

IN THE UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF OHIO  
EASTERN DIVISION

-----X  
DISCOVER BANK,  
c/o DISCOVER FINANCIAL SERVICES, INC.  
12 Read's Way  
New Castle, Delaware 19720

Civil Action No.

**02-03-686**

JUDGE FROST  
MAGISTRATE JUDGE ABEL

Plaintiff,

-against-

**COMPLAINT**

NEW VISION FINANCIAL, LLC,  
3845 Johns Creek Parkway, Suite A  
Suwanee, Georgia 30024

Defendant.  
-----X

Plaintiff Discover Bank, by its undersigned attorneys, for its complaint herein against defendant New Vision Financial, LLC, alleges as follows:

**THE PARTIES**

1. Plaintiff Discover Bank is a bank organized and existing under the laws of the State of Delaware whose principal place of business is located at 12 Read's Way, New Castle, Delaware 19720 ("Discover Bank"). Discover Bank's servicing agent for the transactions at issue in this action was Discover Financial Services, Inc. ("Discover Financial"), which maintains offices at 3311 Mill Meadow Drive, Hillard, Ohio, 43026.

2. Defendant New Vision Financial LLC ("New Vision"), on information and belief, is a corporation organized and existing under the laws of the State of

Georgia whose principal place of business is located at 3845 Johns Creek Parkway, Suite A, Suwanee, Georgia 30024. The agreement giving rise to this action states that New Vision's address at the time of the agreement was in care of Enhanced Asset Management, 13 Triangle Park Drive, Cincinnati, Ohio 45246.

#### **JURISDICTION AND VENUE**

3. This Court has diversity jurisdiction over this action pursuant to 28 U.S.C. § 1332(a) in that the plaintiff and the defendant are citizens of different states and the amount in controversy exceeds the sum of \$75,000. Venue is properly placed in this district pursuant to 28 U.S.C. § 1391(a)(3).

#### **SUMMARY OF THE ACTION**

4. In this action, Discover Bank seeks approximately \$850,000 in mitigation damages for New Vision's breach of contract, plus an additional \$2 million in future lost profits. In the contract, New Vision agreed that it would purchase a certain amount of delinquent credit card accounts from Discover Bank on a monthly basis, and that if it failed to do so, Discover Bank, among other things, had the right to resell the unpurchased accounts in order to mitigate its damages and to obtain any deficiency from New Vision, plus attorneys' fees.

5. After a year and a half of purchasing accounts at successively reduced prices -- agreed to by Discover Bank as accommodations for New Vision and set forth in various written amendments to the contract -- New Vision breached the contract by failing to purchase any accounts for the last two

months of 2002 and the first three months of 2003, which caused Discover Bank to suffer mitigation damages of approximately \$850,000 for those five months, plus an additional \$2 million in future lost profits. In addition, New Vision owes Discover Bank approximately \$36,000 for its failure to make certain incidental payments required by the contract.

## THE FACTS

### A. The Agreement

6. On or about January 5, 2001, Discover Bank and New Vision entered into a Credit Card Accounts Sale Agreement (the "Agreement"), a copy of which is annexed hereto as Exhibit A. In paragraph 2.1 of the Agreement, New Vision agreed to purchase between \$5 million and \$15 million in delinquent credit card account balances to be identified by Discover Bank each month. Paragraph 2.1 of the Agreement states as follows:

Agreement to Sell and Purchase Accounts. Seller [Discover Bank] agrees to sell and Buyer [New Vision] agrees to buy all of Seller's right, title, and interest in and to the Accounts, which Seller identifies during each month through December 2001, subject to the terms and conditions set forth in this Agreement. This Agreement shall automatically renew for a one (1) year period, through December 2002, unless terminated by either party upon at least sixty (60) days written notice to the other party prior to December 31, 2001.

7. In paragraph 1.12 of the Agreement, the parties agreed that New Vision would pay Discover Bank a purchase price of \$.0928 multiplied by the unpaid balance with respect to each credit card account purchased by New Vision.

8. As stated in paragraph 2.1 of the Agreement, the term of the Agreement was for one year, until December 31, 2001, and was automatically renewable for an additional year, through December 31, 2002, unless terminated by either party in writing at least 60 days prior to December 31, 2001.

9. The Agreement expressly provided in paragraph 3.5 that if New Vision defaults on its obligation to purchase accounts for any reason, Discover Bank has the right to (i) seek specific performance or, among any other remedies, (ii) resell any unpurchased accounts and recover any deficiency from New Vision, plus attorneys' fees. Paragraph 3.5 of the Agreement states as follows:

Default by Buyer. If Buyer [New Vision] fails or refuses, for any reason, to purchase Accounts pursuant to this Agreement prior to or on any applicable Closing Date, or fails to perform any of Buyer's other obligations hereunder prior to or on any Closing Date, Seller [Discover Bank] shall have the right to (i) enforce specific performance of Buyer's obligations under this Agreement and/or (ii) exercise any other right or remedy Seller may have at law or in equity by reason of the default, including but not limited to, reselling any unpurchased Accounts and seeking any deficiency against Buyer and the recovery of attorneys' fees incurred by seller in connection with Buyer's default.

10. The Agreement further provides in paragraph 3.3(b) that Discover Bank shall notify New Vision on or about the twentieth day of each month of the unpaid balance and purchase price of each account identified by Discover Bank to be purchased by New Vision for that month. New Vision was obligated under paragraph 3.3(b) of the Agreement to make payment for the accounts identified by Discover Bank three days after the day that Discover Bank notified New Vision of the accounts to be sold.

11. The Agreement expressly and clearly provided that Discover Bank made no warranties or representations concerning the collectibility of any account sold to New Vision or the creditworthiness of any account debtor.

Paragraph 8.1 of the Agreement provides, in pertinent part, as follows:

Decision to Purchase and Economic Risk. Buyer represents, warrants and certifies to Seller that it is an institutional and sophisticated purchaser in the business of buying or originating accounts of the type sold hereunder or that otherwise deals in such accounts in the ordinary course of Buyer's business. Buyer further represents, warrants and certifies that it has knowledge and experience in financial and business matters that enables it to evaluate the merits and risks of the transaction contemplated by this Agreement, and that its bid and decision to purchase the Accounts are based upon Buyer's independent evaluation of the transaction. Buyer acknowledges that the Accounts may have limited or no liquidity and Buyer has the financial wherewithal to own the Accounts for an indefinite period of time and to bear the economic risk of an outright purchase of the Accounts and a total loss of the Purchase Price for the Accounts. Buyer acknowledges that it has not relied in entering into this Agreement upon any oral or written information provided by Seller or Seller's agents, representatives, or independent contractors, and acknowledges that no employee, agent, representative or independent contractor of the Seller has been authorized to make any statements or representations other than those specifically contained in this Agreement. Buyer has made such independent investigation as it deems warranted into the nature, validity, enforceability, collectability and value of the Accounts and all other facts it deems material to its purchase, and is entering into this transaction solely on the basis of that investigation and Buyer's own judgment.

12. In addition, Article X of the Agreement states as follows (in bold letters):

No warranties. Except for those expressed in this Agreement, no warranties or representations, express or implied, are or have been made by seller, or anyone acting on its behalf, particularly, without in any way limiting the generality of the foregoing, no warranties or representations regarding (i) the collectability of any account; (ii) the creditworthiness of

any debtor; (iii) the form or sufficiency of any account documentation; (iv) the form or sufficiency of any collateral of any type which secures the repayment of any account; (v) the enforceability of accounts; or (vi) the validity of any collateral document or its recordation. Except as otherwise provided in this agreement, all accounts sold to buyer under this agreement are sold and transferred without recourse. Except as specifically set forth in this agreement, buyer acknowledges and agrees that seller has not made, does not make and specifically disclaims any representation, warranty, promise, covenant, agreement or guarantee of any kind or character whatsoever, whether express or implied, oral or written, past, present or future, of, as to, concerning or with respect to (A) the nature, quality or condition of the accounts, (B) the income to be derived from the accounts, (C) the suitability of the accounts for any and all activities and uses which buyer may intend, or (D) any other matter with respect to the accounts. The buyer further acknowledges and agrees that any information provided or to be provided with respect to the accounts was obtained from a variety of sources and that seller has not made any independent investigation or verification of such information and makes no representations or warranties as to the accuracy or completeness of such information. Except as specifically set forth in this Agreement, buyer further acknowledges and agrees that the sale of the accounts as provided herein is made on an "as is" condition and basis with all faults.

Thus, it is clear from the Agreement that New Vision agreed to purchase accounts on an "as is" basis and acknowledged that it was fully aware of the risks of purchasing delinquent accounts for collection purposes.

**B. The Amendments to the Agreement**

13. Following execution of the Agreement, New Vision complained to Discover Bank about the purchase price and minimum purchase requirements that it had agreed to in the Agreement. Discover Bank accommodated New Vision by entering into a series of amendments to the Agreement, providing for different monthly purchase requirements, and providing for successively lower purchase prices.

14. More specifically, the parties executed written amendments to the Agreement on or about October 1, 2001, February 8, 2002 and July 10, 2002, copies of which are annexed hereto as Exhibit B. The July 10, 2002 amendment – which was the last amendment to be executed – provided, in pertinent part, as follows:

Seller agrees to sell and Buyer agrees to buy all of Seller's right, title, and interest in and to the Accounts, which Seller identifies during each month through March 2003, subject to the terms and conditions set forth in this Agreement. This Agreement shall automatically renew for a one (1) year period, through March 2004, unless terminated by either party upon sixty (60) days written notice to the other party prior to March 31, 2003. The aggregate Unpaid Balance of the Accounts to be sold each month shall not be more than fifteen million dollars (\$15,000,000.00). Notwithstanding the foregoing, in the event Seller desires to sell Accounts with an aggregate Unpaid Balance of more than fifteen million dollars (\$15,000,000.00) in any month, Buyer may elect to purchase such additional Accounts by delivering its written consent to Seller prior to the Closing Date in any such month.

Pursuant to paragraph 1.12 of the July 10, 2002 amendment, the purchase price of the accounts was lowered once again – this time to \$.0685 times the unpaid balance for each account. Discover Bank agreed to this reduced price in exchange for New Vision's agreement to the other terms of the July 10, 2002 amendment.

15. As set forth in the July 10, 2002 amendment, New Vision agreed to purchase accounts having an aggregate unpaid balance of \$15 million a month. Additionally, the term of the Agreement was extended through the month of March 2003. The parties further agreed that the Agreement would automatically renew for a one-year period, through March 2004, unless either

party gives notice of termination sixty days prior to March 31, 2003.

**C. New Vision's Breach of the Agreement**

16. In violation of the Agreement, as amended on July 10, 2002, New Vision failed and refused to purchase any accounts whatsoever designated by Discover Bank for the months of November and December 2002, and for the months of January, February, and March 2003.

