

**UNITED STATES DISTRICT COURT
DISTRICT OF MINNESOTA**

William Cavanagh, on Behalf of Himself
and all Others Similarly Situated,

Plaintiff,

v.

JPMorgan Chase Bank, N.A.

Defendant.

Civil No. _____

CLASS ACTION COMPLAINT

JURY TRIAL DEMANDED

Plaintiff William Cavanagh (“Plaintiff”), individually and on behalf of all others similarly situated, alleges based upon personal knowledge, the investigation of his counsel, information and belief, and publicly available information as follows:

NATURE OF THE ACTION

1. This action is brought by Plaintiff, on his own behalf and on behalf of a class of consumers who had their home equity line of credit (“HELOC”) with JPMorgan Chase Bank, N.A. (“Chase” or “Defendant”) illegally reduced or suspended based on faulty property valuation models or triggering events not allowed by applicable law.

2. Despite the fact that Chase received approximately \$25 billion in a bailout provided to assist homeowners with their mortgages, Chase improperly claimed that homeowners’ properties significantly declined in value without a sound factual basis in violation of both Federal and State Law and in breach of an existing contract, so that it could reduce the amount of its outstanding mortgage exposure.

3. Plaintiff seeks damages and attorneys' fees under Regulation Z of the Truth-in-Lending Act ("TILA") (15 U.S.C. § 1640(a); 12 C.F.R. § 226.5(b)), equitable and injunctive remedies, as well as damages, under Minnesota Prevention of Consumer Fraud Act ("Consumer Fraud Act") (Minn. Stat. § 325F.69, *et seq.*) and Minnesota Uniform Deceptive Trade Practices Act ("Uniform Deceptive Trade Practices Act") (Minn. Stat § 325D.44, *et seq.*), and damages for breach of contract. As detailed below, in an attempt to limit its exposure to the risk of collapse in the United States housing market, Chase illegally and deceptively used unreliable automated formulas that were vulnerable to manipulation, including but not limited to Automated Valuation Models ("AVMs"), to unreasonably undervalue the homes so as to falsely trigger Chase's purported right to freeze or lower the credit limits of its customers' HELOCs. Furthermore, rather than applying the federal regulation's interpretation of "significant decline in value," Defendant created its own arbitrary standards to improperly justify freezing HELOC accounts or reducing HELOC credit limits. As a result, Chase reduced the credit limits and/or froze the HELOC accounts of many homeowners, including Plaintiff, whose property values had not, in fact, declined significantly, or had not even declined at all.

PARTIES

4. Plaintiff William Cavanagh is a resident of Edina, Minnesota. In or around February 2008, Plaintiff obtained a HELOC in the amount of \$400,000 secured by his primary residence, which is located in Edina, Minnesota. In

approximately January 2009, Defendant sent Plaintiff a letter (Exhibit 1) indicating that it had suspended his line of credit.

5. Defendant Chase is a national banking association with its main office located at 1111 Polaris Parkway, Columbus, Ohio, 43240.

JURISDICTION AND VENUE

6. This Court has federal question subject matter jurisdiction under 28 U.S.C. § 1331 as this action arises in part under Regulation Z of TILA, 15 U.S.C. § 1647, 12 C.F.R. § 226.5(b). This Court has supplemental subject matter jurisdiction over the pendent state law claims under 28 U.S.C. § 1367.

7. In the alternative, the Court has jurisdiction over this case pursuant to 28 U.S.C. § 1332(d)(2). This Complaint alleges claims on behalf of a national class of homeowners who are minimally diverse from Defendant. On information and belief, the aggregate of these claims exceeds the sum or value of \$5,000,000.

8. Venue is proper in this federal judicial district pursuant to 28 U.S.C. § 1391(b)(2) because a substantial part of the events, circumstances, and omissions giving rise to these claims occurred in this District.

CLASS ACTION ALLEGATIONS

9. Plaintiff brings this action pursuant to Rule 23(a) and (b)(3) of the Federal Rules of Civil Procedure on behalf of the following Class:

All persons in the United States who had a HELOC with Chase, secured by real property, which was reduced or suspended by Chase, based on faulty valuation models or triggering events not allowed by law which reduction or

freezing was due to a substantial decline in the value of the property securing the HELOC.

10. Plaintiff also brings this Complaint against Defendant on behalf of a notice subclass (the “Notice Subclass”) consisting of:

All Class Members in the United States who received from Chase the “Important Notice About Your Home Equity Line of Credit” and FAQ.

11. Excluded from the Class and the Notice Subclass is the Defendant and its respective parents, subsidiaries, and affiliates, any judge or magistrate presiding over this action and members of their families, as well as any governmental entities.

12. Plaintiff does not know the exact size of the Class since such information is exclusively in the control of Defendant. Plaintiff believes that there are thousands of Class members, and that they are sufficiently numerous and geographically dispersed throughout the United States so that joinder of all Class members is impracticable.

13. Plaintiff’s claims are typical of the claims of the members of the Class because Plaintiff and all Class members were damaged by the same wrongful conduct of Defendant as alleged in this Complaint.

14. Plaintiff will fairly and adequately protect the interests of the Class. The interests of Plaintiff coincide with and are not antagonistic to those of the Class. In addition, Plaintiff is represented by counsel who are experienced and competent in the prosecution of complex consumer class action and complex class action litigation.

15. There are questions of law and fact common to the members of the Class, and those common questions predominate over any questions which may affect only

individual members of the Class, because Defendant has acted on grounds generally applicable to the entire Class. Among the predominant questions of law and fact common to the Class are:

- a. Whether Defendant's criteria for reducing HELOC credit limits, methods for valuing home values securing HELOCs, and ultimate reduction of HELOC limits violated Regulation Z;
- b. Whether Defendant's reduction of the credit limits breached the terms of its HELOC agreements;
- c. Whether Defendant gave lawful and fair notice to customers that their HELOCs were being reduced and the specific reasons for such reductions;
- d. Whether Defendant's actions in requiring borrowers to obtain and pay upfront for appraisals violates an implied covenant of good faith and fair dealing;
- e. Whether Defendant's actions violate the Consumer Fraud Act and the Uniform Deceptive Trade Practices Act; and
- f. Whether Plaintiff and the Class members are entitled to relief, and the nature of such relief.

16. Class action treatment is a superior method for the fair and efficient adjudication of the controversy, in that, among other things, such treatment will permit a large number of similarly situated persons to prosecute their common claims in a single forum simultaneously, efficiently, and without the unnecessary duplication of evidence,

effort, and expense that numerous individual actions would engender. The benefits of proceeding through the class mechanism, including providing injured persons or entities with a method for obtaining redress for claims that might not be practicable to pursue individually, substantially outweigh any difficulties that may arise in management of this class action. There are no difficulties likely to be encountered in the management of this class action that would preclude its maintenance as a class action and no superior alternative exists for the fair and efficient adjudication of this controversy on behalf of Plaintiff and the members of the Class.

SUBSTANTIVE ALLEGATIONS

A. Facts Common to the Class

17. Each member of the Class had a HELOC for which Chase illegally reduced the available credit.

18. On information and belief, in approximately January 2009, Defendant sent form letters to thousands of its HELOC customers, including Plaintiff (Exhibit 1) and Class members, summarily lowering or suspending their lines of credit, stating in substance:

With home values falling in many parts of the country, we've used a proven valuation method to estimate your home's value at [estimated value]. Unfortunately, that valuation no longer supports the full amount of your Line of Credit, so we are suspending future draws against your account as of [suspension date].

19. The letter did not disclose the methodology used to compute the decline in home value. Rather, on a second page for “Frequently Asked Questions” (Exhibit 2) the letter stated:

Q: Why did Chase take this action at this time?

A: We are doing everything we can to keep homeowners from owing more than their home is worth, especially as home values in many areas of the country are falling. Your property’s value no longer supports your full Home Equity Line of Credit.

Q: How did you get the new value for my home? I have not met with an appraiser from Chase.

A: We used an industry standard method to value your property that did not require an appraiser to enter your home. We have confidence that our valuation for your property is accurate. If you disagree and feel that your home value has not declined please see below for our appeal process.

20. Chase lacked a sound factual basis for sending these letters and reducing or freezing their customers’ HELOC limits. Defendant knowingly, illegally and intentionally used unreliable and easily manipulated AVMs to unreasonably undervalue Class members’ homes so as to falsely trigger Chase’s right to freeze their accounts or lower their credit limits.

21. Furthermore, although federal regulators have interpreted “significant decline in value,” Defendant failed to rely on that definition and instead used its own standards to improperly justify freezing Class members’ HELOC accounts or reduce their credit limits.

22. The Federal Deposit Insurance Corporation (“FDIC”) issued a “Financial Institution Letter” dated June 26, 2008 to institutions concerning suggested best practices when changing credit limits. The suggested best practices included the following statement: “institutions should have a sound factual basis for determining that a property has experienced a significant decline in value.”

23. The FDIC suggested best practices also warned lenders to “ensure that any reductions or suspensions of HELOC limits do not violate the FTC Act 5 prohibition against unfairness and deception.”¹

24. Chase purposely used unreliable automated formulas that were vulnerable to manipulation and unsound and untested AVMs to unreasonably undervalue the homes so as to falsely trigger Chase’s purported right to freeze or lower the credit limits of its customers’ HELOCs.

25. As a result, Defendant violated federal law by reducing the credit limits and/or freezing the HELOC accounts of many homeowners, including Plaintiff and the Class, whose property values had not, in fact, declined significantly, thereby prohibiting borrowers access to funds which they expected to be available.

26. Defendant’s HELOC reductions are not only illegal, they are unconscionable. On October 3, 2008, Congress passed the Emergency Economic Stabilization Act of 2008, Pub. L. No. 110-343. Pursuant to this act, Chase obtained approximately \$25 billion from an unprecedented \$700 billion bailout funded entirely

¹ Guidance on Unfair or Deceptive Acts or Practices issued as a Financial Institution Letter at FIL-57-2002, May 30, 2002. See <http://www.fdic.gov/news/news/financial/2002/fil0257.html>.

by American taxpayers.

