

IMPORTANT LEGAL MATERIALS



UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF NORTH CAROLINA

If you received reduced interest and/or fee benefits on your Chase Bank credit card account because of your military service, a class action settlement may affect your rights.

You May Be Eligible For Payment From A Class Action Settlement.

The Court has certified a lawsuit as a class action on behalf of all persons identified in Chase Bank’s records as the holder of a credit card account who, at any time between January 1, 2005 and the Execution Date, received reduced interest and/or fee benefits from Chase Bank because of his or her military service, including benefits in the form of a Remediation Payment Check, or whose Calculated Refund Amount was determined to be negative, zero, or *de minimis* (meaning less than \$10.00), but excluding persons who have executed a release of the rights claimed in this action (the “Class”).

A federal court authorized this notice. This is not a solicitation from a lawyer.

- A Settlement providing payment to the Class of approximately \$62 million has been reached in this class action lawsuit. Plaintiffs in the lawsuit allege, among other things, that JPMorgan Chase Bank, N.A., f/k/a Chase Bank USA, N.A. (“Chase Bank”) failed to properly reduce the interest rate on the credit card accounts of servicemember customers as required by the Servicemembers Civil Relief Act (SCRA) and by Chase Bank policy, in violation of the SCRA, the Truth in Lending Act, Delaware’s Consumer Fraud Act, and in breach of contract.
- The Settlement provides for payments to all Class Members in accordance with a Distribution Plan described below.
- Chase Bank denies each and all of the claims and allegations of wrongdoing made by the Plaintiffs.
- Your legal rights will be affected whether you act or do not act. Please read this notice carefully.

Summary of Your Legal Rights and Options in this Settlement	
Do Nothing and Get a Payment Automatically	The Settling Parties have identified all Class Members. If you have been identified as a Class Member, you do not need to do anything to receive a payment. Your payment will be automatically sent to you if the Court approves the Settlement and it becomes final. You give up your right to participate in other litigation against Chase Bank about the claims made in this case. You may visit www.chasebankclassaction.com to request electronic payment or to update your address for check payments.
Exclude Yourself	You will receive no benefits from the Settlement. This option allows you to retain your right to participate in other lawsuits against Chase Bank for the claims in this case.
Object	Write to the Court if you do not approve of the Settlement.
Go to a Hearing	You may ask to speak in Court about the fairness of the Settlement.

- These options and the deadlines to exercise them are further detailed in this notice.
- The Court assigned to this case still has to decide whether to give final approval of the Settlement. If the Court grants final approval and any appeals are resolved, payments will be sent to Class Members.

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Basic Information

1. Why am I receiving this notice?

Judge Terrence W. Boyle of the United States District Court for the Eastern District of North Carolina authorized this notice because you have a right to know about a proposed Settlement of this class action lawsuit and all your options before the Court decides whether to give final approval to the Settlement. This notice explains the litigation, the Settlement, and your legal rights.

Judge Boyle is overseeing this case. This litigation is known as *Childress, et al. v. JPMorgan Chase Bank, N.A., et al.*, Case No. 5:16-CV-298. The people who initiated the litigation are the “Plaintiffs.” Chase Bank is the “Defendant.”

2. What is this litigation about?

Plaintiffs allege, among other things, that, since January 1, 2005, Chase Bank failed to properly reduce the interest rate on the credit card accounts of servicemember customers as required by the SCRA and by Chase Bank policy, in violation of the SCRA, the Truth in Lending Act, Delaware’s Consumer Fraud Act, and in breach of contract.

Chase Bank denies each and all of the claims and allegations of wrongdoing made by the Plaintiffs and denies that it has violated any law or other duty.

The filed Complaints in the lawsuit can be viewed at www.chasebankclassaction.com. The Complaints include all allegations and claims asserted against Chase Bank.