17. For example, on November 20, 2002, New Vision wrote to Discover Bank and stated as follows:

At this time New Vision Financial LLC will not be able to make a purchase from Discover Bank in the month of November 2002, due to extenuating circumstances. This purchase may at Discover Bank's discretion, be added to the end of the New Vision Financial forward flow contract, which is scheduled to terminate March of 2003.

Similar letters were sent by New Vision to Discover Bank on January 23, 2003, February 20, 2003, and March 10, 2003.

18. On February 4, 2003, Robert Deter of Discover Financial (as servicing agent for Discover Bank) wrote to Fred Howard of New Vision and advised New Vision of the losses that Discover Bank sustained as a result of New Vision's breach of the Agreement by failing to make the required purchases of accounts for the months of November and December 2002, and January 2003. Discover Financial's letter of February 4, 2003 states as follows:

This letter is to follow up on our recent conversation during which you notified me that New Vision would not purchase Accounts in the months of November 2002 and January 2003 and would only purchase a portion of the Accounts required under the Agreement in December 2002. During our conversations, you assured me that

New Vision would make up any losses Seller [Discover Bank] suffered as a result of New Vision's breach of the Agreement. As a result of having to sell the accounts to other buyers for less than the Purchase Price under the Agreement, Seller has suffered a loss of \$479,391.19.

19. In its February 4, 2003 letter, Discover Financial demanded payment of approximately \$400,000 as compensation for the mitigation losses suffered by Discover Bank as a result of New Vision's breach of the Agreement as of that time. New Vision failed and refused to make that (or any other payment) to Discover Bank.

20. On March 10, 2003, Discover Financial (acting on behalf of Discover Bank) again wrote to New Vision about New Vision's breach of the Agreement, and once again notified New Vision that Discover Bank would try to mitigate its damages from New Vision's breach by selling accounts to another buyer.

Discover Bank's March 10, 2003 letter stated as follows:

Additionally, I would appreciate you letting me know no later than March 17, 2003 whether Buyer intends to purchase Accounts this month. If we do not hear from you, we will assume that Buyer does not intend to fulfill its obligations to purchase Accounts this month and Seller shall use its best efforts to mitigate Buyer's damages by selling the Accounts Buyer is obligated to buy to another buyer at the best price available.

New Vision informed Discover Bank that it would not purchase any accounts for the month of March 2003, just as it had failed to purchase any accounts for the prior four months.

21. Discover Bank's March 10, 2003 letter went on to note that, due to New Visions' breach of the Agreement, Discover Bank would have no choice

but to terminate the Agreement effective April 1, 2003 if New Vision did not purchase any accounts in March 2003. As stated in Discover Bank's March 10, 2003 letter:

If Buyer does not purchase Accounts this month, this will be the fifth consecutive month Buyer has breached the Agreement. Under the circumstances, there is no point continuing the Agreement. Therefore, this Letter shall serve to notify Buyer that Seller is terminating the Agreement under Article 13.12 effective April 1, 2003, if Buyer does not purchase accounts in March.

As previously noted, New Vision did not purchase any accounts in March 2003, and therefore the Agreement terminated as of April 1, 2003 due to New Vision's breach, subject to Discover Bank's right to seek damages for New Vision's breach of the Agreement.

**D. Discover Bank's Mitigation Damages**

22. As a result of New Vision's breach of the Agreement by its failure to purchase any accounts from Discover Bank for the months of November and December 2002, and January, February, and March 2003, Discover Bank sold the accounts that New Vision was obligated under the Agreement to purchase – i.e., \$15 million worth of accounts for each of the five months in question – to other buyers for less than the purchase price set forth in the Agreement. This caused Discover Bank to suffer mitigation damages of \$847,667.84, as follows:

November 2002	\$85,101.58
December 2002	\$70,996.25
January 2003	\$228,601.33
February 2003	\$322,559.49
March 2003	<u>\$140,409.18</u>
Total:	<u>\$847,667.84</u>

23. In paragraph 3.5 of the Agreement, New Vision agreed that "if Buyer fails or refuses, for any reason, to purchase Accounts pursuant to this Agreement . . . Seller shall have the right to:

(i) enforce specific performance of Buyer's obligations under this Agreement and/or

(ii) exercise any other right or remedy Seller may have at law or in equity by reason of the default, including but not limited to, reselling any unpurchased Accounts and seeking any deficiency against Buyer and the recovery of attorneys fees incurred by Seller in connection with Buyer's default." (emphasis added)

Pursuant to paragraph 3.5 of the Agreement, Discover Bank is entitled to recover \$847,667.84 in mitigation damages against New Vision that Discover Bank incurred as a result of New Vision's failure to purchase accounts for the months of November and December 2002, and January, February, and March 2003, plus attorneys fees.

**E. Discover Bank's Renewal Term Damages**

24. Under the July 10, 2002 amendment to the Agreement, the parties agreed that the term of the Agreement would be automatically renewed for a one-year period from March 31, 2003 to March 31, 2004 unless written notice of termination is given 60 days prior to March 31, 2003. New Vision never provided such notice of termination. Due to New Vision's breach of the Agreement, Discover Bank was forced to terminate the Agreement effective April 1, 2003. Because that termination was "for cause," necessitated by New Vision's breach of the Agreement, termination of the Agreement does not absolve New Vision of

its liability for lost profits sustained by Discover Bank during the Agreement's renewal term of April 2003 through March 2004 (the "renewal term").

25. Discover Bank estimates that its lost profits for the renewal term will be approximately \$2 million.

**F. Discover Bank's Other Damages**

26. In paragraph 4.2 of the Agreement, New Vision agreed to pay Discover Bank \$7.50 for each Credit File requested by New Vision with respect to a certain portion of the accounts purchased by it. New Vision requested and received from Discover Bank a large number of Credit Files, but has failed to make full payment. The amount owed by New Vision to Discover Bank for Credit Files is \$2,230.

27. Additionally, in paragraph 5.1 of the Agreement, the parties agreed that Discover Bank would have the right to receive payment from New Vision for certain collections deemed to be insufficient by Discover Bank because of mispostings and checks returned for insufficient funds. The amount owed by New Vision for such insufficient collections is \$34,076.99.

28. The total amount owed by New Vision due to insufficient payments under paragraph 5.1 of the Agreement and due to New Vision's failure to pay for Credit Files under paragraph 4.2 of the Agreement is \$36,306.99.

**FIRST CLAIM FOR RELIEF**

29. Plaintiff repeats and realleges each and every one of the foregoing allegations as though fully set forth at length herein.

30. New Vision breached the Agreement by failing to purchase accounts for the months of November and December 2002, and January, February, and March 2003. As a direct and proximate result of that breach of the Agreement, Discover Bank has suffered mitigation damages of \$847,667.84, relief for which is sought herein.

31. New Vision's breach of the Agreement caused Discover Bank to terminate the Agreement for cause prior to commencement of the renewal term. As a direct and proximate result of that termination, Discover Bank will suffer lost profits in an amount believed to be \$2 million, relief for which is sought herein.

32. Without cause or justification, New Vision breached paragraphs 4.2 and 5.1 of the Agreement by failing to pay Discover Bank the amounts owed thereunder. As a direct and proximate result of that breach of the Agreement, Discover Bank has suffered damages of \$36,306.99, relief for which is sought herein.

33. Discover Bank has fully complied with all of its obligations under the Agreement.

34. Despite due demand, New Vision has failed and refused to compensate Discover Bank for the damages sustained as a result of New Vision's breach of contract.

35. By reason of the foregoing, Discover Bank is entitled to judgment against New Vision for breach of contract in the sum of (i) \$847,667.84 in

mitigation damages, (ii) no less than \$2 million in lost profits, (iii) \$36,306.99 for incidental charges, and (iv) interest in an amount calculated by the Court.

**SECOND CLAIM FOR RELIEF**

36. Plaintiff repeats and realleges each and every one of the foregoing allegations as though fully set forth at length herein.

37. In paragraph 3.5 of the Agreement, New Vision agreed to pay Discover Bank attorneys' fees incurred by Discover Bank in connection with New Vision's default of its obligations under the Agreement.

38. By reason of the foregoing, Discover Bank is entitled to judgment against New Vision for all attorneys' fees incurred by Discover Bank in connection with this action in an amount to be determined by the Court.

WHEREFORE, plaintiff Discover Bank demands judgment as follows against defendant New Vision Financial LLC:

- a. On the first claim for relief, (i) \$847,667.84 in mitigation damages, (ii) no less than \$2 million in loss profits, (iii) \$36,306.99 for incidental charges, and (iv) interest in an amount calculated by the Court;
- b. On the second claim for relief, attorneys' fees in an amount to be determined by the Court;
- c. The costs and disbursements of this action; and
- d. Such other and further relief as is just and proper.

Dated: Columbus, Ohio  
July 30, 2003

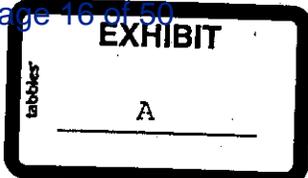
Of Counsel:

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**CREDIT CARD ACCOUNTS SALE AGREEMENT**

This Credit Card Accounts Sale Agreement is made and entered into between New Vision Financial, LLC ("Buyer") and Discover Bank ("Seller").

**WITNESSETH**

WHEREAS, Seller desires to sell to Buyer certain Accounts as defined below, and Buyer desires to purchase such Accounts, all on the terms and conditions hereinafter set forth.

NOW, THEREFORE, Seller and Buyer agree as follows:

**ARTICLE I**  
**DEFINITIONS**

1.1 "Account" means each unsecured consumer credit card account, including any receivables arising thereunder (a) which is owned by Seller, (b) which is described on an Account Schedule, and (c) which has been charged off by Seller.

1.2 "Account Schedule" means, with respect to any Closing Date, the electronic file which will be delivered to Buyer, setting forth all of the Accounts which Seller has elected to sell Buyer and which Buyer has agreed to purchase on that Closing Date and shall contain for each Account, the data fields listed on the attached Exhibit A, to the extent such data is available.

1.3 "Account Statement" means the most recent billing statement relating to an Account that was issued to a Debtor by Seller prior to the applicable Closing Date and is available from Seller's files.

1.4 "Agreement" means this Credit Card Accounts Sale Agreement, as may be amended or supplemented from time to time.

1.5 "Business Day" means any day except a Saturday, Sunday or other day on which banking institutions in Delaware or Illinois are authorized or required by law or executive order to close.

1.6 "Closing Date" means on or before January 25, 2001 for the initial purchase (the "Initial Purchase") and three (3) Business Days after the Cut-off Date for any subsequent purchases.

1.7 "Credit Files" shall have the meaning set forth in Paragraph 4.2 hereof.

1.8 "Cut-off Date" means the close of business on the day Seller notifies Buyer of the Accounts to be sold to Buyer in accordance with Paragraph 3.3(b).

1.9 "Debtor" means any obligor for, or guarantor or surety of, or any party liable for, the performance of the obligations under an Account.

1.10 "Effective Date" means January 5, 2001.