27. Despite Defendant's statements to Congress to the contrary, Defendant has intentionally failed to meet its obligations to its customers and has intentionally deprived those customers of crucial affordable consumer credit at a critical time.

28. In stark contrast, Defendant's HELOC borrowers such as Plaintiff continue to struggle to meet their mortgage obligations, despite a faltering economy and Defendant's wrongful acts. As a result of these wrongful acts, Class members have incurred appraisal fees, an increased price of credit and reduced credit scores, lost interest, and statutory and other damages.

B. Facts Regarding William Cavanagh

29. In or around February 2008, Defendant Chase and Plaintiff entered into a HELOC agreement under the terms of which Chase provided Cavanagh with a \$400,000 line of credit secured by a mortgage on his primary residence. On information and belief, Chase's valuation of the subject matter property at the time the HELOC was granted was \$950,000.

30. Plaintiff's HELOC agreement (Exhibit 3) contained the following provision:

Term. The term of your Credit Line will begin as of the date of this Agreement ("Opening Date") and will continue until February 22, 2038 unless extended pursuant to the Extended Lock Option described below ("Maturity Date"). All indebtedness under this Agreement, if not already paid pursuant to the payment provisions below, will be due and payable upon maturity. The draw period of your Credit Line will begin on a date, after the Opening Date, when the Agreement is accepted by us in the State of Ohio, following

the expiration of the right to cancel, the perfection of the Mortgages, the receipt of all required certificates of noncancellation, and the meeting of all of our other conditions and will continue as follows: ten (10) years unless extended pursuant to the Extended Lock Option described below. The Draw Period is also referred to as the "First Payment Stream." You may obtain credit advances during this period ("Draw Period"). After the Draw Period ends, the repayment period will begin and you will no longer be able to obtain credit advances. The length of the repayment period is as follows: twenty (20) years. The length of the repayment period for the revolving portion of your Credit Line is 20 years. The length of the repayment period for any Lock you select is dependent upon the terms of that specific Lock. The Repayment Period is also referred to as the "Second Payment Stream." You agree that we may renew or extend the period during which you may obtain credit advances or make payments. You further agree that we may renew or extend your Credit Line Account.

* * *

Credit Limit. This Agreement covers a revolving line of credit for the principal amount of Four Hundred Thousand & 00/100 Dollars (\$400,000), which will be your "Credit Limit" under this Agreement. During the Draw Period we will honor your request for credit advances subject to the section below on Lender's Rights. You may borrow against the Credit Line, repay any portion of the amount borrowed, and re-borrow up to the amount of the Credit Limit.

* * *

Lender's Rights. Under this Agreement, we have the following rights:

* * *

Suspension or Reduction. In addition to any other rights we may have, we can suspend additional extensions of credit or reduce your Credit Limit during any period in

which any of the following are in effect:

- (1) The value of your property declines significantly below the property's appraised value for purposes of this Credit Line Account. This includes, for example, a decline such that the initial difference between the Credit Limit and the available equity is reduced by fifty percent and may include a smaller decline depending on the individual circumstances.

Defendant drafted these agreements, which contemplate on their face triggering events that are contrary to those set forth in Regulation Z.

31. In or around January 2009, Chase mailed Plaintiff a letter (Exhibit 1) indicating that it was "suspending future draws" against Plaintiff's HELOC as of January 10, 2009. The letter stated that this decision was based on "a proven valuation method [used] to estimate your home's value at \$736,290." No further explanation or rationale for this statement was provided.

32. Following the notice, Plaintiff contacted Defendant's customer service representatives seeking the basis for the decision to reduce his HELOC credit limit.

33. Following unsuccessful attempts to have his HELOC reinstated, Plaintiff was forced to hire his own property appraiser at his own expense and was able to prove that his home had not decreased in value, and in fact the value of his home had actually *increased*. Consequently, Chase reinstated Plaintiff's HELOC. Subsequent to hiring his own appraiser, demonstrating to Chase that his property value had increased, Plaintiff was forced to pay for that appraisal out of his own pocket, for which he was not fully reimbursed.

34. In addition, Plaintiff's HELOC with Defendant is his primary line of credit. He was unable to use that line of credit for several months, and consequently lost the time value of those funds.

35. Furthermore, Defendant's reduction of the credit limit on Plaintiff's HELOC increased the ratio of credit Plaintiff used to the amount of credit he had available. In turn, on information and belief, Defendant's acts drove up Plaintiff's Credit Utilization Rate ("CUR"), a major component of his credit rating, damaging Plaintiff's credit rating and increasing the cost of credit to him.

FIRST CLAIM FOR RELIEF
FOR DECLARATORY RELIEF UNDER TILA AND REGULATION Z
(ON BEHALF OF PLAINTIFF AND THE CLASS)

36. Plaintiff incorporates by reference all the above allegations as if fully set forth herein.

37. Plaintiff alleges on information and belief that Defendant used a valuation methodology that was flawed in that Defendant or its agents, acting under Defendant's direction and control, failed to, among other acts or omissions:

(1) accurately represent the value of the property at the origination of the HELOCs, the value necessary to reinstate the HELOCs, and the reasoning behind the use of those values; (2) validate their AVMs on a periodic basis to mitigate the potential valuation uncertainty; (3) properly document the validation's analysis, assumptions, and conclusions; (4) appropriately back-test representative samples of the valuations against market data on actual sales; (5) account fairly for improvements, property type

or geographic comparables; and (6) take other necessary steps to reasonably verify the accuracy of the valuations.

38. Furthermore, Defendant violated TILA and Regulation Z by reducing Plaintiff's HELOC limit in the absence of a "significant decline" in the value of his home.

39. Plaintiff and the other members of the Class have additionally been harmed because Defendant knowingly provided late notice, and knowingly failed to disclose information that would permit Plaintiff and the Class members to fairly determine whether to obtain an appraisal or otherwise challenge the Defendant's action, including but not limited to:

- a. how Defendant determines or define "decline in value";
- b. how Defendant computes the value of the properties;
- c. the actual threshold value required for reinstatement and Defendant's methods for computing that value;
- d. Defendant's actual and specific reasons for the reduction of the HELOCs;
- e. The process, procedures, and guidelines pursuant to which Defendant implemented its reduction/cancellation of the HELOCs; and
- f. other necessary and material information.

40. The Class and Defendant have adverse legal interests, and there is a substantial controversy between the Class and Defendant of sufficient immediacy and reality to warrant the issuance of a declaratory judgment as to whether Defendant's

mass reduction of credit limits violates TILA and Regulation Z.

41. Plaintiff, on his own behalf and on behalf of all Class members, seeks a declaratory judgment under 27 U.S.C. § 2201 that Defendant's mass reduction of HELOC credit limits violates TILA and Regulation Z.

SECOND CLAIM FOR RELIEF
VIOLATION OF TILA AND REGULATION Z
(ON BEHALF OF PLAINTIFF AND THE CLASS)

42. Plaintiff incorporates by reference all the above allegations as if fully set forth herein.

43. Defendant knowingly lacked a sufficient factual basis for reducing Plaintiff's and the Class's credit limits or prohibiting additional extensions of credit. Defendant lacked a sound factual basis for concluding the homes securing the HELOCs for Plaintiff and the Class had declined in value so as to support reducing the credit limits or prohibiting additional extensions of credit. Defendant also used improper formulas and triggering events for determining when such a "significant decline" had occurred.

44. Defendant's reduction of the credit limits for Plaintiff's and the Class's HELOCs violated TILA and Regulation Z.

45. Defendant's violations of TILA and Regulation Z damaged Plaintiff and the Class. These damages occurred in the form of the increased price of credit, adverse effects on credit scores, loss of interest income, and statutory and other damages.

46. Plaintiff, on his own behalf and on behalf of all Class members, seeks statutory damages under 15 U.S.C. § 1640(a)(2) (B), and costs of the action, together with reasonable attorneys' fees under 15 U.S.C. § 1640(a)(3).

THIRD CLAIM FOR RELIEF
VIOLATION OF TILA AND REGULATION Z
(ON BEHALF OF PLAINTIFF AND THE NOTICE SUBCLASS)

47. Plaintiff incorporates by reference all the above allegations as if fully set forth herein.

48. On information and belief, Defendant provided Plaintiff and the members of the Notice Subclass with notice of their HELOC reductions that was untimely and/or that did not contain specific reasons for the action in violation of 12 C.F.R. § 226.9(c)(1)(iii), which states:

Notice for home equity plans. If a creditor prohibits additional extensions of credit or reduces the credit limit applicable to a home equity plan pursuant to § 226.5b(f)(3)(i) or § 226.5b(f)(3)(vi), the creditor shall mail or deliver written notice of the action to each consumer who will be affected. The notice must be provided not later than three business days after the action is taken and shall contain specific reasons for the action. If the creditor requires the consumer to request reinstatement of credit privileges, the notice also shall state that fact.

49. The notice failed to provide HELOC customers with enough information to determine whether they should spend the time and resources to get an appraisal. Despite the fact that the customers' HELOC agreements and federal law require a "significant decline in collateral value" prior to prohibiting additional extensions of credit or reducing the credit limit, the notice was devoid of any specific reasoning

beyond there being a general “decline in value” based on an “industry standard method.” The notice did not reveal how Defendant determined or defined “decline in value,” how Defendant computed the value of the subject matter homes, the threshold value for reinstatement, or Defendant’s methods for computing that value. Instead, the notice required customers to participate in an unfair appeals process wherein Defendant refused to make clear the values needed for reinstatement, or the method or basis for determining those values in the first instance, requiring instead that debtors retain their own assessors for which they have not been fully reimbursed.

50. Defendant’s violations of TILA and Regulation Z damaged Plaintiff and the other Notice Subclass members. These damages occurred in the form of the increased price of credit, adverse effects on credit scores, loss of interest income, and statutory and other damages. Plaintiff, on his own behalf and on behalf of all Notice Subclass members, seeks actual damages under 15 U.S.C. § 1640(a)(1), statutory damages under 15 U.S.C. § 1640(a)(2)(B), and costs of the action, together with a reasonable attorneys’ fee under 15 U.S.C. § 1640(a)(3).

