payment by electronic debit. If we do, the checking account will be debited in the amount on the check. We may do this as soon as the day we receive the check. Also, the check will be destroyed.

**Copy Fee.** We charge \$3 for each copy of an account statement that dates back 3 months or more. We add this fee to the regular Sears purchase balance. We will not charge if your request for the copy relates to a billing error or a disputed purchase.

**Payment Options Other Than Regular Mail**

• **Online Payments.** Visit [www.SearsCard.com](http://www.SearsCard.com) and sign up for online payments. Enrollment may take a few days. If we receive your request to make an online payment by 5 p.m. Eastern time, we will credit your payment as of that day. If we receive your request to make an online payment after that time, we will credit your payment as of the next day. For security reasons, you may be unable to pay your entire Account Balance with your first online payment.

• **Pay by Phone Service.** You may use this service any time to make a payment by phone. You will be charged 5% to use this service. Call by 5 p.m. Eastern time to have your payment credited as of that day. If you call after that time, your payment will be credited as of the next day. We may process your payment electronically after we verify your identity.

• **Express Payments.** You can send payment by courier or express mail to the Express Payments Address: Payments Department, 1500 Bala Road Street, Columbus, OH 43228. Payment must be received in proper form at the proper address by 5 p.m. Eastern time to be credited as of that day. All payments received in proper form at the proper address after that time will be credited as of the next day.

**Report a Lost or Stolen Card Immediately.** You may call Customer Service 24 hours a day, 7 days a week.

Account is used by Citibank (South Dakota), N.A.

1E037 6H Rev 8/1/10

01GF0757 - 3 - 12/10/2009

**New Address**

If your address has changed, please print any changes below

Name:

Street Address:

City, State, Zip:

Phone:

MID0103

Sears MasterCard®

Call us at 1-800-860-0488

Go to [www.searscard.com](http://www.searscard.com)

Write to us at PO Box 0282 Sioux Falls, SD 57117-8282

CYNTHIA M STEWART  
 Account Number: XXXX XXXX XXXX 3235  
 Page 2 of 2  
 00875

Payment Due Date

05/01/09

Rates	'Rate Varies	Balance	Average Daily Balance	Corresponding ANNUAL PERCENTAGE RATE	Periodic Rate D=Day M=Month	Periodic FINANCE CHARGE
SEARS						
REGULAR						
EXTERNAL						
REGULAR						
CASH ACCESS						
REGULAR						
Days in Billing Period:	30			EFFECTIVE ANNUAL PERCENTAGE RATE		MINIMUM FINANCE CHARGE \$0.99

Cardmember News

The Sale Date is the Transaction Date.  
 The "Effective ANNUAL PERCENTAGE RATE" includes all transaction and periodic finance charges imposed this billing period on all balances on which finance charges were imposed. If the "Effective ANNUAL PERCENTAGE RATE" is N/A, no finance charges (after adjustments) were imposed this billing period.  
 Finance charges may be accruing on promotional balances and may be billed to your account under the terms of the promotional offer. Refer to the corresponding APR for the APR that applies to each balance.

MID0104

Sears MasterCard®

Call us at 1-800-689-8488  
 Go to [www.searscard.com](http://www.searscard.com)  
 Write to us at PO Box 6282 Sioux Falls, SD 57117-6282

CYNTHIA M STEWART  
 Account Number [REDACTED] 3235  
 Page 1 of 2

Payment Due Date

06/01/09

**Your Account Summary**

Billing Cycle Closing Date 05/04/09  
 Amount Over Credit Line [REDACTED]  
 Amount Past Due [REDACTED]  
 Current Minimum Due [REDACTED]  
 Total Minimum Due [REDACTED]

Previous Balance [REDACTED]  
 Payments & Credits [REDACTED]  
 Purchases & Debits [REDACTED]  
 Other Charges [REDACTED]  
 FINANCE CHARGES [REDACTED]  
 Account Balance [REDACTED]

**Your Credit Summary**

Total Credit Line [REDACTED]  
 Available Credit Line [REDACTED]  
 Cash Access Line [REDACTED]  
 Available Cash [REDACTED]

Activity	Sale Date	Past Date	Description	Amount
	04/15/09	04/15/09	PAYMENT -THANK YOU	[REDACTED]
	05/01/09	05/01/09	LATE PAYMENT FEE	[REDACTED]

YOUR LATE FEE WAS BASED ON AN ACCOUNT BALANCE OF [REDACTED] WHICH WAS YOUR ACCOUNT BALANCE ON THE LATE FEE TRANSACTION DATE.