3. Why is this a class action?

A class action lawsuit allows a large number of people with a common complaint in a matter to sue collectively while being represented by a few members of the group called “Class Representatives.” In this case, a group of servicemember customers of Chase Bank has brought the suit on behalf of themselves and any other people with similar claims.

Last year, the Court certified this lawsuit as a class action on behalf of all persons who, at any time on or after January 1, 2005, received reduced interest and/or fee benefits from defendant Chase Bank USA, N.A. on a credit card obligation or account because of an obligor’s military service, but excluding persons who have executed a release of the rights claimed in this action. Only ten servicemembers excluded themselves after the first Court-approved notice was provided to them.

The Court has appointed the following servicemembers to act as Class Representatives: Gary Childress, Russell Ho, Michael Clifford, David Cavender, Rusty Davis, Christopher Deringer, Christina Duncan, Robin Hinson, and David Ortiz.

4. Why is there a Settlement?

The Court has not decided in favor of the Plaintiffs or Chase Bank. The parties have agreed to a Settlement.

By agreeing to the Settlement, the Parties avoid the costs and uncertainty of a trial, and Class Members receive the benefits described in this notice. The proposed Settlement does not mean that any law was broken or that Chase Bank did anything wrong. Chase Bank denies all legal claims in this case.

Class Representatives and their lawyers think the proposed Settlement is best for everyone who may be affected by the alleged improperly reduced interest charges.

The Settlement

5. Who is included in the Settlement?

The Settlement Agreement clarifies the definition of the “Class” already certified by the Court. The definition previously certified by the Court was:

“All persons identified in Chase’s records as the holder of a credit card account who, at any time on or after January 1, 2005, received and/or may have been eligible to receive reduced interest and/or fee benefits on a credit card obligation or account from Chase because of his or her military service, but excluding persons who have executed a release of the rights claimed

in this action.” Excluded from the Class are Chase Bank; Chase Bank’s officers and directors at all relevant times, as well as members of their immediate families and their legal representatives, heirs, successors, or assigns; and any entity in which Chase Bank has or had a controlling interest. Also excluded from the Class are federal, state, and local governments and all agencies and subdivisions thereunder; and any judge to whom this Action is or has been assigned and any member of his immediate family.

The clarified definition of the Class appears at the top of the first page of this Notice. “Class Member” means any person included in the Class who did not opt out of the Class by November 27, 2019, and who does not opt out of the Class in the manner described in this notice.

6. How do I determine whether I am part of the Settlement?

If you are not sure whether you are in the Class, or have any other questions about the Settlement, visit the Settlement website at www.chasebankclassaction.com or call the toll-free number, 1-866-403-6561. You may also send questions to the Settlement Administrator at info@chasebankclassaction.com. **Please do not send questions to Chase Bank or to the Court.**

The Settlement Benefits

7. What payments does the Settlement provide?

The Cash Settlement Amount of over Sixty-Two Million Dollars (\$62,000,000.00) will be used to pay Court-approved attorneys’ fees and costs, incentive awards to the Class Representatives, all settlement administration costs (including notice costs, escrow and settlement administration services, distribution costs, etc.), and taxes and tax expenses. The remainder of the Cash Settlement Amount, less the payments and debits set forth in this paragraph, shall constitute the Net Settlement Fund.

For distribution of the Net Settlement Fund, the Parties have agreed to a three-step Distribution Plan.

Step One will consist of the payment of Twenty-Seven Million, Four Hundred and Sixty One Thousand, Nine Hundred and Thirty Eight Dollars (\$27,461,938.00) to Class Members who were previously identified by Chase Bank as eligible to receive a Calculated Refund Amount, but did not receive or successfully deposit such a refund (“Group 1”). Next, a minimum payment of Seventy-Five Dollars (\$75.00) will be paid to each Class Member. The approximate amount of the remaining Net Settlement Fund will be used to make a *pro rata* distribution to Class Members whose accounts had a Calculated Refund Amount exceeding One Hundred and Sixty-Six Dollars (\$166) (“Group 2”). The Distribution Plan uses this amount because a Chase Bank Remediation Program conducted in 2015 and 2016 paid additional money to customers overcharged less than \$166. Class Members may be eligible for multiple components of this Step One payment (each Class Member will receive the minimum \$75.00 payment and, depending upon their eligibility, could also receive a Group 1 and/or Group 2 payment).