FOURTH CLAIM FOR RELIEF
BREACH OF CONTRACT
(ON BEHALF OF PLAINTIFF AND THE CLASS)

51. Plaintiff incorporates by reference all the above allegations as if fully set forth herein.

52. Plaintiff and the Class obtained HELOCs from Defendant. The terms of these HELOCs constitute a contract between the Class members and Defendant.

53. Plaintiff and the other Class members made all payments due to Defendant in a timely manner and otherwise fully performed under their HELOCs with Defendant.

54. The credit limit under the Class members' HELOCs was a material term of the contract between Class members and Defendant.

55. Defendant materially breached the terms of the HELOCs by reducing the credit limit for Plaintiff's and the Class members' HELOCs where no significant decline in value had first occurred.

56. As a result, Plaintiff and the Class have suffered damages in the form of the appraisal fees, the increased price of credit, lost interest income, attorneys' fees, adverse effects on Plaintiff's credit score, and statutory and other damages.

57. Plaintiff, on his own behalf and on behalf of all Class members, seeks damages for Defendant's breach of contract, as well as interest and attorneys' fees and costs.

FIFTH CLAIM FOR RELIEF
BREACH OF IMPLIED COVENANTS
(ON BEHALF OF PLAINTIFF AND THE CLASS)

58. Plaintiff incorporates by reference all the above allegations as if fully set forth herein.

59. Plaintiff and the Class obtained HELOCs from Defendant. The terms of these HELOCs constitute a contract between the Class members and Defendant.

60. Implicit in the HELOC agreements were contract provisions that prevented the Defendant from engaging in conduct which frustrates the Class

members' rights to the benefits of the contract or which would injure the right of the Class members' to receive the benefits of their HELOCs.

61. The credit limit was a material term of the Class members' HELOCs. Defendant breached the implied covenant of good faith and fair dealing in the HELOCs by reducing the credit limit for Plaintiff and the Class members' HELOCs without first having a sound factual basis for claiming there was a decline in value.

62. Defendant further breached the implied covenant of good faith and fair dealing to the Notice Subclass by failing to provide sufficiently specific notice and by failing to provide customers with material information regarding the calculations and values used to justify the reductions or freezes.

63. Implicit in the HELOC agreements were contract terms that required Defendant to follow Regulation Z.

64. Defendant's breach of Regulation Z and the HELOC covenants caused Plaintiff and the Class to incur damages in the form of appraisal fees, the increased price of credit, adverse effects on Plaintiff's credit score, and statutory and other damages.

65. Plaintiff, on his own behalf and on behalf of all Class members, seek damages for Defendant's breach of the implied covenant of good faith and fair dealing, as well as interest and attorneys' fees and costs.

SIXTH CLAIM FOR RELIEF
UNJUST ENRICHMENT/RESTITUTION
(ON BEHALF OF PLAINTIFF AND THE CLASS)

66. Plaintiff incorporates by reference all the above allegations as if fully set forth herein.

67. In the alternative, and in the event this Court finds that no contract provision expressly governs the issues raised herein, Defendant has knowingly received and retained benefits from Plaintiff and the Class under circumstances that would render it unjust to allow Defendant to retain such benefits.

68. By using inaccurate and unsubstantiated valuation models, and by using “triggering events” that fall outside those permitted by Regulation Z to reduce the HELOCs while requiring Plaintiff and members of the Class and Subclass to obtain appraisals at their own expense and for which they were never fully reimbursed to reinstate the HELOCs, Defendant knowingly received and appreciated the benefits of current appraisals on homes in which they have security interests under circumstances where it would be unjust for Defendant not to bear the full cost of the appraisals.

69. Furthermore, Defendant charged closings costs and related fees based on the original credit limit, which Defendant failed to honor. Consequently, Defendant has been unjustly enriched by the excess closing costs, points, and other fees charged to Plaintiff and the Class.

70. Finally, by illegally freezing and reducing the HELOCs, Defendant gained the time value of the money it would otherwise be potentially liable for lending out to its HELOC customers.

71. As an actual and proximate result of Defendant's conduct, Plaintiff and the Class members have incurred damages in the form of appraisal fees, the increased price of credit, adverse effects on their credit score, and statutory and other damages.

72. Plaintiff, on his own behalf and on behalf of all Class members, seeks restitution of the benefit unjustly received from Plaintiff and members of the Class, as well as interest, attorneys' fees, and costs.

SEVENTH CLAIM FOR RELIEF
VIOLATION OF MINNESOTA PREVENTION OF CONSUMER
FRAUD ACT, MINN STAT. § 325F.69
(ON BEHALF OF PLAINTIFF AND THE CLASS)

73. Plaintiff incorporates by reference all the above allegations as if fully set forth herein.

74. Minn. Stat. § 325F.69, subdivision 1 (2008) provides:

The act, use, or employment by any person of any fraud, false pretense, false promise, misrepresentation, misleading statement or deceptive practice, with the intent that others rely thereon in connection with the sale of any merchandise, whether or not any person has in fact been misled, deceived, or damaged thereby, is enjoined as provided in section 325F.70.

75. The term "merchandise" within the meaning of Minn. Stat. § 325F.69 includes loans. *See* Minn. Stat. § 325F.68, subdivision 2 (2008).

76. Defendant's conduct described herein constitutes multiple, separate violations of Minn. Stat. § 325F.69, subdivision 1. Defendant has engaged in deceptive and fraudulent practices, and made false and misleading statements, with the intent that Plaintiff and others rely on them in connection with the sale of Defendant's

services. By failing to disclose and omitting material facts, Defendant has further engaged in deceptive and fraudulent practices in violation of the Consumer Fraud Act, and has caused Plaintiff and the Class damages.

77. Plaintiff and the Class have suffered adverse effects to their credit scores, attorneys' fees, and statutory and other damages.

78. Plaintiff, on his own behalf and on behalf of all Class members, seeks an order pursuant to the Consumer Practices Act preliminarily and permanently enjoining Defendant's deceptive and fraudulent practices alleged herein and requiring Defendant to restore HELOC credit limits and cease freezing HELOCs in violation of Regulation Z, as well as individual restitution of property gained by such deceptive and fraudulent practices, interest, attorneys' fees, and costs.

EIGHTH CLAIM FOR RELIEF
VIOLATION OF MINNESOTA UNIFORM DECEPTIVE TRADE PRACTICES ACT, MINN. STAT. § 325D.44
(ON BEHALF OF PLAINTIFF AND THE NOTICE SUBCLASS)

79. Plaintiff incorporates by reference all the above allegations as if fully set forth herein.

80. Minn. Stat. § 325D.44, subdivision 1 (2008) provides, in part:

A person engages in a deceptive trade practice when, in the course of business, vocation, or occupation, the person:

* * *

(5) represents that goods or services have . . . characteristics . . .[or] benefits . . . that they do not have . . .

* * *

(7) represents that goods or services are of a particular standard, quality, or grade . . . if they are of another;

* * *

(9) advertises goods or services with intent not to sell them as advertised;

* * *

(13) engages in any other conduct which similarly creates a likelihood of confusion or of misunderstanding.

81. Defendant's conduct described above constitutes multiple, separate violations of Minn. Stat. § 325D.44, subdivision 1. Defendant has engaged in deceptive practices by representing that services have characteristics and benefits that they do not have; representing that services are of a particular standard, quality, or grade when they are of another; advertising services with intent not to sell them as advertised; and engaging in other conduct which similarly creates a likelihood of confusion or of misunderstanding. In failing to disclose and omitting material facts, Defendant has further engaged in deceptive and fraudulent practices in violation of the Uniform Deceptive Trade Practices Act, and has caused Plaintiff and members of the Class damages.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff prays that the Court enter judgment and orders in their favor and against Defendant as follows:

- A. Certifying the action as a class action and designating Plaintiff and his counsel as representative of and counsel for the Class and Subclass;

- B. Declaratory judgment under 27 U.S.C. § 2201 on Count I that the Defendant's HELOCs reductions violate federal law;
- C. Statutory damages under 15 U.S.C. § 1640(a)(2)(B) for Count II;
- D. Actual damages for the Subclass on Counts III, V, VI and VIII, including but not limited to appraisal fees, the increased price of credit, attorneys' fees, interest, and other damages in an amount to be proved at trial;
- E. Actual damages on Counts II, IV, V, VI and VII for the Class including but not limited to appraisal fees, the increased price of credit, attorneys' fees, interest, and other damages in an amount to be proved at trial;
- F. Preliminary and permanent equitable and injunctive relief for the Class, including enjoining the Defendant from further violations of Regulation Z and restoration of HELOC credit limits;
- G. Preliminary and permanent equitable and injunctive relief for the Notice Subclass, including enjoining the Defendant from further violations of Regulation Z, and restoration of HELOC credit limits restitution of property gained by the unfair competition alleged herein, and an order for accounting of such property;
- H. Awarding pre- and post judgment interest; and
- I. Granting such other and further relief as the Court may deem just and proper.

JURY TRIAL DEMANDED

Plaintiff demands a trial by jury of all issues so triable.

Dated: November 25, 2009

s/Daniel E. Gustafson
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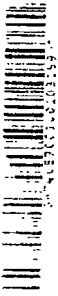
Counsel for Plaintiff

Exhibit 1

ALTA CREDIT LINE REVIEW
SUITE A21-1113
PO BOX 71
PHOENIX, AZ 85001



93159 C LD 121 709
WILLIAM B CAVANAG
PAMELA J CAVANAGH
24 WOODLAND RD
MINNEAPOLI MN 55424-1631



Important Information about your Home Equity Line of Credit:

You Cannot Draw Additional Amounts on the Account Ending in 6906

Dear William B Cavanag & Pamela J Cavanagh,

At Chase we are committed to helping customers achieve and sustain homeownership, and we're doing everything we can to help homeowners from borrowing more than their home is worth. With home values falling in many parts of the country, we've used a proven valuation method to estimate your home's value at \$736,290. Unfortunately, that valuation no longer supports the full amount of your Line of Credit, so we are suspending future draws against your account as of January 10, 2009.

What does this mean for you?

