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VIII. Entering an Individual Appearance or Objecting to the Settlement Agreement

If you do not opt out, you will be represented by plaintiffs and Class counsel, unless you enter a separate appearance. You are not required to obtain your own counsel, but if you do, it will be at your own expense and your counsel must file an appearance by September 5, 2000, and mail all copies of such appearance to Class counsel, Brian H. Strange, at the address listed in Section X below.

If you wish to object to the terms of the settlement agreement, you must remain a member of the Class. You may object to the terms of the settlement agreement by filing written objections with the Clerk of the Court, United States District Court for the Central District of California, 312 North Spring Street, Los Angeles, CA 90012, by August 31, 2000. You must also serve copies of anything you file with the Court on Class counsel (Barry R. Strange) and on counsel for Universal, Jay Ziegler, at Buchalter, Nemer, Fields & Younger, 801 S. Figueroa St., Suite 2400, Los Angeles, CA 90017-5714. Any member of the Class who does not make and serve written objections in the manner prescribed above shall be deemed to have waived such objections.

IX. Final Hearing on Fairness of Settlement

The Court has ordered that a hearing be held on September 18, 2000, at 10:00 a.m. in the United States District Court for the Central District of California, 255 East Temple Street, Los Angeles, CA 90012, in Room 780, to determine whether the Court should approve the proposed settlement. It is necessary for you to attend the hearing, although you have the right to do so.

X. Other Information

This notice is intended only as a summary of the lawsuit proposed. It is not a complete statement of the lawsuit or the proposed settlement. You may inspect the pleadings and other papers (including the proposed settlement agreement) that have been filed in this lawsuit at the office of the Clerk of the Court, which address is set forth in Section VIII above. If you have any questions regarding this notice or the proposed settlement, you may contact Class counsel at the following address:

Brian A. Strange, Esq.
Strange & Hoey
P.O. Box 26398
Los Angeles, CA 90025

Do not contact Universal or the Court for information. Universal's (and the other defendant's) employees and telephone representatives are not authorized to provide any information relating to the proposed settlement or any claims you may have.

Dated May 5 2000

The Honorable Lourdes G. Baird
United States District Court

U-SN 7/00

United States District Court Central District of California

Case No. 00-00078-LGB (JWJX)

ELLIOT SCHWARTZ, NICOLE C. GIAMPAULO, WILLIE JO JIMMERSON,
DANIEL RYAN, and MARY ANN WILLIAMS, individually and on behalf of all
others similarly situated,

Plaintiffs,

v.
CITIBANK (SOUTH DAKOTA), N.A., UNIVERSAL BANK, N.A., UNIVERSAL
FINANCIAL CORP., and DOES 1 through 10, inclusive.

Defendants.

Class Action Settlement Notice

TO ALL MEMBERS OF THE FOLLOWING CLASS:

All consumers who have, or at any time have had, one or more Visa or MasterCard credit card accounts marketed under the "AT&T Universal Card" brand.

PLEASE TAKE NOTICE:

This notice is to advise you of a proposed settlement of the class action lawsuit captioned above and of a court hearing on the proposed settlement. This notice contains important information regarding the settlement, the final approval hearing on the settlement, and your rights. You should read the entire notice carefully because your rights may be affected.

I. Background

This lawsuit alleges that Universal Bank N.A., and Universal Financial Corp. (collectively and separately referred to hereafter as "Universal") and another defendant failed to credit properly the payments of some credit card holders on the day their payments were received. The lawsuit alleges violations of the Truth in Lending Act ("TILA"), 15 U.S.C. § 1601 et seq., state consumer protection statutes and regulations, common law prohibiting deceptive trade practices, breach of contract and misrepresentation. Universal and the other defendant deny any wrongdoing and vigorously defend the lawsuit if the settlement is not approved. Universal and the other defendant, and the Class Representatives, have agreed, nevertheless, to settle this lawsuit to avoid the risk and uncertainty inherent in any litigation.

II. What Benefits Does the Settlement Provide?**A. Summary of Benefits**

The settlement, if approved, will provide the following benefits to consumers holding "AT&T Universal Card"-branded credit cards:

1. Universal will change the cut-off time for crediting consumer credit card payments received on a business day from 10:00 a.m. to 1:00 p.m., and will expand its disclosure of payment information.
2. Universal will refrain from imposing certain late charges and other charges for any consumer credit card payment that is received before 12:00 midnight on the payment due date.
3. Universal and the other defendant will create a Settlement Fund totaling \$18 million to pay certain Universal cardholders and certain cardholders of the other defendant as follows:
 - (i) Up to \$5 million in reimbursements to certain cardholders who submit Claims for Reimbursement (as described below).
 - (ii) At least \$11.5 million in Finance Charge Refunds to certain cardholders (as described below).
 - (iii) \$1 million in statutory damages under TILA for certain AT&T Universal Card cardholders. These damages will be distributed to AT&T Universal Card cardholders receiving Finance Charge Refunds and/or payments on Claims for Reimbursements.

Plaintiffs and defendants estimate that the average cash recovery per Class Member for Finance Charge Refunds will be less than \$1; some individuals will receive less, and some will receive more.