Step Two will consist of payments of the remaining Net Settlement Fund to Group 2 *pro rata* in proportion to Class Members’ Step One payments.

Step Three will consist of the payment of any unforeseen costs of settlement administration and payment of any untimely requests for reissuance of Step One or Step Two payments. If any Net Settlement Funds remain, they will be distributed, subject to Court approval, to not-for-profit organization(s) providing financial literacy or financial advocacy services to military servicemembers and veterans.

8. How can I determine what my payment will be?

If you are eligible to receive payment from the Settlement, the amount will be based upon the criteria described for each group defined in Section 7 above. However, each Class Member will receive a minimum payment of Seventy-Five Dollars (\$75.00).

At this time, it is not possible to calculate a Class Member’s payment. More detailed information regarding how the payments for each group will be calculated can be found in the distribution section of the Settlement Agreement posted at the case website www.chasebankclassaction.com.

9. How can I determine when I will receive payment?

The Parties are using a distribution protocol that maximizes the likelihood that Settlement payments are received and successfully deposited. Class Members who are entitled to payments will receive their payments by mailed check or by other widely available electronic means if the Class Member so chooses. Most payments will be issued only after the Court grants final approval to the Settlement and after any appeals are resolved. If there are appeals, resolving them can take time. It is prudent to check with the case website often for updates regarding the status of the Settlement and options for selecting how your funds will be delivered.

10. What rights am I giving up by remaining a member of the Class and receiving payment?

Unless a member of the Class submits a request to be excluded from the Settlement, he or she is bound by the terms of the Agreement and cannot be part of any other lawsuit brought against the Defendant for the same issues in this case. The Settlement Agreement is available at www.chasebankclassaction.com and describes what rights you will give up if you remain a participant in the Settlement.

How To Receive A Payment

11. What do I have to do to receive payment?

If you have been identified as a Class Member entitled to payment, you do not have to take any action to receive the payment. Payments will be issued automatically as described in Section 9 above.

12. Can I choose the method by which I will receive payments (check, Paypal, etc.)

Please visit www.chasebankclassaction.com to choose an electronic form of payment. Otherwise, you will be mailed a check.

13. Can I update my address so you send my check to the right place?

Please visit www.chasebankclassaction.com to update your address.

Credit Reporting Relief

14. Am I eligible for credit reporting relief?

In addition to the monetary relief described above, certain Class Members for whom Chase Bank issued Delinquency or Derogatory Reports regarding closed credit card accounts to Credit Bureaus can request that Chase Bank submit requests to Credit Bureaus to delete that information. Potentially eligible Class Members are identified by a unique Class Member identification number bearing a prefix of "CR." Such Class Members can seek this relief by completing and timely submitting the Claim Form attached to this Notice and available at www.chasebankclassaction.com.

Escheat Outreach Program

15. What is the Escheat Outreach Program and does it apply to me?

The Escheat Outreach Program is intended to notify Class Members who may be able to claim additional funds by contacting a state unclaimed property department. Prior to this Settlement, Chase Bank sent payments to certain Class Members related to potential issues with the application of SCRA benefits. Some of those payments were not claimed by the Class Member for a period of time and Chase Bank sent them to the relevant state's unclaimed property department through a process called "escheat." If your Class Member identification number ends with the name of a state, you may be able to claim additional funds from that state's unclaimed property department. The Settlement provides for notifications to potentially eligible Class Members; however, it will be up to you to comply with the state's process for collecting any funds the state is holding for you.