- 1 This is occurring because of the significant decline in your property value; we appreciate the responsible way you have handled your line of credit.
- 2 You will not be able to draw on the line.
- 3 You will continue to receive a monthly statement which will include current payment information, and you should continue to make payments on any outstanding balance on your Home Equity Line.
- 4 If you have automatic deduction for the monthly payment on your line, this service will continue.
- 5 If you use your line to automatically pay other bills, you should advise the payee(s) and use an alternate payment method.
- 6 While we believe the valuation of your property is accurate, you may appeal the valuation in writing. Please see the attached Q & A for details on the appeal process.

We appreciate that you have handled your home equity account responsibly, and want to make sure you know this change is being made simply because your home's value has declined.

If you have any questions, please contact us toll free, at 1-866-333-9859 between 10 AM to 8 PM, ET, Monday to Friday.

Sincerely,

Chase Home Equity

Please Note: Our decision may have been based in part on information obtained from the consumer credit agency listed below. We may have used the information contained in your credit bureau file to obtain the current amount of your first mortgage, if any. Our use of this credit information will in no way impact your credit score.

The reporting agency listed below may have provided information used for our decision but is unable to supply specific reasons why we have taken this action. You have a right under the Fair Credit Reporting Act to know the information contained in your credit file at the consumer-reporting agency. You also have a right to a free copy of your report from the agency, if you request it no later than 60 days after you receive this notice. In addition, if you find that any information contained in the report you receive is inaccurate or incomplete, you have the right to dispute the matter with the reporting agency. If you would like to receive a free copy of your credit report, please send a copy of this letter along with your request and Social Security Number to:

By Mail: Experian
P.O. Box 2002
Allen, TX 75013

By Phone: 1-888-397-3742 (Experian)

The Federal Equal Credit Opportunity Act prohibits creditors from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status, age (provided the applicant has the capacity to enter into a binding contract), because all or part of the applicant's income derives from any public assistance program, or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act. The federal agency that administers compliance with this law concerning this creditor is Office of the Comptroller of the Currency, Customer Assistance Unit, 1301 McKinney Ave., Suite 3710, Houston, TX 77010.

Exhibit 2

Answers to questions you may have:

Q. Why did Chase take this action at this time?

A. We are doing everything we can to keep homeowners from owing more than their home is worth, especially as home values in many areas of the country are falling. Your property's value no longer supports your full Home Equity Line of Credit.

Q. How did you get the new value for my home? I have not met with an appraiser from Chase.

A. We used an industry standard method to value your property that did not require an appraiser to enter your home. We have confidence that our valuation for your property is accurate. If you disagree and feel that your home value has not declined please see below for our appeals process.

Q. What can I do if I disagree with the decline in my property value?

A: We offer an appeals process. If you disagree with the decline in your property value, it will be your responsibility to call us at 1-866-333-9859 to initiate your appeal. We will put you in contact with a third-party independent appraisal management company to order an appraisal of your property. When completed, the appraisal company will send the completed appraisal directly to you. **The completed appraisal, along with a written request for reinstatement, should be faxed by you to 1-866-221-0655 (toll free) or mailed to the address below, for review.**

JPMorgan Chase Bank, N.A.
Attn: Credit Line Review
Suite AZ1-1113
PO Box 71
Phoenix, AZ 85001

We will respond to all properly-submitted appeals within 30 days of receipt. Any reinstatement of the credit line will be at our discretion and may be subject to other conditions that prevent reinstatement.

Q. What is the cost of the appraisal?

A: The cost varies based on the type of appraisal service your property will require. You will be responsible for paying the appraisal fee. The appraisal company will review the type and cost with you before starting work. If we reinstate your credit limit in full, the appraisal fee you paid will be credited back to you.

Q. I wrote some checks before I received your letter. What should I do?

A. Please call us at 1-866-333-9859 to discuss the appropriate method of handling the processing of the check(s). You can also view whether or not your checks have cleared by logging into chase.com.

Q. My taxes just increased. How could my home value have decreased?

A. You will need to contact your local Taxing Authority about how your home is valued for tax purposes and to inquire about its appeals process, if necessary.

Q. When will I be able to access my line again? How do I remove the block on my account?

A. We will review your line when we receive from you satisfactory documentation that the property's value has increased.

Q. Where in my loan documents does it state that Chase has the right to block my line of credit?

A. Federal law (Truth in Lending Act/Regulation Z) allows home equity creditors to block the credit line or reduce the credit limit if there has been a significant decline in collateral value. That authority is normally found in the "Default, Cancellation of Credit Privileges," "Lender's Rights," or "Termination and Acceleration; Suspension of Advances and Reduction of Credit Limit; Other Remedies" sections of your loan documents.

Q. Does this action affect my rate, my fixed rate locks or how my payment is calculated?

A. This action does not impact your rate, any locks you may have on your account or how your payment is calculated.

Exhibit 3

HOME EQUITY LINE OF CREDIT sm AGREEMENT AND DISCLOSURE STATEMENT

Principal \$400,000.00	Loan Date 02/22/2008	Maturity 02/22/2038	Loan No. 426760026908	Call/Coll.	Account	Officer	Initials
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References in the shaded area are for our use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "****" has been omitted due to text length limitations.

Borrower: WILLIAM J. CAVANAGH and PAMELA J. CAVANAGH
24 WOODLAND ROAD
MINNEAPOLIS, MN 55424

Lender: JPMorgan Chase Bank, NA
Home Equity and Consumer Lending Division
1111 Polaris Parkway
Columbus, OH 43240

DATE OF AGREEMENT: February 22, 2008

CREDIT LIMIT: \$400,000.00

Introduction. This HOME EQUITY LINE OF CREDIT AGREEMENT AND DISCLOSURE STATEMENT ("Agreement") governs your line of credit (the "Credit Line" or the "Credit Line Account") issued through JPMorgan Chase Bank, NA. In this Agreement, the words "Borrower," "you," "your," and "Applicant" mean each and every person who signs this Agreement, including all Borrowers named above. The words "we," "us," "our," and "Lender" mean JPMorgan Chase Bank, NA. You agree to the following terms and conditions:

Promise to Pay. You promise to pay JPMorgan Chase Bank, NA, or orcer, the total of all credit advances and FINANCE CHARGES, together with all costs and expenses for which you are responsible under this Agreement or under the "Mortgages" which secures your Credit Line. You will pay your Credit Line according to the payment terms set forth below. If there is more than one Borrower, each is jointly and severally liable on this Agreement. This means we can require any Borrower to pay all amounts due under this Agreement, including credit advances made to any Borrower. Each Borrower authorizes any other Borrower, on his or her signature alone, to cancel the Credit Line, to request and receive credit advances, and to do all other things necessary to carry out the terms of this Agreement. We can release any Borrower from responsibility under this Agreement, and the others will remain responsible.

Term. The term of your Credit Line will begin as of the date of this Agreement ("Opening Date") and will continue until February 22, 2038 unless extended pursuant to the Extended Lock Option described below ("Maturity Date"). All indebtedness under this Agreement, if not already paid pursuant to the payment provisions below, will be due and payable upon maturity. The draw period of your Credit Line will begin on a date after the Opening Date, when the Agreement is accepted by us in the State of Ohio, following the expiration of the right to cancel, the perfection of the Mortgages, the receipt of all required certificates of noncancellation, and the meeting of all of our other conditions and will continue as follows: ten (10) years unless credit advances during this period ("Draw Period"). After the Draw Period ends, the repayment period will begin and you will no longer be able to obtain credit advances. The length of the repayment period is as follows: twenty (20) years. The length of the repayment period for the revolving portion of your Credit Line is 20 years. The length of the repayment period for any Lock you select is dependent upon the terms of that specific Lock. The Repayment Period is also referred to as the "Second Payment Stream". You agree that we may renew or extend the period during which you may obtain credit advances or make payments. You further agree that we may renew or extend your Credit Line Account.

Minimum Payment. During the Draw Period your Regular Payment will be equal to the amount of the FINANCE CHARGE accrued for the billing cycle for which the statement is rendered. You will make 120 of these payments. Your payments will be due Monthly. Advances to your credit line or an increase in the ANNUAL PERCENTAGE RATE may increase your Regular Payment. If you make only the Regular Payment during your Draw Period, the principal balance outstanding on your line will not be reduced as a consequence of your payment of only the FINANCE CHARGE due.

During the Repayment Period, your minimum monthly payments will be: (a) the unpaid principal balance divided by the remaining number of scheduled payments, plus (b) the amount of finance charge accrued plus any fees and any amounts past due. You will make monthly payments as noted below during the Repayment Period.

<u>Range of Balances</u>	<u>Number of Payments</u>	<u>Amortization Period</u>
All Balances	240	240 payments

Your "Minimum Payment" will be the Regular Payment, plus any amounts past due and all other charges. In addition, we have the right to require you to pay fees and charges assessed on the Credit Line Account with and in addition to the Minimum Payment. You agree to pay not less than the Minimum Payment on or before the due date indicated on your periodic billing statement. If your credit line balance falls below \$100.00 during the Repayment Period, you agree to pay your balance in full.

How Your Payments Are Applied. Unless otherwise agreed or required by applicable law, payments and other credits will be applied to principal, interest, fees and other charges in any order. Except for any balances subject to the Conversion Options provisions of this Agreement, if your Credit Line Account has principal balances outstanding at different rates, we may apply principal payments first to outstanding balances at the lowest applicable rate before applying principal payments to balances accruing interest at a higher rate. The Conversion Options provisions contain additional payment application rules if you use the conversion options. We may apply all payments and credits in accordance with our standard operating procedures and with the requirements of applicable law. Notwithstanding anything to the contrary in this Agreement, we may apply our standard operating procedures to verify that we have received good funds after we received your payments before releasing the payment amounts as available credit on your Credit Line Account.

Receipt of Payments. All payments must be made by a check, automatic account debit, electronic funds transfer, money order, or other instrument in U.S. dollars and must be received by us at the remittance address shown on your periodic billing statement. Payments received at that address prior to close of business on any business day will be credited to your Credit Line as of the date received. If we receive payments at other locations, such payments will be credited promptly to your Credit Line, but crediting may be delayed for up to five (5) days after receipt.