THE AMOUNT DUE SHOWN ABOVE INCLUDES A PAST DUE AMOUNT. YOU SHOULD SEND THE ENTIRE AMOUNT DUE NOW. IF PAYMENT HAS BEEN MADE RECENTLY, THANK YOU.

Please follow payment instructions on reverse side. Payment must be received by 5:00 p.m. local time on Payment Due Date.

Sears MasterCard®

Account Number: [REDACTED] 3235

Account Balance [REDACTED]	Payment Due Date 06/01/09	Total Minimum Due [REDACTED]	Amount Enclosed \$ [REDACTED]
----------------------------	---------------------------	------------------------------	-------------------------------

003307 EX 02 9 09124 1 TDS563 F/G 001 7 N



CYNTHIA M STEWART  
 [REDACTED]  
 MILWAUKEE WI 53218-3122



Make check payable to  
 SEARS CREDIT CARDS  
 PO BOX 183052  
 COLUMBUS, OH 43218-3082

Please make address corrections above.

100 5121079704073235 0281869 0040738 0005700 0215

MID0105

**Information About Your Account**

**Grace Period on Purchases.** You can avoid periodic finance charges on purchases, but not on finance transfers and cash advance transactions (if available on your account). This is called a grace period on purchases. You can gain a grace period of at least 25 days. To do so, pay the following amount by the due date every billing cycle:

- the Account Balance, less
- any Deferred Interest balances that expire after the due date.

If you do not, you will not get a grace period unless you pay the above amount by the due date for two billing cycles in a row. In addition, certain promotional offers may allow you to pay the grace period on purchases. Other promotional offers, including Deferred Interest offers, may also allow you to have a grace period on purchases without having to pay all or a portion of the promotional balance by the due date. If either is the case, the promotional offer will describe what happens.

**Balance Subject to Finance Charge.** We use an average daily balance method (including new transactions) to calculate periodic finance charges. We do this separately for each balance. These balances include, for example, regular store purchases, balance transfers, cash advances, Express Purchases, On Balance, cash advance transactions, and different promotional balances, as applicable to your account. (When we calculate periodic finance charges, we treat each Deferred Interest transaction separately even if it has the same terms as another Deferred Interest transaction.)

We figure the periodic finance charge by multiplying the daily balance by its daily periodic rate. We do this for each day in the billing cycle. For the daily balance, we start with the balance as of the end of the previous day. We add any periodic finance charge on the previous day's balance. (This results in a daily compounding of finance charges.) We add any new charges. (We then subtract any new credits or payments and make other adjustments.) A credit balance is treated as a balance of zero. For each balance, the Average Daily Balance is the average of the daily balances during the billing cycle. If you enclose this figure for each balance by its daily periodic rate and by the number of days in the billing cycle, the result is the total periodic finance charge on that balance. Rounding may cause a small difference.

**State Data.** The State Data shown on the Account Statement is about the Transaction Data.

**Annual Membership Fee.** Any annual membership fee is billed once a year. The amount of the fee appears on the Statement when the fee is billed. We will refund this fee if you notify us that you are closing your account within 30 days of the mailing or delivery date of the statement on which the fee is billed. You will get the refund even if you use your card during that period.

**Penalty APR.** The Penalty APR may be applied to your account if your (1) late payment; (2) Go over your credit limit; (3) Make a payment that is returned; or (4) Do any of the preceding (1) through (3) on an end here occurs that you have with us.