1.11 "Litigation Account" means any Account which, as of the applicable Closing Date, is the subject of litigation or any collection agency agreement.

1.12 "Purchase Price" means .0928 times the Unpaid Balance with respect to each Account.

1.13 "Transfer Date" means three (3) Business Days after Seller's receipt of the Purchase Price with respect to any purchase.

1.14 "Uncollectible Account" means, as of the applicable Cut-off Date for each Account purchased (a) an Account with reference to which a final judgment has been entered by a court of competent jurisdiction to the effect that no Debtor on the Account is under any enforceable obligation to pay the holder of the Account and that the holder of the Account may take no action against any Debtor executing Account documentation; (b) an Account in which all Debtors obligated on the Account have been released from all liability on the Account; (c) an Account with respect to which all Debtors on the Account have filed bankruptcy and the bankruptcy has not been dismissed prior to the applicable Cut-off Date; (d) an Account with respect to which all Debtors on the Account were deceased; (e) an account that does not meet the definition of an Account or (f) an Account for which the actual listed Debtor claims, through a statement in writing, that he or she did not open the Account or that the Account was fraudulently used, lost or stolen and which claim is supported by evidence satisfactory to Seller.

1.15 "Unpaid Balance" means the outstanding balance on an Account as of the applicable Cut-off Date. This figure may include interest (accrued or unaccrued), costs, fees, and expenses incurred prior to charge-off. It is possible that (i) payments have been made by or on behalf of Debtors prior to an applicable Cut-off Date which are not reflected in the Unpaid Balance, or (ii) an Unpaid Balance includes payments made by or on behalf of Debtors which have been deposited and credited to the Unpaid Balance, but which may subsequently be returned to Seller due to insufficient funds.

1.16 "UCC" means Uniform Commercial Code as in effect in the applicable jurisdiction.

## **ARTICLE II**

### **PURCHASE AND SALE OF ACCOUNTS**

2.1 **Agreement to Sell and Purchase Accounts.** Seller agrees to sell and Buyer agrees to buy all of Seller's right, title, and interest in and to the Accounts, which Seller identifies during each month through December 2001, subject to the terms and conditions set forth in this Agreement. This Agreement shall automatically renew for a one (1) year period, through December 2002, unless terminated by either party upon at least sixty (60) days written notice to the other party prior to December 31, 2001. The aggregate Unpaid Balance of the Accounts to be sold in any month shall be not less than five million dollars (\$5,000,000.00) and not more than fifteen million dollars (\$15,000,000.00) provided, however, the aggregate Unpaid Balance of Accounts sold to Buyer in any said month under that certain Credit Card Account Sale Agreement between Discover Bank, U.S. Bank National Association, as Trustee for the Discover Card Master Trust I and Buyer with the effective date of January 5, 2001 shall be included in calculating the aggregate minimum and maximum sums of Unpaid Balance of Accounts reflected above in this Paragraph. In the event Seller desires to sell Accounts with an aggregate

Unpaid Balance of more than fifteen million dollars (\$15,000,000.00) in any month, Buyer may elect to purchase such additional Accounts by delivering its written consent to Seller prior to the Closing Date in any such month.

2.2 **Bill of Sale/Buyer's Right to Act.** Seller shall deliver to Buyer, no later than thirty days after an applicable Closing Date, a Bill of Sale in the form of Exhibit B attached hereto, executed by an authorized representative of Seller, which Bill of Sale shall reflect as of the Closing Date, the sale, transfer, assignment, set-over, quitclaim and conveyance to Buyer of all right, title and interest of Seller in and to (i) each of the Accounts sold hereunder, and (ii) the proceeds of the Accounts sold hereunder, subject to Article V, received by Seller after the applicable Cut-off Date, if any. Buyer shall have no right to communicate with any Debtor or otherwise take any action with respect to any Account or any Debtor until after the transfer of the Account to Buyer.

### **ARTICLE III** **PURCHASE PRICE AND PAYMENT**

3.1 **Purchase Price.** The Purchase Price of the Accounts purchased hereunder shall be as set forth in Paragraph 1.12.

3.2 **Accounts Excluded.** If Seller excludes any Accounts from a sale prior to the applicable Closing Date pursuant to Paragraph 11.1, the total Purchase Price to be paid by Buyer shall be reduced by the amount of the Purchase Price of the excluded Accounts.

#### **3.3 Identification and Payment.**

(a) **Initial Transfer.** On the Cut-off Date, for the initial Purchase, Seller shall identify, to Buyer, the total Unpaid Balance and Purchase Price of the Accounts identified by Seller to be purchased by Buyer for the Initial Purchase. Buyer shall pay for the Initial Purchase on or before 2:00 p.m. (Central Standard Time) on the Closing Date. Such payment shall be in immediately available funds in United States Dollars by wire transfer to Seller in accordance with the wire transfer instructions provided to Buyer.

(b) **Subsequent Transfers.** For the months specified in Paragraph 2.1 after January 2001, Seller shall notify Buyer, on or about the 20th day of each month, of the total Unpaid Balance and Purchase Price of the Accounts identified by Seller to be purchased by Buyer for that month, if any. Buyer shall pay for the identified Accounts on each applicable Closing Date on or before 2:00 p.m. (Central Standard Time). All such payments shall be in immediately available funds in United States Dollars by wire transfer to Seller in accordance with the wire transfer instructions provided to Buyer.

3.4 **Adjustments to Purchase Price.** Within five (5) Business Days of receipt by Buyer of an Account Schedule from Seller, either party shall promptly notify the other after an applicable Closing Date, of any adjustments to the Purchase Price due to miscalculations of interest and principal, misapplied payments, unapplied payments or accounting errors. If the Purchase Price as adjusted is greater than the Purchase Price paid by Buyer, Buyer shall pay the amount of the deficiency to Seller within fifteen (15) days of the notification by either Buyer or Seller to the other of the adjustments to the Purchase Price. If the Purchase Price, as

adjusted, is less than the Purchase Price paid by Buyer, Seller shall, at its election, either (i) refund to Buyer the excess amount paid by Buyer to Seller out of the proceeds of the sale received by Seller within thirty (30) days after notification of the adjustment to the Purchase Price, (ii) deduct the excess amount paid by Buyer from the Purchase Price to be paid by Buyer for Accounts purchased on the next subsequent Closing Date or (iii) substitute Accounts of equal or greater Unpaid Balance.

**3.5 Default by Buyer.** If Buyer fails or refuses, for any reason, to purchase Accounts pursuant to this Agreement prior to or on any applicable Closing Date, or fails to perform any of Buyer's other obligations hereunder prior to or on any Closing Date, Seller shall have the right to (i) enforce specific performance of Buyer's obligations under this Agreement and/or (ii) exercise any other right or remedy Seller may have at law or in equity by reason of the default, including but not limited to, reselling any unpurchased Accounts and seeking any deficiency against Buyer and the recovery of attorneys fees incurred by Seller in connection with Buyer's default.

#### **ARTICLE IV** **TRANSFER**

**4.1 Delivery and Transfer.** On the applicable Transfer Date, Seller shall deliver to Buyer the Account Schedule relating to the Accounts purchased by Buyer; provided, however, if Seller encounters mechanical difficulties that make it impossible to deliver an Account Schedule on a Transfer Date, Seller shall provide a statement or evidence of the reason for such difficulties to Buyer and shall use its best efforts to deliver the Account Schedule as soon as practicable, but in no event later than ten (10) days after the applicable Closing Date.

**4.2 Transfer of Documents.** Seller agrees to deliver to Buyer, (i) copies of credit applications, (ii) affidavits in the form of Exhibit C to this Agreement, or (iii) copies of up to three (3) consecutive months of Account Statements, including the month of charge-off (any of (i), (ii) or (iii), a "Credit File") for five percent (05%) of the total number of Accounts sold to Buyer. Within ninety (90) days after the applicable Transfer Date, Buyer shall deliver to Seller a list of such Accounts for which Seller will deliver Credit Files. Said list(s) shall be provided on Application, Affidavit or Statement Request Form(s), as provided in Exhibits D-1-D-3 to this Agreement and shall specify which type of Credit File Buyer requests for each such Account. Seller shall make a good faith effort to deliver the requested Credit Files within one hundred twenty (120) days of request.

Seller shall deliver to Buyer additional copies of Credit Files for the Accounts referenced above in this Paragraph 4.2 or Credit Files for the remaining ninety five percent (95%) of the Accounts, upon receipt of payment of seven dollars fifty cents (\$7.50) for each Credit File requested by Buyer. Within ninety (90) days after the applicable Transfer Date, Buyer shall deliver to Seller a list of Accounts for which Seller will deliver Credit Files; provided, however, such requests shall not exceed 1,000 copies per month and such requests shall not exceed 500 copies every two (2) weeks, commencing from the applicable Transfer Date. Seller shall make a good faith effort to deliver the requested Credit Files within one hundred twenty (120) days of request.

4.3 **Other Documents.** Subject to the requirements and limitations set forth in this Agreement, Seller agrees, to the extent required by applicable laws, statutes, rules and regulations of all federal, state, local, governmental, or quasi-governmental entities or authorities having jurisdiction, to complete and execute any documents or take such other actions as are reasonably necessary or appropriate to effectuate this Agreement. This provision shall not be construed to require Seller to execute any documents other than the documents directly referenced in this Agreement. This provision shall also not be construed to require Seller to execute or otherwise deliver a UCC financing statement in connection with the sale of Accounts under this Agreement.

**ARTICLE V**  
**PAYMENTS AFTER CUT-OFF DATE**

5.1 **Payments.** Except as provided in this Paragraph, all payments received by Seller on any Account after the applicable Cut-off Date shall belong to Buyer. Seller shall forward notice of receipt of such payments to Buyer within sixty (60) days of receipt of each payment. Such payments will be forwarded to Buyer, without recourse and warranties, within one hundred twenty (120) days of receipt by Seller. For payments received by Buyer that subsequently are deemed insufficient by Seller, Seller shall notify Buyer of any such payments and Buyer will remit such payments back to Seller within thirty (30) days of notification. Seller shall retain the right to collect on any check or other negotiable instrument which represents payment of principal, interest, or any other fee or charge under any Account purchased hereunder received by Seller prior to the applicable Cut-off Date, regardless of whether the check or negotiable instrument is collected, prior to, or subsequent to the applicable Cut-off Date.