Credit Limit. This Agreement covers a revolving line of credit for the principal amount of Four Hundred Thousand & 00/100 Dollars (\$400,000.00), which will be your "Credit Limit" under this Agreement. During the Draw Period we will honor your request for credit advances subject to the section below on Lender's Rights. You may borrow against the Credit Line, repay any portion of the amount borrowed, and re-borrow up to the amount of the Credit Limit. Your Credit Limit is the maximum amount you may have outstanding at any one time. You agree not to attempt, request, or obtain a credit advance that will make your Credit Line Account balance exceed your Credit Limit. Your Credit Limit will not be increased should you overdraw your Credit Line Account. If you exceed your Credit Limit, you agree to repay immediately the amount by which your Credit Line Account exceeds your Credit Limit, even if we have not yet billed you. Any credit advances in excess of your Credit Limit will not be secured by the Mortgage covering your principal dwelling.

Charges to your Credit Line. We may charge your Credit Line to pay other fees and costs that you are obligated to pay under this Agreement, the Mortgages or any other document related to your Credit Line. In addition, we may charge your Credit Line for funds required for continuing insurance coverage as described in the paragraph titled "Insurance" below or as described in the Mortgages for this transaction. We may also, at our option, charge your Credit Line to pay any costs or expenses to protect or perfect our security interest in your principal dwelling. These costs or expenses include, without limitation, payments to cure default under any existing liens on your principal dwelling. If you do not pay your property taxes, we may charge your Credit Line and pay the delinquent taxes. Any amount so charged to your Credit Line will be a credit advance and will decrease the funds available, if any, under the Credit Line. However, we have no obligation to provide any of the credit advances referred to in this paragraph.

Credit Advances. After the Effective Disbursement Date of this Agreement, you may obtain credit advances under your Credit Line as follows:

- Credit Line Checks.** Writing a preprinted "credit line check" that we will supply to you.
- Requests in Person.** Requesting a credit advance in person at any of our authorized locations.
- Credit Card Access.** Using your "credit card" to receive cash advances or to make purchases.
- ATM Access.** Using your "credit card/ATM card" at any of our designated ATM locations.

If there is more than one person authorized to use this Credit Line Account, you agree not to give us conflicting instructions, such as one of you telling us not to give advances to the other.

Limitations on the Use of Checks. We reserve the right not to honor credit line checks in the following circumstances:

- Credit Limit Violation.** Your Credit Limit has been or would be exceeded by paying the credit line check.

**HOME EQUITY LINE OF CREDIT AGREEMENT AND DISCLOSURE
STATEMENT
(Continued)**

Page 2

Loan No: 426760026906

Post-dated Checks. Your credit line check is post-dated. If a post-dated credit line check is paid and as a result any other check is returned or not paid, we are not responsible for any losses or damages you incur.

Stolen Checks. Your credit line checks have been reported lost or stolen.

Unauthorized Signatures. Your credit line check is not signed by an "Authorized Signer" as defined below.

Termination or Suspension. Your Credit Line has been terminated or suspended as provided in this Agreement or could be if we paid the credit line check.

If we pay any credit line check under these conditions, you must repay us, subject to applicable laws, for the amount of the credit line check. The credit line check itself will be evidence of your debt to us together with this Agreement. Our liability, if any, for wrongful dishonor of a check is limited to your actual damages. Dishonor for any reason as provided in this Agreement is not wrongful dishonor. We may choose not to return credit line checks along with your periodic billing statements; however, your use of each credit line check will be reflected on your periodic statement as a credit advance. We do not "clarify" credit line checks drawn on your Credit Line.

Limitations on the Use of Credit Cards. We reserve the right not to honor credit cards in the following circumstances:

Credit Limit Violation. Your Credit Limit has been or would be exceeded by paying the credit card charge.

Stolen Credit Cards. Your credit cards have been reported lost or stolen.

Unauthorized Signatures. Your credit card is not used by an "Authorized Signer" as defined below.

Termination or Suspension. Your Credit Line has been terminated or suspended as provided in this Agreement or could be if we paid the Credit Line charge.

If we pay any advance requested by use of the credit card under these conditions, you must repay us, subject to applicable laws, for the amount of the advance. The advance itself will be evidence of your debt to us together with this Agreement. Our liability, if any, for wrongful dishonor of an advance is limited to your actual damages. Dishonor for any reason as provided in this Agreement is not wrongful dishonor. Your use of the credit card will be reflected on your periodic statement as a credit advance.

Limitations on the Use of ATM Cards. We reserve the right not to honor credit card/ATM cards in the following circumstances:

Credit Limit Violation. Your Credit Limit has been or would be exceeded by honoring the credit card/ATM card charge.

Stolen ATM Cards. Your credit card/ATM cards have been reported lost or stolen.

Unauthorized Signatures. Your credit card/ATM card is not used by an "Authorized Signer" as defined below.

Termination or Suspension. Your Credit Line has been terminated or suspended as provided in this Agreement or could be if we honored the Credit Line charge.

If we pay any advance requested by use of the credit card/ATM card under these conditions, you must repay us, subject to applicable laws, for the amount of the advance. The advance itself will be evidence of your debt to us together with this Agreement. Our liability, if any, for wrongful dishonor of an advance is limited to your actual damages. Dishonor for any reason as provided in this Agreement is not wrongful dishonor. Your use of the credit card/ATM card will be reflected on your periodic statement as a credit advance.

Transaction Requirements. The following transaction limitations will apply to the use of your Credit Line:

Credit Card Limitations. The following transaction limitations will apply to your Credit Line and using a Credit Card.

Other Transaction Requirements.

You agree not to use your credit card to initiate a transaction involving Internet gambling, regardless of the jurisdiction in which you are located, including locations within the United States, and the Bank has the right to refuse a transaction which it reasonably believes involves Internet gambling.

The maximum limit of each transaction per day may not exceed your current available balance or \$99,999.99, whichever is less. For security reasons, there may be times when we further limit this amount, request authentication by the merchant or bank of your identity or decline the transaction even if you have the available funds.

ATM Access Limitations. The following transaction limitations will apply to your Credit Line and using an Automated Transaction Machine ("ATM") access card.

Other Transaction Requirements. Transactions conducted at ATMs are governed by the limitations of the individual ATM owners and may be subject to ATM fees and transaction limitations imposed by the ATM owner.

Credit Line credit line check and In Person Request Limitations. There are no transaction limitations for the writing of credit line checks or requesting an advance in person.

Authorized Signers. The words "Authorized Signer" for credit line checks, credit cards and credit card/ATM cards as used in this Agreement mean and include each person who signs this agreement.

Lost credit line checks, credit cards and credit card/ATM cards. If you lose your credit line checks, credit cards or credit card/ATM cards or if someone is using them without your permission, you agree to let us know immediately. The fastest way to notify us is by calling us at (800) 800-5628.

Liability For Unauthorized Use. You may be liable for the unauthorized use of your credit card access device which accesses your Credit Line. You will not be liable for unauthorized use that occurs after you notify us or our designee at Chase, Attn: Home Equity Loan Servicing, P.O. Box 24714, Columbus, OH 43224, orally or in writing, of the loss, theft, or possible unauthorized use. In any case, your liability for unauthorized use of your credit card will not exceed \$50.00.

If you use an access card which debits a checking account for other consumer asset account) but also draws on an overdraft line of credit, Regulation E provisions apply, as well as sections 226.13(d) and (g) of Regulation Z. In such a transaction, you might be liable for up to \$50.00 under Regulation E, or a lesser amount under Regulation Z. Also, you might be liable for \$50.00, \$500.00, or an unlimited amount under Regulation E, or a lesser amount under applicable state law. Please refer to your electronic fund transfers disclosure for liability limitations and error-resolution procedures for transactions covered by the federal Electronic Fund Transfers Act.

Future Credit Line Services. Your application for this Credit Line also serves as a request to receive any new services (such as access devices) which may be available at some future time as one of our services in connection with this Credit Line. You understand that this request is voluntary and that you may refuse any of these new services at the time they are offered. You further understand that the terms and conditions of this Agreement will govern any transactions made pursuant to any of these new services.

Collateral. You acknowledge this Agreement is secured by an Open-End Mortgage dated February 22, 2008, to us on real property located in HENNEPIN County, State of Minnesota, all the terms and conditions of which are hereby incorporated and made a part of this Agreement.

Insurance. You must obtain insurance on the Property securing this Agreement that is reasonably satisfactory to us. You may obtain property insurance through any company of your choice that is reasonably satisfactory to us. You have the option of providing any insurance required under this Agreement through an existing policy or a policy independently obtained and paid for by you, subject to our right, for reasonable cause before credit is extended, to decline any insurance provided by you. Subject to applicable law, if you fail to obtain or maintain insurance as required in the Mortgage, we may purchase insurance to protect our own interest, add the premium to your balance, pursue any other remedies available to us, or do any one or more of these things.

Periodic Statements. If you have a balance owing on your Credit Line Account or have any account activity, we will send you a periodic statement. It will show, among other things, credit advances, FINANCE CHARGES, other charges, payments made, other credits, your "Previous Balance," and your "New Balance." Your statement also will identify the Minimum Payment you must make for that billing period and the date it is due.

When FINANCE CHARGES Begin to Accrue. Periodic FINANCE CHARGES for credit advances under your Credit Line will begin to accrue on the date credit advances are posted to your Credit Line. There is no "free ride period" which would allow you to avoid a FINANCE CHARGE on your Credit Line credit advances.

Method Used to Determine the Balance on Which the FINANCE CHARGE Will Be Computed. A daily FINANCE CHARGE will be imposed on all credit advances made under your Credit Line imposed from the date of each credit advance based on the "daily balance" method. To get the daily balance, we take the beginning balance of your Credit Line Account each day, add any new advances and subtract any payments or credits and any unpaid FINANCE CHARGES. This gives us the "daily balance."

Method of Determining the Amount of FINANCE CHARGE. Any FINANCE CHARGE is determined by applying the "Periodic Rate" to the balance

HOME EQUITY LINE OF CREDIT AGREEMENT AND DISCLOSURE STATEMENT

Loan No: 426750026906

(Continued)

Page 3

described herein. Then we add together the periodic FINANCE CHARGES for each day in the billing cycle. This is your FINANCE CHARGE calculated by applying a Periodic Rate.