**How Long Will the Penalty APR Apply?** If your APRs are increased for any of these reasons, the Penalty APR will apply until you make 12 consecutive minimum payments on time and do not do (1) through (3) above on any account you have with us during the time period. The penalty APR may end sooner in accordance with your Card Agreement, or if required by applicable law.

**Billing Rights Summary**

**In Case of Errors or Questions About Your Bill.** If you think your bill is wrong, or if you need more information about a transaction on your bill, write us at the address listed on this statement where it says "Write to us at." Write us as soon as possible. We must hear from you no later than 60 days after we send you the first bill on which the error or problem appeared. You can telephone us, but doing so will not preserve your rights. In your letter, give us the following information:

- Your name and account number.
- The debit account of the suspected error.
- Describe the amount of the error, if you can, why you believe there is an error.

If you need more information, describe the item you are unsure about.

- Please sign your letter.

You do not have to pay any amount in question while we are investigating. But you are still obligated to pay the parts of your bill that are not in question. While we investigate your question, we cannot open your account to the disputed item or take any action to collect the amount you question.

**Special Rule for Credit Card Purchases**

If you have a problem with the quality of goods or services that you purchased with a credit card, and you have acted in good faith to correct the problem with the merchant, you may not have to pay the remaining amount due on the goods or services. You have this protection only when the purchase price is more than \$50 and the purchase is made in your home state or within 100 miles of your mailing address. (If we own or operate the merchant, or if we mailed you the advertisement for the property or services, all purchases are covered regardless of amount or location of purchase.)

**Important Payment Instructions**

**Crediting Payments.** We must receive your payment in proper form at our processing facility by 5 p.m. Eastern time. If we do, it will be credited as of that day. A payment received at the processing facility in proper form after that time will be credited as of the next day. Allow 5 to 7 days for payments by regular mail to arrive. There may be a delay of up to 5 days in crediting a payment we receive that is not in proper form or is not sent to the correct address. The correct address for a payment sent by regular mail is the address listed on the return envelope or on the front of the payment coupon. A payment made in-store is not sent to the correct address. The correct address for a payment sent by courier or express mail is the Express Payments Address shown below.

- Proper Form for a payment sent by mail or courier is a bill payment form, you must:**
- Enclose a valid check or money order, in cash, gift cards, or foreign currency checks.
  - Include your name and account number on the front of your check or money order.

If you send an eligible check with this payment coupon, you authorize us to complete your payment by electronic debit. If we do, the checking account will be debited in the amount on the check. We may do this as soon as the day we receive the check. Also, the check will be destroyed.

**Copy Fee.** We charge \$3 for each copy of an account statement that dates back 3 months or more. We add this fee to the regular Sears purchase balance. We waive the fee if your request for the copy relates to a billing error or disputed purchase.

**Payment Options Other Than Regular Mail**

**Online Payments.** Visit [www.SearsCard.com](http://www.SearsCard.com) and sign up for online payments. Enrollment may take a few days. If we receive your request to make an online payment by 5 p.m. Eastern time, we will credit your payment as of that day. If we receive your request to make an online payment after that time, we will credit your payment as of the next day. For security reasons, you may be unable to pay your entire Account Balance with your first online payment.

**Pay by Phone Service.** You may use this service any time to make a payment by phone. You will be charged \$14.95 to use this service. Call by 5 p.m. Eastern time to have your payment credited as of that day. If you call after that time, your payment will be credited as of the next day. We may process your payment electronically where we verify your identity.

**Express Payments.** You can send payment by courier or express mail to the Express Payments Address: Payments Department, 1500 Blackhawk Street, Columbus, OH 43228. Payment mail to be received in proper form at the proper address by 5 p.m. Eastern time to be credited as of that day. All payments received in proper form at the proper address after that time will be credited as of the next day.

**Regular Mail for Statement Card Returned by Mail.** You may call Customer Service 24 hours a day, 7 days a week.

Account issued by Citibank (South Dakota), N.A.

1603J EN Rev 01/10

01076051 -3 -12/10/2009

**New Address**

If your address has changed, please print any changes below.

Name:

Street Address:

City, State, Zip:

Phone:

MID0106