5.2 **Pending Legal Proceedings.** Any Litigation Account which is identified by Buyer as such within one hundred twenty (120) days of the applicable Closing Date, shall, at Seller's option, either be, substituted or the Purchase Price paid by Buyer for such Litigation Account shall be deducted by Seller from a Purchase Price to be paid by Buyer on a subsequent Closing Date pursuant to Article IX, provided Buyer immediately notifies Seller after Buyer identifies the Litigation Account. In the event Buyer does not require Seller to either substitute an Account or deduct the Purchase Price paid by Buyer for such Account from the Purchase Price paid on a subsequent Closing Date; or fails to notify Seller that said Account is a Litigation Account within one hundred twenty (120) days of the applicable Closing Date; or fails to immediately notify Seller after Buyer identifies a Litigation Account; Buyer agrees that it shall, to the extent applicable, at its own cost, (i) notify the Clerk of the Court, any trustee and all counsels of record in each such proceeding of the transfer of the Account from Seller to Buyer, (ii) file pleadings to relieve Seller's counsel of record from further responsibility in such litigation (unless said counsel has agreed, with Seller's written consent, to represent Buyer in said proceedings at Buyer's expense), and (iii) take all necessary action to remove Seller as a party in such action and substitute Buyer as the real party-in-interest, changing the caption thereof accordingly. Any settlement, whether judicial or non judicial, shall include a release of Seller and its representatives, employees, directors, and agents by the Debtors of any claims they may have. Buyer shall immediately notify Seller in the event that Buyer receives a claim, counterclaim or cross-claim brought or threatened against Seller in any litigation or bankruptcy involving an Account. In connection therewith, Buyer shall have the sole responsibility to determine the appropriate direction and strategy for such litigation or proceeding. If Buyer fails to comply with the above requirements (i)-(iii), Seller may, but is not obligated to take such actions as it deems

necessary to effectuate the provisions of this Paragraph. Buyer acknowledges that its failure to comply with the provisions of this Paragraph may affect Buyer's rights in any such litigation or proceeding including, without limitation, any dismissal with prejudice or the running of any statute of limitations if any such action or proceeding is dismissed. Buyer shall reimburse and indemnify Seller for any costs and legal fees incurred by Seller in connection with such proceeding after the applicable Transfer Date, including, without limitation, any applicable fees and costs incurred by Seller in connection with Buyer's failure to comply with the above requirements (i)-(iii). Seller shall deliver notice to Buyer of any applicable legal fees and costs billed to Seller or incurred in connection with such proceeding after the applicable Transfer Date, whereupon Buyer shall reimburse Seller for amounts so incurred.

## **ARTICLE VI** **SERVICING OF THE ACCOUNTS**

6.1 **Servicing After Applicable Closing Date.** The Accounts shall be sold and conveyed to Buyer on a servicing-released basis. As of the applicable Closing Date, all rights, obligations, liabilities and responsibilities with respect to the servicing of the Accounts shall pass to Buyer, and Seller and/or its servicing agent shall be discharged from all liability thereof. Seller and/or its servicing agent shall have no obligation to perform any servicing activities with respect to the Accounts from and after the applicable Closing Date, except those required by law.

6.2 **Interim Servicing/Buyer Bound.** Between the Effective Date and any applicable Closing Date, Seller or any servicing agent shall continue to service the Accounts. Buyer shall be bound by the actions taken by Seller and/or any servicing agent prior to the applicable Closing Date. Buyer shall take no action to communicate with any Debtor or enforce or otherwise service or manage such Accounts until the applicable Transfer Date. Seller or any servicing agent shall not be responsible for the failure to meet or toll any proof of claim, discharge, limitation, notice, hearing, trial, penalty or payment date or any other deadline in connection with an Account after the applicable Closing Date. In no event shall Buyer be deemed a third party beneficiary of any servicing contract or agreement between Seller and any servicing agent and in no event shall Seller or any servicing agent be deemed a fiduciary for the benefit of Buyer with respect to the Accounts. Subject to the provisions hereof, Seller shall indemnify Buyer against and hold Buyer harmless from any and all claims, lawsuits or judgments against Buyer arising out of the gross negligence or willful failure by Seller or any servicing agent to provide the interim servicing hereunder, provided, however, that Seller shall not be required to indemnify Buyer or to hold Buyer harmless to the extent that such losses are caused in whole or in part by Buyer's actions or inactions.

## **ARTICLE VII** **SELLER'S REPRESENTATIONS AND WARRANTIES**

7.1 **Representations and Warranties of Seller.** Seller represents, warrants and certifies to Buyer that, as of the Effective Date and as of each applicable Closing Date:

- (i) Seller is a bank, duly organized, validly existing and in good standing under the laws of the State of Delaware, with full power and authority to enter into this Agreement, to sell the Accounts and to carry out the terms and provisions hereof;

- (ii) Seller has taken all necessary action to authorize its execution, delivery and performance of this Agreement and has the power and authority to execute, deliver and perform this Agreement and all the transactions contemplated hereby;
- (iii) This Agreement and all the obligations of Seller hereunder are the legal, valid and binding obligations of Seller, enforceable in accordance with the terms of this Agreement, except as such enforcement may be limited by bankruptcy, insolvency, reorganization or other similar laws affecting the enforcement of creditors' rights generally and by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law);

7.2 **Representations and Warranties of Seller as to Each Account.** Seller represents, warrants and certifies to Buyer that, as to each Account sold or to be sold hereunder, as of the applicable Closing Date:

- (i) The Seller has good, valid and marketable title to the Accounts, free and clear of all liens and encumbrances, except as may be imposed by Buyer or any of its respective assignees or transferees;
- (ii) The Accounts were originated and/or have been maintained and serviced by the Seller in compliance with state and federal laws, including, without limitation, the Truth-In-Lending Act, the Equal Credit Opportunity Act, the Fair Debt Collection Practices Act and the Fair Credit Billing Act;
- (iii) The Seller has full right and authority to sell and assign its interest in each Account; and
- (iv) The Accounts are governed by the forms of cardmember agreements set forth in Exhibit E, as such forms may be amended, modified or changed from time to time (or a form of cardmember agreement substantially similar to the forms of cardmember agreements set forth in Exhibit E), which generally set forth the payment terms, finance charges and other arrangements pertaining to the Accounts.

**ARTICLE VIII**  
**BUYER'S REPRESENTATIONS AND WARRANTIES**

8.1 **Decision to Purchase and Economic Risk.** Buyer represents, warrants and certifies to Seller that it is an institutional and sophisticated purchaser in the business of buying or originating accounts of the type sold hereunder or that otherwise deals in such accounts in the ordinary course of Buyer's business. Buyer further represents, warrants and certifies that it has knowledge and experience in financial and business matters that enables it to evaluate the merits and risks of the transaction contemplated by this Agreement, and that its bid and decision to purchase the Accounts are based upon Buyer's independent evaluation of the transaction. Buyer acknowledges that the Accounts may have limited or no liquidity and Buyer has the financial wherewithal to own the Accounts for an indefinite period of time and to bear

the economic risk of an outright purchase of the Accounts and a total loss of the Purchase Price for the Accounts. Buyer acknowledges that it has not relied in entering into this Agreement upon any oral or written information provided by Seller or Seller's agents, representatives, or independent contractors, and acknowledges that no employee, agent, representative or independent contractor of the Seller has been authorized to make any statements or representations other than those specifically contained in this Agreement. Buyer has made such independent investigation as it deems warranted into the nature, validity, enforceability, collectability and value of the Accounts and all other facts it deems material to its purchase, and is entering into this transaction solely on the basis of that investigation and Buyer's own judgment.

8.2 **Covenant of Buyer.** Buyer represents, warrants and certifies to Seller that the transactions contemplated by this Agreement do not involve, nor are they intended in any way to constitute the sale of "securities" within the meaning of any applicable securities laws, and none of the representations, warranties or agreements of Buyer shall create any inference that the transactions involve any "securities."

8.3 **Legal Compliance.** Buyer represents, warrants and certifies to Seller that it will comply with all federal, state, county and local laws, regulations, ordinances and codes, (including the procurement of any required licenses, if applicable), in connection with the Accounts transferred to Buyer pursuant to this Agreement and the performance of its obligations under this Agreement, including without limitation, any laws, regulations, ordinances and codes, relating to (i) income tax reporting, (ii) credit information reporting in relation to the Accounts (including The Fair Credit Reporting Act), (iii) debt collection practices, (iv) bankruptcy and (v) the ownership and servicing of Accounts after the applicable Closing Date. Buyer represents, warrants and certifies to Sellers that it will comply with any legal obligation to notify Debtors of the transfer of Accounts and the servicing rights from Seller and/or any servicing agent to Buyer. Buyer further represents, warrants and certifies to Seller that it shall not bring or threaten to bring any legal proceeding against any Debtor in an effort to collect a debt, which is barred by any applicable statute of limitations.

8.4 **Use of Names and Trademarks.** Buyer represents, warrants and certifies to Seller that it will not institute any legal action in the name of Seller or continue to prosecute or defend in the name of Seller any pending legal action; nor shall Buyer intentionally or unintentionally, through misrepresentation or nondisclosure, mislead any person as to, or conceal from any person, the identity of the buyer of the Accounts purchased pursuant to this Agreement; **NOR SHALL BUYER USE OR REFER TO THE NAME OF GREENWOOD TRUST COMPANY, DISCOVER BANK, DISCOVER, DISCOVER CARD, DISCOVER PLATINUM, DISCOVER FINANCIAL SERVICES, INC., PRIVATE ISSUE, BRAVO, NOVUS SERVICES, INC., NOVUS CREDIT SERVICES INC., SCFC RECEIVABLES CORP. OR ANY NAME DERIVED THEREFROM OR SIMILAR THEREWITH TO PROMOTE BUYER'S MARKETING, ADVERTISING, SALE OR TRANSFER OF ANY ACCOUNT OR THE COLLECTION OR MANAGEMENT THEREOF;** provided, however, that nothing in this Agreement herein shall be deemed to preclude Buyer from disclosing to Debtors, credit reporting agencies or potential transferees of the Accounts that Accounts hereunder were acquired from Seller.

8.5 **Authority.** Buyer represents, warrants and certifies to Seller that it is authorized to enter into this Agreement, that it has complied with all laws, rules, regulations, charter provisions and bylaws or other governance documents to which it may be subject, and that the undersigned representative is authorized to act on behalf of and bind Buyer to the terms of this Agreement.

8.6 **Resale by Buyer.** Buyer represents, warrants and certifies to Seller that it shall remain liable to Seller for the performance of the duties and obligations of Buyer under this Agreement if Buyer resells any Accounts purchased hereunder to any subsequent buyer. Notwithstanding the aforementioned, if Buyer resells any Accounts purchased hereunder to any subsequent buyer, Buyer agrees to require said buyer to expressly assume the obligations of this Agreement as part of Buyer's contract with any subsequent buyer of Accounts. Buyer further agrees to attach this Agreement, with the Purchase Price redacted, as an exhibit to any contract with a subsequent buyer. Buyer shall notify Seller promptly of the identity of any subsequent buyer of Accounts each time Buyer resells Accounts to any subsequent buyer and each time any subsequent buyer resells Accounts.

8.7 **Enforceability.** Buyer represents, warrants and certifies to Seller that this Agreement and all of the obligations of Buyer hereunder are the legal, valid and binding obligations of Buyer, enforceable in accordance with the terms of this Agreement, except as such enforcement may be limited by bankruptcy, insolvency, reorganization or other similar laws affecting the enforcement of creditors' rights.