Periodic Rate and Corresponding ANNUAL PERCENTAGE RATE. We will determine the Periodic Rate and the corresponding ANNUAL PERCENTAGE RATE as follows. We start with an independent index which is the Prime Rate. Prime Rate means the base rate on corporate loans posted by at least 75% of the USA's largest banks known as The Wall Street Journal Prime Rate and published in The Wall Street Journal (or alternate publication if required) on each publication day of each month. If more than one rate is published as the prime rate, the Prime Rate will be the highest rate called "the Prime Rate" (the "Index"). We will use the most recent index value available to us as of the date of any ANNUAL PERCENTAGE RATE adjustment. The Index is not necessarily the lowest rate charged by us on our loans. If the Index becomes unavailable during the term of this Agreement, we may designate a substitute index after notice to you. To determine the Periodic Rate that will apply to your First Payment Stream, we add a margin to the value of the Index, then divide the value by the number of days in a year (daily). To obtain the ANNUAL PERCENTAGE RATE for your First Payment Stream, we multiply the Periodic Rate by the number of days in a year (daily). This result is the ANNUAL PERCENTAGE RATE for your First Payment Stream. To determine the Periodic Rate that will apply to your Second Payment Stream, we add a margin to the value of the Index, then divide the value by the number of days in a year (daily). To obtain the ANNUAL PERCENTAGE RATE we multiply the Periodic Rate by the number of days in a year (daily). This result is the ANNUAL PERCENTAGE RATE for your Second Payment Stream. The ANNUAL PERCENTAGE RATE includes only interest and no other costs.

The Periodic Rate and the corresponding ANNUAL PERCENTAGE RATE on your Credit Line will increase or decrease as the Index increases or decreases from time to time. Any increase in the Periodic Rate during the Second Payment Stream will take the form of a higher Minimum Payment amount. Adjustments to the Periodic Rate and the corresponding ANNUAL PERCENTAGE RATE resulting from changes in the Index will take effect on the first calendar day following the publication of a new Prime Rate. In no event will the corresponding ANNUAL PERCENTAGE RATE be more than the greater of 21.00000% or the maximum rate we would be allowed to charge or collect by federal law or the law of the State of Ohio (as applicable). On the day we prepared this document, the Index was 8.000% per annum, and therefore the initial Periodic Rate and the corresponding ANNUAL PERCENTAGE RATE on your Credit Line are estimated below. Your initial Periodic Rate and corresponding ANNUAL PERCENTAGE RATE will be based on the Index in effect on your closing date.

Current Rates for the First Payment Stream			
Range of Balance or Conditions	Margin Added to Index	ANNUAL PERCENTAGE RATE	Daily Periodic Rate
All Balances	0.250 %	8.250 %	0.01712 %

Current Rates for the Second Payment Stream			
Range of Balance or Conditions	Margin Added to Index	ANNUAL PERCENTAGE RATE	Daily Periodic Rate
All Balances	0.250 %	8.250 %	0.01712 %

Notwithstanding any other provision of this Agreement, we will not charge interest on any undisbursed loan proceeds, except as may be permitted during any Right of Rescission period. No matter what else may be stated in any other provision of this Agreement or in any other document you may have with us, you do not agree or intend to pay, and we do not agree or intend to charge any interest or fee for the HOME EQUITY LINE OF CREDIT AGREEMENT AND DISCLOSURE STATEMENT which would in any way cause us to contract for, charge or collect more for the Credit Line Account than the maximum we would be permitted to charge or collect by any applicable federal or Ohio state law. Any such excess interest or unauthorized fee will be applied first to reduce the unpaid principal balance of the Credit Line Account, and when the principal has been paid in full, be refunded to you.

Conversion Options. This Agreement contains an option to convert the interest rate from a variable rate with interest rate limits to a fixed rate as calculated below. The following information is representative of conversion features recently offered by us.

ANNUAL PERCENTAGE RATE Increase. Your ANNUAL PERCENTAGE RATE may increase if you exercise this option to convert to a fixed rate.

Conversion Periods. With our written consent, any one of you can exercise the option to convert to a fixed rate (a "Lock") for either the entire outstanding balance on the Credit Line Account or any portion thereof (but not less than \$1,000.00). We reserve the right to limit any Locks you take at closing to no more than 95% of your Credit Limit.

Fully Amortizing Lock Option. At any time during the Draw Period, you can choose a Lock that will fully amortize in substantially equal monthly installments for a term of up to the remaining originally scheduled term of your Credit Line account.

Reduced Payment Lock Options. During the Draw Period, you can choose a 3, 5 or 7 year Lock term with a reduced payment requirement. At the end of the 3, 5, or 7 year period selected, your Lock will mature. However, you cannot choose a Reduced Payment Lock option that will mature later than 1 full month before the originally scheduled end of your Draw Period. At the time you select your Reduced Payment Lock option, you must choose from the following payment options on the Lock:

- (1) Pay the amount of interest that accrues on that Lock for the billing cycle for which the statement is rendered.
- (2) Pay the greater of the amount of interest that accrues on that Lock for the billing cycle for which the statement is rendered, or 1% of the outstanding balance on your Lock, but if the balance on your Lock falls below \$100.00, you will pay your Lock balance in full.
- (3) Pay the amount that would be required to fully repay the Lock over a 360 month term in substantially equal installments.

Maturity Options for Reduced Payment Locks. If you select a Reduced Payment Lock Option, at the maturity of such a Lock you will have the following options:

- (1) If you are still within the Draw Period, you can re-Lock the remaining Lock balance using the Fully Amortizing Lock option described above.
- (2) If you are still within the Draw Period, you can re-Lock the remaining Lock balance using the Reduced Payment Lock option described above. However, you cannot choose a Reduced Payment Lock option that will mature later than 1 full month before the originally scheduled end of your Draw Period.
- (3) You can roll the remaining balance of your Lock into your Credit Line at the standard Credit Line terms under this Agreement. If you make no election, we will select this option for you.

Extended Lock Option. At any time during the first five years of the Draw Period, you can choose a Lock that will fully amortize in substantially equal monthly installments for a term of up to 360 months. A) If you choose this option at the same time you close on your Credit Line Account, the term of your Lock may not exceed the original 30-year maturity of your Credit Line Account. B) If you choose this option at any time after you close on your Credit Line Account, and the term of the Lock will exceed the original 30-year maturity of your Credit Line Account, the Draw Period on the revolving portion of your Credit Line Account will be extended an additional 6 years, resulting in a total Draw Period of 15 years. The repayment period will remain at 20 years following the Draw Period.

To accommodate these Lock options, the maturity date of your Mortgage is extended to 35 years (420 months) following the date of this Agreement. This does not affect the maturity date of any individual Lock Option(s) you may choose.

General Lock Provisions. You may have up to 5 Locks outstanding at any one time but may not make additional advances to any one Lock once established. The total outstanding balance on any Lock will not be subject to the "Credit Advances" and "Minimum Payment" section of this Agreement. Your Minimum Payment due each month will be the sum of the payment amount for each Lock plus the minimum payment amount for the balance of your Account which has not been designated as a Lock (the "Credit Line"), calculated using the formula set forth in the "Minimum Payment" section of this Agreement. Additional payments in any Lock may be made at any time but shall not affect your obligation to pay succeeding Lock payments as long as any amount is still owing on the Lock. Any payment made upon your outstanding principal balance in any Lock will be available on the Credit Line for you to draw against upon posting of such payment prior to the maturity date. If your outstanding balance includes one or more Locks as well as a balance on your Credit Line, unless you properly designate otherwise on a payment coupon we provide you, then each additional payment we receive will be first applied to the Credit Line until paid in full. Also, unless you properly designate otherwise on a payment coupon we provide you, if there is no Credit Line to which to apply an additional principal payment, then the additional principal payment may be applied to any Lock at our discretion. Additional Lock payments will not affect your obligation to pay succeeding Lock payments as long as any amount is still owing on the Lock unless we

**HOME EQUITY LINE OF CREDIT AGREEMENT AND DISCLOSURE
STATEMENT**
(Continued)

Loan No: 426750026906

Page 4

otherwise agree in writing.

Upon conversion, the converted outstanding balance will accrue interest at a fixed rate as calculated in the Rate Determination section and as otherwise provided in this Agreement.

Conversion Fees. You will be required to pay the following fees at the time of conversion to a fixed rate: We may charge you \$0.00 for each Lock that we set up at your request.

Cancellation of Lock. If you later request that we cancel a Lock, we may permit you to do so if you agree to pay the Lock cancellation fee that is in effect at the time of cancellation for each Lock you cancel. You will be required to sign an amendment to this Agreement which will contain the amount of the agreed upon cancellation fee.

Rate Determination. The fixed rate will be determined as follows: We will start with the "Lock Index," which is the yield on U.S. Treasury securities having a comparable period of maturity to the scheduled maturity of the requested Lock as of the 15th day of the month immediately preceding the month in which you request your Lock. If the Lock Index becomes unavailable during the term of this Agreement, we may designate a substitute index after notice to you. We will then add 10 percentage points to the Lock Index. Your fixed lock rate (the "Fixed Lock Rate") will be the lowest of the following: the amount arrived at from the foregoing calculation, 21%, or the maximum rate we are allowed to charge you at the time of your lock under federal law, which for the purposes of 12 U.S.C. Section 85 incorporates Ohio law. We will then review the rates and terms available for a comparable Home Equity Loan offered by us at the time of your request based upon a like loan to value ratio, loan term and your credit profile. In the case of a Reduced Payment Lock Option, we will also consider the rate we might offer for a loan of a similar term. If, after that review we determine that we can offer you a lower rate than the Fixed Lock Rate, we will give you the lower rate. We will provide a complete disclosure of the terms of the Lock at the time the Lock is established.

Conditions Under Which Other Charges May Be Imposed. You agree to pay all the other fees and charges related to your Credit Line described below:

Annual Fee. The Annual Fee for the first year is waived. Thereafter, a nonrefundable Annual Fee of \$50.00 will be charged to your Credit Line beginning on your first anniversary date and will continue annually throughout the Draw Period.