Excluding Yourself From The Settlement

16. What do I do if I do not want to participate in the Settlement?

If you do not want to receive payment from the Settlement and instead want to retain your right to participate in other lawsuits against Chase Bank for the same legal issues in this case, then you must take steps to request exclusion from the Settlement. Sometimes this action is referred to as “opting out” of the Class.

To request exclusion from the Settlement, you must send a letter or other written document by mail to the Settlement Administrator. Your request must include the following information:

1. Your name, address, telephone number, and Class Member identification number;
2. A statement that you wish to be excluded from the Settlement, including the case name and number; and
3. Your signature.

You must mail your request, postmarked no later than August 31, 2020, to:

CHILDRESS SETTLEMENT ADMINISTRATOR - 7002
PO BOX 0171
MINNEAPOLIS MN 55440-0171

You cannot request exclusion by phone, by email, or through the case website.

17. If I do not request exclusion, can I sue Chase Bank for the same claims later?

No, you cannot. Unless you request exclusion from the Settlement, you give up the right to sue Chase Bank for the claims that this Settlement resolves. You must exclude yourself from the Class in order to try to maintain your own lawsuit.

18. If I exclude myself, can I still receive payment?

No, you will not receive a payment if you request exclusion from the Settlement.

The Lawyers Representing You

19. Do I have a lawyer in this case?

The Court has appointed the following law firms to represent you and all Class Members. Together the law firms are called “Class Counsel,” and they are:

KELLER ROHRBACK L.L.P. 1201 Third Avenue, Suite 3200 Seattle, Washington 98101	SMITH & LOWNEY, PLLC 2317 E. John Street Seattle, Washington 98112	SHANAHAN LAW GROUP, PLLC 128 E. Hargett Street, Third Floor Raleigh, North Carolina 27601
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You will not be charged for contacting these lawyers. If you would prefer to be represented by your own lawyer, you may hire one at your own expense.

20. How will the lawyers receive payment for their services?

Class Counsel may submit an application or applications for distributions from the Cash Settlement Amount for: (a) an award of attorneys’ fees and reimbursement of expenses incurred in connection with prosecuting the Action (the “Fee and Expense Application”); and (b) Service Awards to the Class Representatives. The amount awarded as attorneys’ fees, expenses, and Service Awards will be decided by the Court.

Class Counsel has agreed with Chase Bank that the Fee and Expense Application will not seek an amount in excess of thirty percent (30%) of the Cash Settlement Amount. When filed with the Court, the Fee and Expense Application will be posted to the case website at www.chasebankclassaction.com.

Class Counsel and Plaintiffs Gary Childress, Russell Ho, and Michael Clifford agree that they will apply to the Court for a Service Award of up to \$25,000 each, and Plaintiffs David Cavender, Rusty Davis, Christopher Deringer, Christina Duncan, Robin Hinson, and David Ortiz will apply for a Service Award of up to \$10,000 each, for their participation in the Action and their service to the Class as Class Representatives. Chase Bank has agreed not to oppose such applications.

Objecting To The Settlement

21. How do I inform the Court if I object to the Settlement?

If you are a Class Member, you can object to any part of the Settlement, the Settlement as a whole, Class Counsel's requests for fees and expenses, and/or the Service Awards to the Class Representatives. For an objection to be considered, the objection must also set forth:

- The name of the Action (*Childress et al. v. JPMorgan Chase Bank, N.A. et al.*, No. 5:16-cv-00298 (E.D.N.C.));
- The objector's full name, address, and phone number;
- An explanation of the basis upon which the objector claims to be a Class Member;
- All grounds for the objection, accompanied by any legal support for the objection;
- The identity of all counsel who represent the objector in this matter, including any former or current counsel who may be entitled to compensation for any reason related to the objection;
- Whether the objector intends to appear at the Final Approval Hearing and, if so, the identity of all counsel representing the objector who will appear at the Final Approval Hearing. Any counsel who will appear at the Final Approval Hearing must contemporaneously enter a written Notice of Appearance of Counsel with the Clerk of the Court;
- A list of all other class action settlements to which the objector or their counsel filed an objection;
- A list of any persons who will be called to testify at the Final Approval Hearing in support of the objection; and
- The objector's signature (an attorney's signature is not sufficient).