8.8 **Notification to Debtors.** Buyer represents, warrants and certifies to Seller that within sixty (60) days after an applicable Transfer Date, Buyer shall notify each Debtor under an Account that Buyer purchased such Account and shall direct Debtors to forward payments on the Account after the Closing Date to Buyer's place of business at the address set forth in Article XIII or such other place as Buyer may direct in writing.

8.9 **Notification to Credit Reporting Agencies.** Buyer represents, warrants and certifies to Seller that Buyer shall report to each credit bureau with which it regularly does business any change in the status of any Account, including, but not limited to, receipt of payments, settlement, satisfaction, or sale of the Account, within 90 days after such change in status. Buyer agrees that on or after the applicable Transfer Date, Buyer shall not file any report with any credit reporting agency using the account number assigned to the Account by Seller, except as may be required by a credit reporting agency for identification purposes only. Furthermore, Buyer represents and warrants that in the event it sells, assigns or transfers ownership of any Account purchased hereunder that it will report the sale of such Account to each credit reporting agency with which it regularly does business. If Buyer reports any information to a credit bureau, including, but not limited to, any information provided by Seller, Buyer warrants, represents and agrees that it will comply with all applicable federal, state, county and local laws, ordinances, codes and regulations, including, but not limited to the Fair Credit Reporting Act, in reporting such information. Seller shall report to each credit bureau with which it regularly does business the sale of the Accounts and may at its sole discretion, after the applicable Closing Date, delete its entry with said credit bureaus.

8.10 **Other Interests.** Buyer represents, warrants and certifies to Seller that to the best of Buyer's knowledge, none of Seller's employees have any personal interest, direct or indirect, in the Accounts sold hereunder.

8.11 **Insurance.** Buyer represents, warrants and certifies to Seller that Buyer shall maintain, at its own expense, throughout the term of this Agreement, the following levels of insurance coverage: (1) General liability insurance to cover bodily injury, property damage and personal injuries with limits of not less than \$1,000,000.00 per occurrence; (2) Errors and omissions insurance with a minimum of \$1,000,000.00 covering Buyer's managers and employees and other persons acting on its behalf with respect to the Accounts. Prior to the Initial Purchase, Buyer shall furnish Seller with insurance certificate(s) from its insurers indicating the amount of insurance coverage, the nature of such coverage and the expiration date of each applicable policy. In the event of any material change or cancellation of such policies, Buyer shall provide Seller at least thirty (30) days' prior written notice.

8.12 **Litigation.** Buyer represents, warrants and certifies to Seller that it shall advise Seller promptly, in reasonable detail, of (i) any litigation or proceeding affecting Buyer or any of its affiliates which may be likely to have a material adverse effect on the business, operations, properties, assets or financial condition of Buyer or (ii) any litigation affecting Buyer or any of its affiliates which arises out of or is related to any of Buyer's collection activities or alleges a violation of the Federal Consumer Credit Protection Act, the Fair Credit Reporting Act, the Federal Trade Commission Act, the Fair Debt Collection Practices Act, any state debt collection laws, any state consumer protection laws or any state fair trade practices law or (iii) any proceeding brought or litigation filed against Buyer or any of its affiliates which arises out of or is related to any of Buyer's collection activities by any attorney generals, state attorney or county attorney.

8.13 **Notice of Bankruptcies.** Buyer represents, warrants and certifies to Seller that whenever Seller forwards written notice to Buyer that any Debtor has filed for bankruptcy, Buyer shall, within one (1) Business Day, sign and return such written notice via facsimile to Seller acknowledging receipt of said notice. Any written notice regarding any bankruptcy filing shall be forwarded by Seller to Buyer via the transmittal form which is attached hereto as Exhibit F.

#### **ARTICLE IX**

#### **BUYER'S RIGHT TO REQUIRE A REFUND, CREDIT OR SUBSTITUTION**

9.1 **Uncollectible Accounts.** Buyer shall, within one hundred twenty (120) days from the applicable Closing Date notify Seller of each Uncollectible Account or Litigation Account which Buyer seeks to return to Seller and shall supply Seller with information satisfactory to Seller that same is an Uncollectible Account or Litigation Account. Buyer shall promptly deliver all Uncollectible Accounts and Litigation Accounts, together with all related Credit Files to Seller. Seller shall, at its election, either (i) refund to Buyer, on the terms and conditions set forth in this Paragraph, the amount paid for each Uncollectible Account or Litigation Account, (ii) substitute each Uncollectible Account or Litigation Account with an Account of equal or greater Unpaid Balance and with a similar or more recent charge-off date or (iii) deduct the Purchase Price paid by Buyer for such Uncollectible Account or Litigation Account from the Purchase Price to be paid by Buyer for Accounts purchased on a subsequent Closing Date. If Seller elects to refund the amount paid for an Uncollectible Account or Litigation Account, the refund Purchase Price shall

be computed by multiplying the multiplier defined in Paragraph 1.12 for the repurchased Account, times the Unpaid Balance of such Account. Seller shall substitute an Account, pay the refund Purchase Price or deduct the Purchase Price paid by Buyer for such Uncollectible Account or Litigation Account from the Purchase Price to be paid by Buyer for Accounts purchased on a subsequent Closing Date, within ninety (90) days from receipt of evidence satisfactory to Seller that same is an Uncollectible Account or a Litigation Account. Seller shall not be obligated to make payments, deduct the Purchase Price or substitute Accounts on an Account by Account basis, but may make its election on the aforementioned ninetieth (90th) day, or more frequently, at Seller's option.

**9.2 Transfer Following Refund, Credit or Substitution.** Buyer shall endorse and re-assign each Uncollectible Account or Litigation Account to Seller at the time of Buyer's receipt of a refund of its Purchase Price or a substitute Account, or the Closing Date on which Seller deducted the Purchase Price paid by Buyer for the Uncollectible Account or Litigation Account from the Purchase Price to be paid by Buyer for Accounts on a subsequent Closing Date. Upon endorsement and re-assignment to Seller, Buyer shall represent and warrant that, as of the date Buyer re-assigns the Uncollectible Account or Litigation Account, Buyer has good, valid and marketable title to the Uncollectible Account or Litigation Account, free and clear of all liens and encumbrances created or granted by Buyer, and that Buyer has full right and authority to re-assign its interest in the Uncollectible Account or Litigation Account. Buyer shall deliver to Seller (i) an executed written Bill of Sale and Reassignment in the form of Exhibit G, and (ii) a computer file, hard copy or microfiche list containing a true and complete list of all Uncollectible Accounts and Litigation Accounts which have been reassigned, identified by account number. The obligations of Seller to repurchase or substitute any Uncollectible Account or Litigation Account or deduct the Purchase Price paid by Buyer for an Uncollectible Account or Litigation Account from the Purchase Price to be paid by Buyer for any Accounts on a subsequent Closing Date shall constitute the sole remedy available to Buyer relating to such Uncollectible Account or Litigation Account.

**9.3 Payments Received by Buyer Prior to or Following Refund, Credit or Substitution.** Any payments on Uncollectible Accounts or Litigation Accounts received by Buyer either prior to or subsequent to Seller's repurchase or substitution of such Uncollectible Accounts or Litigation Accounts shall belong to Seller, and Buyer shall remit said payments to Seller at the time of substitution or repurchase but no later than thirty 30 days after receipt, with negotiable instruments endorsed by Buyer without recourse.

**ARTICLE X**  
**NO WARRANTIES OR REPRESENTATIONS EXPRESSED HEREIN**

**No Warranties. EXCEPT FOR THOSE EXPRESSED IN THIS AGREEMENT, NO WARRANTIES OR REPRESENTATIONS, EXPRESS OR IMPLIED, ARE OR HAVE BEEN MADE BY SELLER, OR ANYONE ACTING ON ITS BEHALF, PARTICULARLY, WITHOUT IN ANY WAY LIMITING THE GENERALITY OF THE FOREGOING, NO WARRANTIES OR REPRESENTATIONS REGARDING (i) THE COLLECTABILITY OF ANY ACCOUNT; (ii) THE CREDITWORTHINESS OF ANY DEBTOR; (iii) THE FORM OR SUFFICIENCY OF ANY ACCOUNT DOCUMENTATION; (iv) THE FORM OR SUFFICIENCY OF ANY COLLATERAL OF ANY TYPE WHICH SECURES THE REPAYMENT OF ANY ACCOUNT; (v) THE ENFORCEABILITY OF ACCOUNTS; OR (vi) THE VALIDITY OF ANY COLLATERAL**

DOCUMENT OR ITS RECORDATION. EXCEPT AS OTHERWISE PROVIDED IN THIS AGREEMENT, ALL ACCOUNTS SOLD TO BUYER UNDER THIS AGREEMENT ARE SOLD AND TRANSFERRED WITHOUT RECOURSE. EXCEPT AS SPECIFICALLY SET FORTH IN THIS AGREEMENT, BUYER ACKNOWLEDGES AND AGREES THAT SELLER HAS NOT MADE, DOES NOT MAKE AND SPECIFICALLY DISCLAIMS ANY REPRESENTATION, WARRANTY, PROMISE, COVENANT, AGREEMENT OR GUARANTEE OF ANY KIND OR CHARACTER WHATSOEVER, WHETHER EXPRESS OR IMPLIED, ORAL OR WRITTEN, PAST, PRESENT OR FUTURE, OF, AS TO, CONCERNING OR WITH RESPECT TO (A) THE NATURE, QUALITY OR CONDITION OF THE ACCOUNTS, (B) THE INCOME TO BE DERIVED FROM THE ACCOUNTS, (C) THE SUITABILITY OF THE ACCOUNTS FOR ANY AND ALL ACTIVITIES AND USES WHICH BUYER MAY INTEND, OR (D) ANY OTHER MATTER WITH RESPECT TO THE ACCOUNTS. THE BUYER FURTHER ACKNOWLEDGES AND AGREES THAT ANY INFORMATION PROVIDED OR TO BE PROVIDED WITH RESPECT TO THE ACCOUNTS WAS OBTAINED FROM A VARIETY OF SOURCES AND THAT SELLER HAS NOT MADE ANY INDEPENDENT INVESTIGATION OR VERIFICATION OF SUCH INFORMATION AND MAKES NO REPRESENTATIONS OR WARRANTIES AS TO THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION. EXCEPT AS SPECIFICALLY SET FORTH IN THIS AGREEMENT, BUYER FURTHER ACKNOWLEDGES AND AGREES THAT THE SALE OF THE ACCOUNTS AS PROVIDED HEREIN IS MADE ON AN "AS IS" CONDITION AND BASIS WITH ALL FAULTS.