Payment of Closing Costs. If you elect to charge your Credit Line Account to pay the closing costs associated with your Credit Line (such as title insurance premiums, appraisal fees, credit report fees, and recording fees), the total of these charges will be reflected as "closing costs" on your first periodic billing statement.

Returned Items. You may be charged \$25.00 if you pay your Credit Line obligations with a check, draft, or other item that is dishonored for any reason.

Fee to Stop Payment. Your Credit Line Account may be charged \$15.00 when you request a stop payment on your account.

Overlimit Charge. Your Credit Line Account may be charged \$25.00 for each credit advance in excess of your Credit Limit. This includes writing a credit line check in excess of your available balance.

Late Charges. Your payment will be late if it is not received by us within 30 days of the "Payment Due Date" shown on your periodic statement. If your payment is late we may charge you \$25.00.

Fee to Close Account. If you close or terminate your Credit Line Account, you may be charged the following:

(1) Your Credit Line Account may be charged the lesser of 1% of your Credit Line or \$400.00 if you close or terminate your Credit Line Account within three (3) years from the Loan Date shown above. You will not be charged this fee if we suspend or terminate your Credit Line Account. You may prepay your Credit Line Account without paying this fee as long as you do not close or terminate your Credit Line Account.

(2) **Conditional Waiver of Fees.** You acknowledge that you had the option to pay the Total Fees) Conditionally Waived disclosed below at closing, and you elected to have us pay such fees). We agree to conditionally waive such fees) unless you close or terminate your Credit Line Account within three (3) years of the Loan Date shown above. If you close or terminate your Credit Line Account within eighteen (18) months from the Loan Date, you will repay to us one hundred percent (100%) of such fees). If you close or terminate your Credit Line Account after eighteen (18) months from the Loan Date but within three (3) years from the Loan Date, you will repay to us fifty percent (50%) of such fees). You will not be required to repay any portion of such fees) if we suspend or terminate your Credit Line Account. You may prepay your Credit Line Account without repaying any portion of such fees) as long as you do not close or terminate your Credit Line Account. The Fee to Close Account described above) is in addition to any amount you must repay under this paragraph.

The term "Mortgage Tax," as used in the Fees) Conditionally Waived paragraph below, means the borrower's portion of any tax paid to a state, county or other government office as a condition to record the security instrument that secures your Credit Line Account.

Lien Release Fees. In addition to all other charges, you agree, to the extent not prohibited by law, to pay all governmental fees for release of our security interests in collateral securing your Credit Line. You will pay these fees at the time the lien or liens are released. The estimated amount of these future lien release fees is \$20.00.

Fees) Conditionally Waived. You acknowledge that we have paid the following fees) on your behalf to open your Credit Line Account, and we will conditionally waive such fees) in accordance with the Conditional Waiver of Fees) paragraph above:

Mortgage Tax	\$920.00
Total	\$920.00

Other Charges. Your Credit Line Account may be charged the following other charges:

Account Return Check Charge. We may charge you a fee for the return of a check because you are delinquent or in default in any respect concerning the Credit Line Account. The amount of this other charge is: 25.00.

The charges listed in the following Security Interest Charges paragraph (if such paragraph is present) are part of the closing or settlement costs associated with your Credit Line.

Chase Payment AssuranceSM Plan. The Terms and Conditions of the Chase Payment Assurance Plan ("Plan") are described in this section. The Plan is an optional debt cancellation feature and gives you the right, for a Fee, to have us cancel some or all of your Credit Line Account balance in certain circumstances. You may choose to purchase the Plan at the time you sign your Agreement or at any time during the three (3) year period following your loan closing unless, at the time of your request to purchase: (a) your Credit Line Account can be terminated by us or your Credit Limit suspended or reduced, for one of the reasons set forth in this Agreement, (b) your Credit Line Account has been more than thirty (30) days past due one or more times during the six (6) month period preceding your request, or (c) your Credit Limit exceeds the maximum single family dwelling loan size eligible for sale to the Federal Home Loan Mortgage Corporation or the Federal National Mortgage Association. You may notify us either orally or in writing that you want to purchase the Plan. If a word or phrase in this section appears in capital letters, the meaning of that word or phrase appears in the "Definitions" section of the Chase Payment Assurance Terms and Conditions that are included with and a part of this Agreement.

Plan Packages. Chase Payment Assurance offers three Plan packages, Platinum, Gold and Silver. Each package is available as single protection (protecting one borrower) or joint protection (protecting two borrowers).

- (1) **Platinum Package:** provides protection for Disability, Involuntary Unemployment, Leave of Absence, and Accidental Death to the Protected Borrower(s).
- (2) **Gold Package:** provides protection for Involuntary Unemployment, Leave of Absence, and Accidental Death to the Protected Borrower(s).
- (3) **Silver Package:** provides protection for Disability, Leave of Absence, and Accidental Death to the Protected Borrower(s).

The Protected Borrower(s) may have up to twelve (12) Regular Payments cancelled, plus Fees, if the Protected Borrower experiences a Protected Event that is part of his/her Plan package, namely a covered Disability and/or Involuntary Unemployment. Up to three (3) Regular Payments may be cancelled, plus Fees, in the event of a covered Leave of Absence. There may be up to two (2) separate periods of protection for a separate incidence of a covered Disability, Involuntary Unemployment, and Leave of Absence. In the case of a covered Accidental Death of a Protected Borrower(s), the outstanding balance of the Credit Line Account as of the date of death will be cancelled.

Fee. The Fee for the Plan is billed and payable as part of your Regular Payment. The applicable Fee for each Plan package and for single and joint protection is as follows:

HOME EQUITY LINE OF CREDIT AGREEMENT AND DISCLOSURE STATEMENT

Loan No: 426750026906

(Continued)

Page 5

Package	Single Protection	Joint Protection
	Monthly Fee	Monthly Fee
PLATINUM	10.00% of your Regular Payment	18.00% of your Regular Payment
GOLD	6.00% of your Regular Payment	10.00% of your Regular Payment
SILVER	6.00% of your Regular Payment	10.00% of your Regular Payment

Plan Terms and Conditions and Activation. When you sign this Agreement below, you will agree to the Terms and Conditions relating to the Plan, including those set forth above and those included with this Agreement. The Terms and Conditions explain the eligibility requirements, conditions, and exclusions that could prevent a Protected Borrower from receiving benefits under the Plan. You will find a complete explanation of the eligibility requirements, conditions, and exclusions in Sections II, III, IV and V of the Terms and Conditions included with this Agreement. The Plan is optional and these Terms and Conditions will not apply until you notify us (either now or later on) that you want to purchase the Plan.

Lender's Rights. Under this Agreement, we have the following rights:

Termination and Acceleration. We can terminate your Credit Line Account and subject to any notice requirement or other limitation of applicable law require you to pay us the entire outstanding balance in one payment, and charge you certain fees, if any of the following happen:

(1) You commit fraud or make a material misrepresentation at any time in connection with this Credit Agreement. This can include, for example, a false statement about your income, assets, liabilities, or any other aspects of your financial condition.

(2) You do not meet the repayment terms of this Credit Agreement.

(3) Your action or inaction adversely affects the collateral for the plan or our rights in the collateral. This can include, for example, failure to maintain required insurance, waste or destructive use of the dwelling, failure to pay taxes, death of all persons liable on the account, transfer of title or sale of the dwelling, creation of a senior lien on the dwelling without our permission, foreclosure by the holder of another lien, or the use of funds on the dwelling for prohibited purposes.

Suspension or Reduction. In addition to any other rights we may have, we can suspend additional extensions of credit or reduce your Credit Limit during any period in which any of the following are in effect:

(1) The value of your property declines significantly below the property's appraised value for purposes of this Credit Line Account. This includes, for example, a decline such that the initial difference between the Credit Limit and the available equity is reduced by fifty percent and may include a smaller decline depending on the individual circumstances.

(2) We reasonably believe that you will be unable to fulfill your payment obligations under your Credit Line Account due to a material change in your financial circumstances.

(3) You are in default under any material obligations of this Credit Line Account. We consider all of your obligations to be material. Categories of material obligations include the events described above under Termination and Acceleration, obligations to pay fees and charges, obligations and limitations on the receipt of credit advances, obligations concerning maintenance or use of the property or proceeds, obligations to pay and perform the terms of any other deed of trust, mortgage or lease of the property, obligations to notify us and to provide documents or information to us (such as updated financial information), obligations to comply with applicable laws (such as zoning restrictions), and obligations of any contract. No default will occur until we mail or deliver a notice of default to you, so you can restore your right to credit advances.

(4) We are precluded by government action from imposing the ANNUAL PERCENTAGE RATE provided for under this Agreement.

(5) The priority of our security interest is adversely affected by government action to the extent that the value of the security interest is less than one hundred twenty percent (120%) of the Credit Limit.

(6) We have been notified by governmental authority that continued advances may constitute an unsafe and unsound business practice.

Change in Terms. We may make changes to the terms of this Agreement if you agree to the change in writing at that time, if the change will unequivocally benefit you throughout the remainder of your Credit Line Account, or if the change is insignificant (such as changes relating to our data processing systems). If the index is no longer available, we will choose a new index and margin. The new index will have an historical movement substantially similar to the original index, and the new index and margin will result in an ANNUAL PERCENTAGE RATE that is substantially similar to the rate in effect at the time the original index becomes unavailable. We may prohibit additional extensions of credit or reduce your Credit Limit during any period in which the maximum ANNUAL PERCENTAGE RATE under your Credit Line Account is reached.

Expenses. To the extent not prohibited by applicable law, all reasonable expenses Lender incurs that in Lender's opinion are necessary at any time for the protection of its interest or the enforcement of its rights, shall become a part of the loan payable on demand, and shall bear interest at the Note rate from the date of expenditure until repaid. Expenses covered by this paragraph include, without limitation, however subject to any limits under applicable law, Lender's expenses for bankruptcy proceedings (including efforts to modify or vacate the automatic stay or injunction) and appeals, to the extent permitted by applicable law.

Access Devices. If your Credit Line is suspended or terminated, you must immediately return to us all credit line checks and any other access devices. Any use of credit line checks or other access devices following suspension or termination may be considered fraudulent. You will also remain liable for any further use of credit line checks or other Credit Line access devices not returned to us.