B. Claims for Reimbursement

If you complete and send a Claim Form proving (with documentary evidence) that you satisfy one or more of the following criteria, then you will receive a reimbursement if: (1) you paid a late fee even though Universal received your payment before midnight on the day that payment was due; (2) your APR was increased to a "penalty rate" solely because Universal deemed your payment late despite receipt by Universal of that payment (in an amount equal to at least the minimum payment due) before midnight on the day that payment was due; (3) you paid a finance charge on your purchase balance even though Universal received your payment (in an amount equal to at least the full account balance due) before midnight on the day that payment was due (in circumstances in which no finance charge would have been applicable if that payment had been credited as of that day); or (4) Universal received your payment before 10:00 a.m. on a bank business day and did not credit that payment to your account as of that same day, causing you to pay additional finance charges as a result of the delay. In general, the amount of your reimbursement will be the amount of the late fee or other charge(s) improperly applied to your account. If, however, the aggregate amount of valid Claims for Reimbursement submitted to Universal and the other defendant exceeds \$5 million, the amount to be paid on each Claim for Reimbursement shall be adjusted proportionately so that the aggregate amount of Claims for Reimbursement paid equals the amount of the Settlement Fund set aside to pay Claims for Reimbursement.

If the total value of valid Claims for Reimbursement is less than \$5 million, the unused portion shall be used as follows: The first \$2.5 million of any unused portion shall be retained by Universal and the other defendant as reimbursement for their costs of settlement (including costs of class notice and claims administration). Any remaining portion shall be used for Finance Charge Refunds, as provided below.

C. Finance Charge Refunds

If you were assessed and paid a finance charge on your "AT&T Universal Card" consumer credit card account, you are entitled to receive a Finance Charge Refund, in approximate proportion to the amount that the finance charge on your account would have been reduced if each credit card payment received on a business day had been credited if your account one day earlier than the day as of which it was credited. If (as expected) the amount of the Settlement Fund available to pay Finance Charge Refunds is insufficient to pay such amounts in full, the amount of each Finance Charge Refund shall be adjusted proportionately.

If you were assessed and paid a finance charge after January 1, 1998, and your credit card account is as of September 10, 2000, (1) open, or (2) closed with an outstanding balance, you need not do anything to receive a refund for finance charges assessed since 1998 & refund will be automatically credited to your account or paid by check. If you were assessed and paid a finance charge after January 1, 1998, but your account is not, as of September 10, 2000, (1) open, or (2) closed with an outstanding balance, you must complete and send a Claim Form.

You may also receive a Finance Charge Refund if you were assessed and paid a finance charge before January 1, 1998. To receive such a refund, you must complete and send a Claim Form (whether your account is open or closed).

III. Attorneys' Fees

The parties agree that reasonable attorneys' fees and costs shall be paid separately by the Defendants (not from the Settlement Fund) in an amount to be awarded by the Court. Defendants have agreed not to appoint an award of attorneys' fees of up to \$5 million and an award of costs of up to \$250,000, and no award greater than those amounts shall be requested or made. The parties believe that the total benefit to the Class of the Settlement Agreement is at least \$36 million (excluding attorneys' fees, costs, and expenses).

IV. How Do I Obtain a Claim Form?

If you wish to make a claim under Section II.B (Claim for Reimbursement) or obtain claims under Section II.C (Finance Charge Refund), you must submit a Claim Form. You can obtain a Claim Form by calling toll free 1-877-469-7865 or by writing to P.O. Box 26115, Fonton, MO 63026.

V. What Rights Am I Relinquishing?

If the Settlement is finally approved by the Court, all Class Members who have not excluded themselves from the Class will release Universal and certain others from all claims, known or unknown, (1) that arise out of or are related in any way to any of all of the acts, omissions, facts, matters, transactions, or occurrences that were directly or indirectly alleged, asserted, described, set forth, or referred to in this lawsuit (including but not limited to claims for alleged violations of TILA, state consumer protection statutes, common law prohibiting unfair or deceptive trade practices, breach of contract, fraud, and misrepresentation), (2) that are, or could have arisen out of or been related in any way to Universal's failure (or alleged failure) to obtain, receive, process, and/or credit any payments in a timely fashion and/or as of the proper date and/or cut-off time; (3) that are, were, or could have arisen out of or been related in any way to Universal's disclosure, application, and use of any cut-off time for the receipt of credit card payments. Class Members agree they will not claim that the new 1:00 p.m. cut-off hour is improper, nor that the disclosures provided for in the Settlement Agreement are inadequate. Class Members specifically waive Section 1542 of the California Civil Code, and Section 20-7-1 of the South Dakota Codified Laws, each of which provides that "[a] general release does not extend to claims which the creditor does not know a suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor." The exact terms of the Release are set forth in the Settlement Agreement.

VI. How Do I Become a Class Member?

YOU DO NOT NEED TO DO ANYTHING TO BE PART OF THE CLASS. You will be a member of the Class unless you request to be excluded ("opt-out"). If you do not opt out, you will be bound by any judgment entered in this lawsuit, you cannot sue any of the defendants for any claims that you released, and you will be represented in this lawsuit by the Class Counsel.

You should forward a copy of this notice to my trustee (including a trustee in bankruptcy), executor, guardian, or other personal representative, heir, legatee, or other successor-in-interest or member of the Class or any other person having a legal or equitable interest in the subject of this lawsuit.

VII. HOW Do I Opt out of the Class?

To be excluded from the Class, you must submit a written request for exclusion that includes your name, current address, phone number, credit card account number, and the statement "I/we hereby request that I/we be excluded from the proposed settlement in the *Schwartz et al. v. Citibank (South Dakota), N.A., et al.* litigation." You and any joint cardholders must sign the request for an exclusion. If you have received a separate Notice from another defendant in this lawsuit, and you wish to be excluded with respect to your credit card accounts issued under both the "AT&T Universal Card" brand and that other defendant's brand, you must specifically request exclusion for both your "AT&T Universal Card" account(s) and your account(s) with the other defendant, and you must provide at least one account number for each brand. Requests for exclusion must be mailed to Class Counsel, Brian R. Strunge, at the address listed in Section X below, and must be postmarked (or mailed by overnight delivery) no later than August 31, 2000. If you choose to opt out of the Class, you may pursue whatever legal rights you may have at your own expense.