**ARTICLE XI**  
**ACCOUNTS EXCLUDED FROM SALE OR SUBJECT TO REPURCHASE**

11.1 **Discretionary Exclusion and Repurchase.** Seller, in its sole discretion, may exclude from any sale of Accounts hereunder, prior to the applicable Closing Date or may require the reassignment of, at any time, after the applicable Closing Date: (a) any Account which is in litigation or subject to a bankruptcy proceeding, (b) any Account that forms the basis of a claim against any officer, director, employee, or agent of any Seller, (c) any Account that is subject to a written settlement agreement, (d) any Account, the receivables of which, as of the applicable Cut-off Date, had been sold to a trust, (e) any Account which, as of the applicable Closing Date, has either been re-aged by Seller, was in the process of being re-aged, was settled, or for which the Debtor has claimed, through a statement in writing, that Debtor did not open the Account or that the Account was fraudulently used; (f) any account which as of the applicable Cut-off Date, does not meet the definition of an Account or (g) any Account which has been sold by Seller in error. Buyer shall promptly deliver all re-assigned Accounts (including any account pursuant to (f) above), together with all related Credit Files to Seller upon request. Seller shall, at its election, either (i) refund to Buyer, on the terms and conditions set forth in this Paragraph, the amount paid for each re-assigned Account, (ii) substitute each re-assigned Account with an Account of equal or greater Unpaid Balance and with a similar or more recent charge-off date or (iii) deduct the Purchase Price paid by Buyer for a re-assigned Account from the Purchase Price to be paid by Buyer for Accounts purchased on a subsequent Closing Date. If Seller elects to refund the amount paid for a re-assigned Account, the refund Purchase Price shall be computed by multiplying the multiplier defined in Paragraph 1.12 for the re-assigned Account, times the Unpaid Balance of such re-assigned Account. Seller shall substitute an Account, refund the Purchase Price of a re-assigned Account or deduct the Purchase Price paid by Buyer for a re-assigned Account from the Purchase Price to be paid by Buyer for Accounts

purchased on a subsequent Closing Date within ninety (90) days from receipt of the re-assigned Account. Seller shall not be obligated to refund or deduct the Purchase Price for re-assigned Accounts or substitute re-assigned Accounts on an Account by Account basis, but may make its election on the aforementioned ninetieth (90th) day, or more frequently, at Seller's option.

**11.2 Buyer's Duty to Purchase Not Affected.** Seller's exclusion, repurchase or substitution of one or more Accounts shall not affect Buyer's duty to purchase the remaining Accounts on the terms and conditions set forth in this Agreement.

**11.3 Transfer Following Repurchase.** Upon substitution or the repurchase of a re-assigned Account, Buyer shall endorse and re-assign the Account to Seller, and, upon endorsement and reassignment, Buyer shall represent and warrant that, as of the date Buyer re-assigns the Account, Buyer has good, valid and marketable title to the Account, free and clear of all liens and encumbrances created or granted by Buyer, and that Buyer has full right and authority to re-assign its interest in such Account. Buyer shall deliver to Seller (i) an executed written Bill of Sale and Reassignment in the form of Exhibit G, and (ii) a computer file, hard copy or microfiche list containing a true and complete list of all Accounts which have been reassigned, identified by Account number. The obligations of Seller to repurchase or substitute any re-assigned Account or deduct the Purchase Price paid by Buyer for a re-assigned Account from the Purchase Price to be paid by Buyer for any Accounts on a subsequent Closing Date shall constitute the sole remedy available to Buyer relating to such re-assigned Account.

**11.4 Payments Received by Buyer Prior to or Following Repurchase.** Any payments on re-assigned Accounts received by Buyer prior to or subsequent to re-assignment shall belong to Seller. Buyer shall remit such payments to Seller at the time of substitution or re-assignment, or no later than thirty (30) days after receipt, with negotiable instruments endorsed by Buyer without recourse.

## **ARTICLE XII** **RELEASE AND INDEMNIFICATION**

**12.1 Buyer's Release of Claim.** Buyer hereby releases and forever discharges Seller, its agents, directors, officers, employees, shareholders, successors, assigns, and affiliates (all such related persons herein collectively called the "Related Persons") of any cause of action, claim, demand, and remedy of any kind that Buyer now has, or may in the future have, against Seller, and/or any Related Persons, in any manner on account of, arising out of, or related to the Accounts purchased hereunder; except with respect to the acts or omissions of Seller and/or any Related Persons relating to the Accounts prior to the applicable Closing Date, or with respect to Seller's breach of its obligations, representations and warranties hereunder.

**12.2 Buyer's Indemnification.** Buyer agrees to indemnify, hold harmless, and defend Seller, any/or and all Related Persons (Seller and each Related Persons herein called an "Indemnified Party"), from any losses, causes of action, liabilities, claims, demands, obligations, damages, costs or expenses, including reasonable attorneys' and accountants' fees, to which the Indemnified Party may become subject under any laws, statutes, rules, or regulations, or otherwise, of any federal, state, local, governmental, or quasi-governmental entity or authority having jurisdiction, on account of, arising out of, or related to, any acts, omissions, conduct, misrepresentations, or activities of Buyer, (including, but not limited to any acts or omissions by

Buyer resulting in any assertion that Seller, subsequent to the Closing Date, was in anyway involved in, or had in any way authorized, any unlawful collection practices in connection with any of the Accounts), or any of Buyer's officers, directors, employees, agents, servants, shareholders, successors, or assigns, on account of, arising out of, or related to (1) this Agreement, (2) any Accounts purchased under this Agreement or (3) any breach by Buyer of its representations and warranties under this Agreement.

**12.3 Seller's Indemnification.** Seller hereby agrees to indemnify, hold harmless, and defend Buyer, (herein called the "Indemnified Party"), from any losses, causes of action, liabilities, claims, demands, obligations, damages, costs and expenses, including reasonable attorneys' and accountants' fees, to which the Indemnified Party may become subject under any law, statute, rule, or regulation, or otherwise of any federal, state, local, governmental, or quasi-governmental entity or authority having jurisdiction, on account of, arising out of, or related to, any acts, omissions, conduct, misrepresentations, or activities of Seller prior to any applicable Closing Date, or any of Seller's officers, directors, employees, agents, servants, shareholders, successors, or assigns, on account of, arising out of, or related to (1) this Agreement, (2) any Accounts purchased under this Agreement or (3) any breach by Seller of its representations and warranties under this Agreement.

**12.4 Notice of Claim.** Promptly after receipt by the Indemnified Party under Paragraph 12.2 or 12.3 above of notice of the commencement of any action to which Paragraph 12.2 or 12.3 shall apply, the Indemnified Party shall notify the other party in writing; but the failure to notify such party shall not relieve that party from any liability that party may have to the Indemnified Party, except to the extent that such party is prejudiced by the failure of notification. Such Buyer or Seller, as the case may be shall be entitled to participate in such action and, to the extent that such party may wish to assume the defense of the action, with counsel selected by that party and approved by the Indemnified Party. If Buyer or Seller, as the case may be, assumes the defense of any action, that party shall not be liable to the Indemnified Party under this Article for any additional legal and other expenses subsequently incurred by the Indemnified Party in connection with the defense of such action.

**12.5 Indemnified Party's Own Counsel.** Notwithstanding any other provision of this Article XII, if, in any action or claim as to which indemnity may be available, the Indemnified Party reasonably determines that its interests may be adverse, in whole or in part, to the interests of the other party or that there may be legal defenses available to the Indemnified Party that are different from the defenses available to the other party, the Indemnified Party may retain its own counsel in connection with such action or claim and shall be indemnified by the other party for any legal and other expenses reasonably incurred in connection with investigating or defending such action or claim. In no event, however, shall either party be liable for the fees and expenses of more than one counsel for all parties in connection with any one action or in connection with separate but similar or related actions in the same jurisdiction arising out of the same general allegations.

**12.6 Settlement.** Neither party shall be liable for any settlement of any such action effected without its express written consent, but if any such action is settled with the express written consent of all parties or if there is a final judgment for a plaintiff in any such action, Buyer or Seller, as the case may be, shall indemnify, hold harmless, and defend the Indemnified Party from any loss or liability by reason of such settlement or judgment in the manner described in

Paragraph 12.2 or 12.3 above. Notwithstanding anything in this Agreement to the contrary, if Seller settles any litigation (with or without the Buyer's consent) involving an assertion that Seller was in any way involved in unlawful collection practices in connection with any Account and such settlement permits or requires Seller to compensate a plaintiff by crediting all or a portion of the Unpaid Balance on the plaintiff's Account, Buyer shall be obligated to credit such Account as instructed by Seller in accordance with the terms of the settlement agreement in the litigation and Seller shall reimburse Buyer for the dollar amount by which Buyer credited the Unpaid Balance on the Account, multiplied by the multiplier defined in Paragraph 1.12. To the extent any Account affected by such a settlement is the subject of additional pending litigation filed by Buyer or of a judgment entered by a court in favor of Buyer, it shall be Buyer's sole responsibility to amend the relevant pleadings or judgment to reflect the dollar amount by which the Account has been credited. Buyer agrees that, to the extent it credits the Unpaid Balance on an Account at Seller's instructions in accordance with the terms of a settlement agreement related to the litigation, Buyer has no remedy from Seller other than Seller's payment to Buyer of the dollar amount by which the Unpaid Balance of the Account was credited, multiplied by the multiplier defined in Paragraph 1.12. In addition, Seller is under no obligation to repurchase or replace any Account which is subject to a credit pursuant to the terms of this Paragraph.

**ARTICLE XIII**  
**MISCELLANEOUS**

13.1 **Notices.** Any notices, requests, demands, or other communications between the parties shall be in writing and deemed given when received, whether hand-delivered or sent by certified or registered mail, postage prepaid, return receipt requested, or by facsimile to such party at its address set forth below or at such other address as such party shall hereafter furnish in writing:

**BUYER:**

New Vision Financial, LLC  
c/o Enhanced Asset Management  
13 Triangle Park Drive, Suite 1302  
Cincinnati, OH 45246  
Attention: John Schanck

**SELLER:**

Discover Bank  
12 Read's Way  
New Castle, Delaware 19720  
Attention: Kathy Roberts, President

**COPY TO:**

Discover Financial Services, Inc.  
2500 Lake Cook Road  
Riverwoods, Illinois 60015  
Attention: Wayne Johnson, National Director, Collections

Discover Financial Services, Inc.  
3311 Mill Meadow Drive  
Hillard, Ohio 43026  
Attention: Robert Deter, Placement Manager, National Recovery

13.2 **Assignment; Binding Effect.** This Agreement shall be binding upon, and shall inure to the benefit of, the undersigned parties and their respective heirs, executors, administrators, representatives, successors and assigns. Neither party may assign this Agreement or any of its rights in this Agreement without the other's prior written consent, except as provided in Paragraph 8.6. Notwithstanding anything in this Agreement to the contrary, Seller's duties and obligations under this Agreement shall not inure to the benefit of any transferee of Accounts without the prior written consent of Seller.

13.3 **Severability.** If any provision of this Agreement shall be determined to be invalid or unenforceable, the remaining provisions of this Agreement shall not be affected, and every provision of this Agreement shall remain in full force and effect and enforceable to the fullest extent permitted by law.