Delay in Enforcement. We may delay or waive the enforcement of any of our rights under this Agreement without losing that right or any other right. If we delay or waive any of our rights, we may enforce that right at any time in the future without advance notice. For example, not terminating your account for non-payment will not be a waiver of our right to terminate your account in the future if you have not paid.

Cancellation by you. If you cancel your right to credit advances under this Agreement, you must notify us and return all credit line checks and any other access devices to us. Despite cancellation, your obligations under this Agreement will remain in full force and effect until you have paid us all amounts due under this Agreement.

Prepayment. You may prepay all or any amount owing under this Credit Line at any time without penalty, except we will be entitled to receive all accrued FINANCE CHARGES, and other charges, if any. Payments in excess of your Minimum Payment will not relieve you of your obligation to continue to make your Minimum Payments. Instead, they will reduce the principal balance owed on the Credit Line. You agree not to send us payments marked "paid in full", "without recourse", or similar language. If you send such a payment, we may accept it without losing any of our rights under this Agreement, and you will remain obligated to pay any further amount owed to us. All written communications concerning disputed amounts, including any check or other payment instrument that indicates that the payment constitutes "payment in full" of the amount owed or that is tendered with other conditions or limitations or as full satisfaction of a disputed amount must be mailed or delivered to: Chase, Attn: HE Payoff Exceptions, Mail Code OH4-7168, 3415 Vision Drive Columbus, OH 43219.

Notices. All notices will be sent to your address as shown in this Agreement. Notices will be mailed to you at a different address if you give us written notice of a different address. You agree to advise us promptly if you change your mailing address.

Credit Information and Related Matters. You authorize us to release information about you to third parties as described in our privacy policy and our Fair Credit Reporting Act notice, provided you did not opt out of the applicable policy, or as permitted by law. You agree that, upon our request, you will provide us with a current financial statement, a new credit application, or both, on forms provided by us. You also agree we may obtain credit reports on you at any time, at our sole option and expense, for any reason, including but not limited to determining whether there has been an adverse change in your financial condition. We may require a new appraisal of the Property which secures your Credit Line at any time, including an internal inspection, at our sole option and expense.

Transfer or Assignment. Without prior notice or approval from you, we reserve the right to sell or transfer your Credit Line Account and our rights and obligations under this Agreement to another lender, entity, or person, and to assign our rights under the Mortgage. Your rights under this Agreement belong to you only and may not be transferred or assigned. Your obligations, however, are binding on your heirs and legal representatives. Upon any such sale or transfer, we will have no further obligation to provide you with credit advances or to perform any other obligation under this Agreement.

Tax Consequences. You understand that neither we, nor any of our employees or agents, make any representation or warranty whatsoever concerning the tax consequences of your establishing and using your Credit Line, including the deductibility of interest, and that neither we nor our employees or agents will be liable in the event interest on your Credit Line is not deductible. You should consult your own tax advisor for guidance on this subject.

HOME EQUITY LINE OF CREDIT AGREEMENT AND DISCLOSURE STATEMENT

Loan No: 426750026906

(Continued)

Page 6

Notify Us of Inaccurate Information We Report To Consumer Reporting Agencies. Please notify us if we report any inaccurate information about your account(s) to a consumer reporting agency. Your written notice describing the specific inaccuracy(ies) should be sent to us at the following address: Chase Attn: Home Equity Loan Servicing, P.O. Box 24714, Columbus, OH 43224.

Periodic Review. We will conduct a periodic review of your Credit Line Account, based on credit and financial information we may obtain or receive from you from time to time.

Collection Costs. If you are in default under the terms of this Agreement, we may take all lawful action under applicable law to collect the money you owe us. It is our intent to collect only those attorney's fees, and those expenses, court and collection costs permitted by the laws of your state and the United States (including the bankruptcy laws of the United States). You agree to pay only those collection costs and attorney's fees that we actually incur and that we may lawfully collect from you. If the laws of your state will not let us collect all or some of these collection costs and attorney's fees from you, we will not do so. To the extent the laws of your state prohibit us from contracting with you to collect such fees or costs or prohibit us from including this provision in your agreement with us, this provision is severed from this Agreement, is of no force and effect and your contract will be read and interpreted without this provision except to the extent federal law may now or hereafter preempt the law of your state.

FOREIGN TRANSACTIONS. Lender will charge, and Borrower will pay, in U.S. dollars for all foreign transactions at the exchange rate in effect at the time the transaction is entered to Borrower's Credit Line Account, including any special currency exchange charges.

IDENTITY OF LENDER. Lender is JPMorgan Chase Bank, N.A., a national banking association organized and existing under the laws of the United States of America, with its main offices located in Columbus, Ohio.

Check Safekeeping. Lender will retain your cancelled Credit Line Checks and will not return them with your Credit Line Account statement. You agree that your cancelled Credit Line Checks will not be returned in your statement and that the original cancelled Credit Line Checks may be destroyed after a reasonable period of time as determined by Lender. You agree that by maintaining the original Credit Line Check or a copy thereof on your behalf, Lender has otherwise made the Credit Line Check available to you in a reasonable manner. You may request a copy of any cancelled Credit Line Check. If for any reason Lender cannot return a copy of your Credit Line Check or satisfy your needs through other means, you agree that Lender will not be liable for more than the face amount of the Credit Line Check.

Information Sharing. Our privacy policy, which has been provided to you describes our information sharing practices and gives directions on how to opt out, or direct us to limit the sharing of Personal Information as defined in the privacy policy) about you with other companies or organizations. You hereby agree that, if you choose not to exercise the opt outs described in the privacy policy, you will be deemed to have authorized us to share any Personal Information about you (including information related to any of the products or services you may have with any JPMorgan Chase & Co. affiliate) with other companies or other organizations.

Supplement to Charges to your Credit Line. If you do not pay the fees and charges for which you are obligated or that we may charge under the terms of this Agreement at the time you are required to pay them, we have the right, but not the obligation, to charge your Credit Line for those past due fees and charges to the extent permitted by the law governing this transaction. Any amount so charged to your Credit Line will be a credit advance, bear interest at the Periodic Rate and the corresponding ANNUAL PERCENTAGE RATE until paid, and will decrease the funds available, if any, under the Credit Line. This paragraph supplements and amends but does not replace the Charges to your Credit Line paragraph.

Stop Payments. You may ask us to "stop payment" on a credit line check. If you do, you must tell us the name of the payee, the amount, date and number of the credit line check and who signed it. We are not bound by a stop payment order unless we have a reasonable opportunity to act on it and will not be liable for failing to stop payment if we used ordinary care. You agree to indemnify us and will pay all costs and expenses we incur (including reasonable attorney fees) as a result of honoring your stop payment order. This indemnity will survive any termination of this Agreement. You agree to pay the fee indicated in the Conditions Under Which Other Charges May Be Imposed section of this document for each request to "stop payment" on a credit line check.

CREDIT CARD ACCESS. Notwithstanding anything contained in this Agreement to the contrary, credit card access may not be available in your state. If credit card access is permitted in your state and becomes available, we will so advise you and will issue a credit card to you upon your request. Any credit card issued in connection with the Home Equity Line of Credit account is NOT a debit card. The words "credit card" as used in this Agreement mean the VISA or MasterCard that may be issued to you as an access device to your Credit Line Account. VISA is a registered service mark of Visa, U.S.A., Inc. MasterCard is a registered service mark of MasterCard International Incorporated.

Additional Restriction on Access Devices. You may not use your credit line checks, your credit card, or any other credit access device made available to make payments on your Credit Line Account.

Governing Law. This agreement will be governed by and interpreted in accordance with federal law and the laws of the State of Minnesota, except for matters related to interest and the exportation of interest, which matters will be governed by and interpreted in accordance with federal law (including, but not limited to, statutes, regulations, interpretations, and opinions) and laws of the State of Ohio. However, if there ever is a question about whether any provision of the agreement is valid or enforceable, the provision that is questioned will be governed by whichever state or federal law would find the provision to be valid and enforceable. The loan transaction which is evidenced by this and other related documents has been approved, made and funded, and all necessary documents have been accepted by Lender in the State of Ohio.

Caption Headings. Caption headings in this Agreement are for convenience purposes only and are not to be used to interpret or define the provisions of this Agreement.

Interpretation. You agree that this Agreement, together with the Mortgages, is the best evidence of your agreements with us. If we go to court for any reason, we can use a copy, filmed or electronic, of any periodic statement, this Agreement, the Mortgages or any other document to prove what you owe us or that a transaction has taken place. The copy, microfilm, microfiche, or optical image will have the same validity as the original. You agree that, except to the extent you can show there is a billing error, your most current periodic statement is the best evidence of your obligation to pay.

Severability. If a court finds that any provision of this Agreement is not valid or should not be enforced, that fact by itself will not mean that the rest of this Agreement will not be valid or enforced. Therefore, a court will enforce the rest of the provisions of this Agreement even if a provision of this Agreement may be found to be invalid or unenforceable.

Acknowledgment. You understand and agree to the terms and conditions in this Agreement. By signing this Agreement, you acknowledge that you have read this Agreement. You also agree that you have received a completed copy of this Agreement, including the Fair Credit Billing Notice and the early home equity line of credit application disclosure, in addition to the handbook entitled "When Your Home Is On the Line: What You Should Know About Home Equity Lines of Credit," given with the application. In addition, you understand and agree to the Terms and Conditions for the Chase Payment Assurance Plan, which are included with and part of this Agreement.

Section Disclosure. Except for matters related to the exportation of interest (as defined by federal law) or other matters subject to or preempted by federal law, this loan is made under Minnesota law.

BORROWER:

x [Signature]
WILLIAM B. CAVANAGH, Individually
P
WPC

x [Signature]
PAMELA J. CAVANAGH, Individually

ACCEPTED: JPMORGAN CHASE BANK, NA

By: _____
Authorized Signer

**HOME EQUITY LINE OF CREDIT AGREEMENT AND DISCLOSURE
STATEMENT**
(Continued)

Loan No: 426750026906

Page 7

Effective Disbursement Date: The first business day after February 28, 2008.