Class Members who wish to object to any aspect of the Settlement must file with the Court a written statement containing their objections prior to the Exclusion/Objection Deadline and include all evidence and legal support for the Objection. You must mail your objection to each of the following three addresses, and must be postmarked by August 31, 2020:

Clerk of the Court U.S. District Court for the Eastern District of North Carolina P.O. Box 25670 Raleigh, North Carolina 27611	Kieran J. Shanahan Christopher S. Battles Shanahan Law Group, PLLC 128 E. Hargett Street, Third Floor Raleigh, North Carolina 27601	Alan E. Schoenfeld Wilmer Cutler Pickering Hale and Dorr LLP 7 World Trade Center 250 Greenwich Street New York, New York 10007
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22. What is the difference between objecting to the Settlement and requesting exclusion?

Objecting is notifying the Court that you do not like something about the Settlement. You can only object to the Settlement if you are a Class Member. Requesting exclusion for the Settlement is notifying the Court that you do not want to remain a member of the Class. If you exclude yourself, you have no basis to object because the Settlement no longer affects you.

The Final Approval Hearing

The Court will hold a hearing to make a decision about whether to grant final approval of the Settlement and any requests for attorneys' fees, expenses, and Service Awards related to the Settlement. You may attend and you may ask to speak, but it is not a requirement.

23. When and where will the Court decide whether to grant final approval of the Settlement?

The Court has scheduled a Final Approval Hearing on October 1, 2020 at 2:00 p.m. at the United States Courthouse in Raleigh, North Carolina. Updates to the date, time and courtroom will be posted to the case website at www.chasebankclassaction.com.

At the hearing, the Court will consider granting final approval of the Settlement based on whether it is fair, reasonable, and adequate. The Court may also consider requests by Class Counsel for attorneys' fees and expenses related to the litigation and administration of the Settlement. If there are objections, the Court will consider them at the hearing as well.

After the hearing, a decision will be made whether to grant final approval of the Settlement, but it is not known at this time how long it will take for the Court to decide. Class Members should visit the case website at www.chasebankclassaction.com to stay updated about the current case status.

24. Do I have to attend the Hearing?

Attending the hearing is not required, but you are welcome to attend at your own expense.

If you filed an objection, you do not need to attend the hearing to discuss its validity. As long as the objection was filed in accordance with the guidelines described within this notice and on the case website at www.chasebankclassaction.com, the Court will give it consideration.

You may also pay your own lawyer to attend the hearing, but it is not required.

25. May I ask to speak at the Hearing?

You have the option to request to speak at the Final Approval Hearing, but you must send a letter informing the Court of your intention to appear and speak. The letter for your Notice of Intention to Appear must include the following:

- Your name, address, and telephone number;
- A statement identifying the letter as your "Notice of Intention to Appear" at the Final Approval Hearing for *Childress et al. v. JPMorgan Chase Bank, N.A. et al.*, No. 5:16-cv-00298 (E.D.N.C.);
- The reasons you intend to appear along with any supporting documentation or evidence; and
- Your signature.

You must send copies of your Notice of Intention to Appear, postmarked no later than August 31, 2020, to all three addresses listed in question 17 above. **Please note, you may not speak at the hearing if you file a valid request for exclusion from the Settlement.**

Getting More Information

26. How do I get more information?

This notice is a summary of the proposed Settlement. More detail regarding the terms of the Settlement can be found in the Settlement Agreement posted at the case website at www.chasebankclassaction.com. **You may also contact the Settlement Administrator with questions via toll-free number at 1-866-403-6561 or by mail at:**

CHILDRESS SETTLEMENT ADMINISTRATOR - 7002
PO BOX 0171
MINNEAPOLIS MN 55440-0171