13.4 **Headings.** The headings appearing in this Agreement are inserted only as a matter of convenience and in no way define, limit, construe or describe the scope or intent of any Article or Paragraph of this Agreement.

13.5 **Survival.** Except as otherwise provided in this Agreement, Seller and Buyer agree that the covenants, warranties, and representations contained herein shall survive this Agreement.

13.6 **Waiver.** Neither parties' waiver of the other party's breach of any term, covenant or condition contained in this Agreement shall be deemed to be a waiver of any subsequent breach of the same or any other term, covenant or condition in this Agreement.

13.7 **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.

13.8 **Governing Law.** This Agreement shall be governed by and construed in accordance with all applicable federal laws and regulations, and, to the extent applicable, the laws of the State of Delaware.

13.9 **Entire Agreement; Modification.** This Agreement constitutes the entire agreement of the parties, superseding all other and prior agreements and understandings between the parties relating to the subject matter of this Agreement. If there is any inconsistency between the terms of this Agreement and any information incorporated herein by reference, the terms of this Agreement shall govern. There are no promises or other agreements, oral or written, express or implied, between the parties other than as set forth in this Agreement. No change or modification of, or waiver under, this Agreement shall be valid unless it is in writing and signed by duly authorized representatives of Seller and Buyer.

**13.10 Confidentiality.** Buyer acknowledges that any non-public information of the Seller, including Seller's respective affiliates, which has or will come into the possession or knowledge of the Buyer in connection with this Agreement or the performance hereof, is considered confidential and proprietary information ("Confidential Information"). Confidential Information shall not include information in the public domain, information known to the Buyer prior to commencement of any discussions in contemplation of this Agreement, information lawfully obtained from a third party by Buyer or information relating to Accounts after the sale of such Accounts to Buyer hereunder, provided however, Buyer agrees to comply with all confidentiality obligations of the cardmember agreements applicable to the Accounts. Buyer agrees Confidential Information will be used solely in connection with the performance of the terms and conditions hereunder and will not be disclosed to any third party or to any of the Buyer's affiliates, directors, officers, employees, agents or advisors, except those with a "need to know." Any such disclosure to a third party shall be made only upon receipt of a written confidentiality agreement from such third party substantially as comprehensive in terms as those contained herein. Buyer shall take all reasonable steps to preserve and protect the Confidential Information of the Seller. All Confidential Information and any copies thereof, shall be returned to the Seller upon request or upon termination or expiration of this Agreement. Buyer shall cause its affiliates, directors, officers, employees, agents and advisors to keep confidential the Confidential Information, the existence of this Agreement and the nature of the parties' obligations hereunder. Buyer agrees that if it violates the provisions of this Paragraph, Seller may immediately terminate this Agreement, and in addition to any other rights and remedies Seller may have, Seller shall be entitled to injunctive or other equitable or legal relief preventing Buyer and Buyer's affiliates, directors, officers, employees, agents and advisors from continuing such violation.

**13.11 Facsimile Signatures.** All signatures to this Agreement may be delivered by facsimile and such facsimile signatures shall be binding and shall have the full force and effect of original signatures.

**13.12 Seller's Termination.** This Agreement may be terminated by Seller at any time and shall be of no further force and effect upon the occurrence of the following: (i) Buyer's breach or default in the performance of any covenant, agreement, representation or warranty hereunder; (ii) Buyer becomes insolvent or generally fails to pay, or admits in writing its inability to pay, its debts as they become due; or Buyer applies for, consents to, or acquiesces in the appointment of, a trustee, receiver or other custodian for the Buyer or any property thereof, or makes a general assignment for the benefit of creditors; or in the absence of such application, consent or acquiescence, a trustee, receiver or other custodian is appointed for the Buyer or for a substantial part of its property and is not discharged within thirty (30) days; or any bankruptcy, reorganization, debt arrangement, or other case or proceeding under any bankruptcy or insolvency law, or any dissolution, liquidation, or similar proceeding, is commenced by the Buyer, it is consented to or acquiesced in by the Buyer or remains undismissed for thirty (30) days; or the Buyer takes any corporate action to authorize, or in furtherance of, any of the foregoing; or (iii) Seller reasonably determines that the continued sale of Accounts to Buyer is likely to adversely affect Seller's public image.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the Effective Date.

NEW VISION FINANCIAL, LLC  
By: [Signature]  
Title: MNG. DIRECTOR

DISCOVER BANK  
By: \_\_\_\_\_  
Title: \_\_\_\_\_

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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the Effective Date.

NEW VISION FINANCIAL, LLC

DISCOVER BANK

By: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

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insolvency law, or any dissolution, liquidation, or similar proceeding, is commenced by the Buyer, it is consented to or acquiesced in by the Buyer or remains undismissed for thirty (30) days; or the Buyer takes any corporate action to authorize, or in furtherance of, any of the foregoing; or (iii) Seller reasonably determines that the continued sale of Accounts to Buyer is likely to adversely affect Seller's public image.

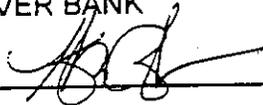
IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the Effective Date.

NEW VISION FINANCIAL, LLC

By: \_\_\_\_\_

Title: \_\_\_\_\_

DISCOVER BANK

By:  \_\_\_\_\_

Title: PRESIDENT \_\_\_\_\_

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**EXHIBIT A**

**DATA FIELDS**

Account Number

Cardmember 1 Last Name  
Cardmember 1 First Name  
Cardmember 2 Last Name  
Cardmember 2 First Name

Address 1  
Address 2  
City  
State  
Zip Code

Work Phone  
Home Phone

Social Security Number 1  
Social Security Number 2

Line of Credit  
Cycle Code  
Open Date

Cycle 1 Delinquent  
Cycle 2 Delinquent  
Cycle 3 Delinquent  
Current Balance  
Payment History  
Last Payment Date  
Amount of Last Payment  
Days Delinquent

Credit Bureau Flag

Last Monetary Date  
Last Monetary Type

First Delinquency Date

Charge-off Date

**EXHIBIT B**

**BILL OF SALE**

Discover Bank ("Seller"), for value received, and pursuant to the terms and conditions of the Credit Card Accounts Sale Agreement with an Effective Date of January 5, 2001 (the "Agreement") between Seller and New Vision Financial, LLC ("Buyer"), transfers, sells, assigns, conveys, grants and delivers to Buyer, its successors and assigns all of the Seller's right, title and interest in and to (i) the Seller's unsecured credit card accounts (including any receivables thereunder), established pursuant to the cardmember agreements between Seller and the obligors liable for the performance of the unsecured credit card accounts (the "Sold Accounts"), which are described on the Account Schedule (defined in the Agreement) and furnished by the Seller to Buyer in connection herewith, and (ii) all proceeds of such Sold Accounts after the Cut-off Date (defined in the Agreement), except that the term "Sold Account" shall not include any accounts, the receivables of which have been transferred to the Trust pursuant to the Pooling and Servicing Agreement, dated as of October 1, 1993, between Greenwood Trust Company, (n/k/a Discover Bank), as Master Servicer, Servicer and Seller, and U.S. Bank National Association (formerly First Bank National Association, successor trustee to Bank of America Illinois, formerly Continental Bank, National Association), as trustee, as amended from time to time (the "Pooling and Servicing Agreement"), which accounts are identified on the computer records of Seller with a 42 in the field captioned "CHD-Portfolio-No.", except for accounts that (i) have become "Charged-off Accounts" (as defined in the Pooling and Servicing Agreement), (ii) are listed as accounts, the receivables under which are being sold by the Trustee, on behalf of the Trust, and the account relationship of which is being sold by Seller under the Agreement, and (iii) which will have the 42 in the field captioned "CHD-Portfolio-No." removed within three (3) business days of the applicable Transfer Date, as defined in the Agreement,

This Bill of Sale is executed without recourse and without representation of or warranty of title, collectability, or otherwise, express or implied, except as set forth in the Agreement.

Executed as of the \_\_\_\_ day of \_\_\_\_\_, 2001.

DISCOVER BANK

By: 

Name: K. M. Roberts

Title: PRESIDENT

EXHIBIT C  
AFFIDAVIT OF CLAIM

STATE OF \_\_\_\_\_ )

COUNTY OF \_\_\_\_\_ )

The undersigned, \_\_\_\_\_, being duly sworn, hereby states and attests that (s)he is \_\_\_\_\_ of Discover Financial Services, Inc.

And that the annexed statement of the Account of: \_\_\_\_\_ DEBTOR)  
(NAME OF

is to the best of my knowledge, true and correct; that as of (CLOSING DATE), the SUM OF \_\_\_\_\_ Dollars was due Discover Bank, an affiliate of Discover Financial Services, Inc., no part thereof has been paid or satisfied and there are no defenses or credits thereto; and pursuant to the terms and conditions of the Credit Card Accounts Sale Agreement between Discover Bank and \_\_\_\_\_ dated \_\_\_\_\_, all right, title and interest in and to the aforementioned Accounts and sums due thereto, were transferred by Discover Bank and to \_\_\_\_\_.

WITNESS MY HAND AND SEAL THIS \_\_\_\_\_ day of \_\_\_\_\_, 2001.

\_\_\_\_\_  
(SIGNED)

Sworn and Subscribed to me this \_\_\_\_\_ day of \_\_\_\_\_, 2001.

\_\_\_\_\_  
Notary Public



EXHIBIT D-1

APPLICATION REQUESTS FOR _____ SALE DATE	
(requests should be for one sale date only)	
REQ #	ACCOUNT #
1	
2	
3	
4	
5	
6	
7	
8	
9	
10	
11	
12	
13	
14	
15	
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33	
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EXHIBIT D-2

STATEMENT REQUESTS FOR _____ SALE DATE	
(requests should be for one sale date only)	
REQ #	ACCOUNT #
1	
2	
3	
4	
5	
6	
7	
8	
9	
10	
11	
12	
13	
14	
15	
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33	
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EXHIBIT D-3

AFFIDAVIT REQUESTS FOR _____ SALE DATE	
(requests should be for one sale date only)	
REQ #	ACCOUNT #
1	
2	
3	
4	
5	
6	
7	
8	
9	
10	
11	
12	
13	
14	
15	
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**EXHIBIT E**

EXHIBIT F

DISCOVER FINANCIAL SERVICES, INC.  
P.O. BOX 8003  
HILLIARD, OH 43026

BUYERS NAME  
(Buyer's Fax #)

DATE \_\_\_\_\_

BANKRUPTCY ACCOUNTS CEASE CONTACT NOTICE

ATTENTION:

Attached find a list of Account numbers we have received bankruptcy information on. Please cease all contact with these cardmembers. The Accounts are listed after prefix 6011.

Please sign and return *this form where indicated, and initial all pages listing Account numbers.*  
Please return all copies **within 24 hours** via fax.

Fax to the attention of D/C Liaison's Name, Sale of Accounts at 614-777-7059.

All bankruptcy notices received will be sent regular mail.

Sincerely,

D/C Liaison's Name  
Account manager  
(614) 850 - XXXX

BY SIGNING THIS FORM, I AM CONFIRMING I HAVE RECEIVED NOTIFICATION OF BANKRUPTCY FILING ON THE ATTACHED ACCOUNTS.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

EXHIBIT G

[BUYER'S LETTERHEAD]

BILL OF SALE AND REASSIGNMENT

\_\_\_\_\_ (the "Original Buyer"), for value received, without recourse and without representations or warranties of any type, kind, character or nature, express or implied, except as mentioned in the Credit Card Accounts Sale Agreement dated as of \_\_\_\_\_, 2001 between Discover Bank ("Discover ") and the Original Buyer (the "Agreement"), to the extent permitted by applicable law, transfers, sells, assigns, sets-over, quitclaims, conveys, grants and delivers to Discover , its successors and assigns, all right, title and interest in and to the account relationships for each of the unsecured credit card accounts (including any receivables thereunder) established pursuant to the cardmember agreements between Discover and the obligors liable for the performance of the unsecured credit card accounts, owned by the Original Buyer and listed on the Account Schedule to this Bill of Sale and Reassignment (the "Sold Accounts"), all judgments obtained in connection with any Sold Account, and all proceeds derived from the conversion of any of the account relationships for the Sold Accounts into cash or other liquidation property after the close of business on \_\_\_\_\_, together with the right to collect all principal, interest or other proceeds of any kind with respect to the Sold Accounts remaining due and owing as of the date hereof; (ii) all judgments obtained in connection with any Sold Accounts, and (iii) all proceeds derived from the conversion of any of the Sold Accounts into cash or other liquidated property of such Sold Accounts after the close of business on \_\_\_\_\_, \_\_\_\_\_. The Account Schedule to the Agreement shall be deemed to be amended to exclude the Sold Accounts listed on the Account Schedule to this Bill of Sale and Reassignment.

Capitalized terms not otherwise defined herein have the meanings given to them in the Agreement.

Dated: \_\_\_\_\_

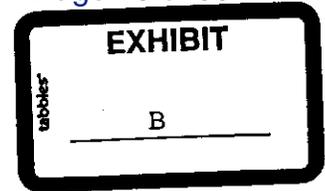
\_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**DISCOVER**  
FINANCIAL SERVICES



P.O. Box 8003  
Hilliard, OH 43026-8003

July 10, 2002

New Vision Financial, LLC  
3875 Johns Creek Pkwy., Suite A  
Suwanee, GA 30024  
Attention: Mr. Fred Howard, Managing Director

**Re: The Credit Card Accounts Sale Agreement between New Vision Financial, LLC ("Buyer") and Discover Bank ("Seller"), effective date January 5, 2001, as amended (the "Agreement").**

Dear Mr. Howard:

This Letter Amendment shall modify the Agreement, effective, August 1, 2002, as follows:

1. Paragraph 2.1 of the Agreement is modified, superceded and replaced as follows:

Seller agrees to sell and Buyer agrees to buy all of Seller's right, title, and interest in and to the Accounts, which Seller identifies during each month through March 2003, subject to the terms and conditions set forth in this Agreement. This Agreement shall automatically renew for a one (1) year period, through March 2004, unless terminated by either party upon sixty (60) days written notice to the other party prior to March 31, 2003. The aggregate Unpaid Balance of the Accounts to be sold each month shall not more than fifteen million dollars (\$15,000,000.00). Notwithstanding the foregoing, in the event Seller desires to sell Accounts with an aggregate Unpaid Balance of more than fifteen million dollars (\$15,000,000.00) in any month, Buyer may elect to purchase such additional Accounts by delivering its written consent to Seller prior to the Closing Date in any such month.

2. Paragraph 1.12 of the Agreement is modified, superceded and replaced as follows:

"Purchase Price" means (i).0685 times the Unpaid Balance with respect to each Account.

3. Notice to Buyer under Paragraph 13.1 of the Agreement shall be modified, superceded and replaced as follows:

BUYER:

New Vision Financial, LLC  
3875 Johns Creek Pkwy., Suite A  
Suwanee, GA 30024  
Attention: Mr. Fred Howard, Managing Director

4. Seller agrees to refund to Buyer the Purchase Price paid for each Account repurchased under Articles IX and XI of the Agreement on the terms and conditions set forth in the Agreement. 5. Except as otherwise defined hereunder, all capitalized terms herein are as defined in the Agreement. Except as amended hereby, the Agreement shall be and remain unchanged and in full force and effect in accordance with its terms.

6. This Letter Amendment may be executed in counterparts, each of which shall be deemed an original, but all of which, when taken together shall constitute one and the same instrument. To facilitate the execution of this Letter Amendment, the parties may execute and exchange by facsimile counterparts of the signature pages, with each facsimile being deemed an "original" for all purposes.

I trust the aforementioned is consistent with our understanding. Would you kindly have an authorized representative of Buyer sign two copies of this Letter Amendment. Please return them to me for execution by Discover Bank. I will then forward a fully executed copy to you for your files. If you have any questions or would like to discuss this matter further, please feel free to contact me.

Sincerely,

  
Robert Deter  
Sr. Department Manager, National Recovery  
Discover Financial Services, Inc.  
Servicing Agent for Discover Bank

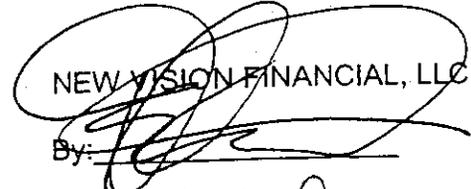
Buyer and Seller acknowledge and agree to the terms of this Letter Amendment.

DISCOVER BANK

By: 

Title: IT

NEW VISION FINANCIAL, LLC

By: 

Title: MANG. DIRECTOR

DISCOVER FINANCIAL SERVICES

February 8, 2002

New Vision Financial, LLC  
c/o Enhanced Asset Management  
13 Triangle Park Drive, Suite 1302  
Cincinnati, OH 45246  
Attention: John Schanck

Re: The Credit Card Accounts Sale Agreement is made and entered into between New Vision Financial, LLC ("Buyer") and Discover Bank ("Seller") with an effective date of January 5, 2001, as amended (the "Agreement").

Dear Mr. Schanck:

This Letter Amendment modifies the Agreement for the January, 2002 sale of Accounts. Seller and Buyer agree that the aggregate Unpaid Balance of the Accounts sold in January, 2002 shall not be more than fifteen million dollars (\$15,000,000.00) for a Purchase Price of .070 times the Unpaid Balance with respect to each Account sold.

Except as otherwise defined hereunder, all capitalized terms herein are as defined in the Agreement. Except as amended hereby, the Agreement shall be and remain unchanged and in full force and effect in accordance with its terms.

This Letter Amendment may be executed in counterparts each of which shall be deemed an original, but all of which, when taken together shall constitute one and the same instrument. To facilitate the execution of this Letter Amendment, the parties may execute and exchange by facsimile counterparts of the signature pages, with each facsimile being deemed an "original" for all purposes.

I trust the aforementioned is consistent with our understanding. Would you kindly have an authorized representative of Buyer sign two copies of this Letter Amendment. Please return them to me for execution by Discover Bank. I will then forward a fully executed copy to you for your files. If you have any questions or would like to discuss this matter further, please feel free to contact me.

Sincerely,

Robert Deter  
Sr. Department Manager, National Recovery  
Discover Financial Services, Inc.  
Servicing Agent for Discover Bank

Buyer and Seller acknowledge and agree to the terms of this Letter Amendment.

DISCOVER BANK

By: *Michael J. Ruckert*  
Title: VP

NEW VISION FINANCIAL, LLC

By: *[Signature]*  
Title: MNG. DIRECTOR

OCTOCT 18 '01 11:45AM DISCOVER BANK ADMIN  
ST 17 2001 4:07PM NEW VISION 7704769883

Date: October 1, 2001

New Vision Financial, LLC  
c/o Enhanced Asset Management  
13 Triangle Park Drive, Suite 1302  
Cincinnati, OH 45246  
Attention: Fred Howard  
Copy to: John Schanck

Re: The Credit Card Accounts Sale Agreement (the "Agreement") is made and entered into between New Vision Financial, LLC ("Buyer") and Discover Bank ("Seller") with an effective date of January 5, 2001.

Dear Mr. Howard:

Pursuant to our recent discussions, effective, September 1, 2001, this letter amendment shall modify the Agreement as follows:

- 1) Paragraph 2.1 of the Agreement is hereby modified, superceded and replaced as follows:

Seller agrees to sell and Buyer agrees to buy all of Seller's right, title, and interest in and to the Accounts, which Seller identifies during each month through December 2002, subject to the terms and conditions set forth in this Agreement. This Agreement shall automatically renew for a one (1) year period, through December 2003, unless terminated by either party upon sixty - (60) - days written notice to the other party prior to December 31, 2002. The aggregate Unpaid Balance of the Accounts to be sold in any month through December 2001 shall not be less than fourteen million dollars (\$14,000,000.00) and not more than sixteen million dollars (\$16,000,000.00). The aggregate Unpaid Balance of the Accounts to be sold in any month after December 2001 through December 2002 shall not be less than nine million dollars (\$9,000,000.00) and not more than eleven million dollars (\$11,000,000.00). Prior to November 30, 2001 and upon Buyer requests, Buyer and Seller shall increase the maximum aggregate Unpaid Balance of the aforementioned amounts and renegotiate a lower Purchase Price as outlined in Paragraph 1.12, subject mutual agreement of the parties. Notwithstanding the aforementioned, in the event Seller desires to sell Accounts with an aggregate Unpaid Balances of more than the aforementioned maximums amounts in any month, Buyer may elect to purchase such additional Accounts by delivering its written consent to Seller prior to the Closing Date in any

such month.

2. Paragraph 1.12 of the Agreement is hereby modified, superceded and replaced as follows:

"Purchase Price" means .0875 times the Unpaid Balance with respect to each Account sold through December 2001 and .0860 times the Unpaid Balance with respect to each Account sold after December 2001.

3. The following sentence shall be added to the end of Paragraph 13.12:

Seller may terminate this Agreement at any time, without cause, by providing Buyer ninety - (90) - days prior written notice.

4. All capitalized terms herein are as defined in the Agreement. Except as amended hereby, the Agreement shall be and remain unchanged and in full force and effect in accordance with its terms.

5. This letter amendment may be executed in counterparts each of which shall be deemed an original, but all of which, when taken together shall constitute one and the same instrument. To facilitate the execution of this letter amendment, the parties may execute and exchange by facsimile counterparts of the signature pages, with each facsimile being deemed an "original" for all purposes.

Buyer and Seller have caused this letter amendment to be duly executed as of the date written above.

DISCOVER BANK

By: [Signature]

Title: PRESIDENT

NEW VISION FINANCIAL, LLC

By: [Signature]

Title: MANAGING DIRECTOR