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**UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA**

DAVID ABEL, On Behalf of Himself
and All Others Similarly Situated,

Plaintiff,

vs.

CITIBANK, N.A.,

Defendant.

CLASS ACTION COMPLAINT

DEMAND FOR JURY TRIAL

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1 Upon information and belief, Plaintiff David Abel (“Plaintiff”) brings this
2 action on behalf of himself and all others similarly situated against Defendant
3 Citibank, N.A. (“Citi” or “Defendant”) and states:
4

5 INTRODUCTION

6 1. In recent years, the prevalence of mobile electronic payment
7 applications (“MEP Apps”) such as Venmo, PayPal, and Cash App has
8 dramatically increased and spawned a nascent era of new methods to pay for goods
9 and services. As consumers and businesses have been drawn to these new MEP
10 Apps, the popularity and usage of these platforms have markedly increased over
11 the last few years.
12

13
14 2. Upon consumer registration with these MEP Apps and confirmation
15 of identification, end user consumers of these MEP apps (“mobile payors”) are
16 presented with various options to fund mobile payments to peers as well as
17 entrepreneurs, businesses, contractors, and the like for the purchase of goods and
18 services. These mobile payment methods generally include any available balance
19 in the mobile payor’s Venmo or PayPal account as well as a link to a funding
20 source as selected by the mobile payor. MEP app funding sources generally
21 include checking or savings accounts, a debit card, and major consumer credit
22 cards such as Visa or MasterCard.
23
24

25
26 3. When mobile payors elect the option to utilize a personal credit card
27 to fund a mobile payment through a MEP App, a modest transaction fee of
28

1 approximately 3% is imposed by the MEP App on mobile payors for processing a
2 mobile payment with a consumer credit card. This transaction fee is consistently
3 disclosed by the MEP Apps prior to confirming the mobile electronic purchase as a
4 condition for using a credit card to fund the mobile electronic payment. These
5 transaction fees imposed by MEP Apps are not contested by Plaintiff and the
6 putative class of mobile payors.
7

8
9 4. Citi is one of the largest issuers of credit cards with nearly \$400
10 billion in purchase volume in 2020. Citi generally directs credit card transactions
11 made with a Citi consumer credit card into one of three categories -- standard
12 purchases, balance transfers, and cash advances. Citi's categorization of its credit
13 card transactions is critical as it directly impacts the cost of credit borne by the
14 consumer including, but not limited to, the interest rate applicable to the
15 transaction, the applicability of an interest free grace period, and whether a
16 transaction fee (such as a cash advance fee) will be incurred by the consumer.
17

18
19 5. Until recently, Citi processed MEP app transactions funded by a Citi
20 credit card as standard purchase transactions. Citi defines "purchases" (herein
21 referenced as "standard purchases") as buying goods and/or services with a Citi
22 consumer credit card as more fully defined below. Standard purchase transactions
23 are subject to Citi's standard purchase interest rates and interest-free grace periods
24 ("grace period on purchases") and do not incur a transaction fee, as disclosed in
25
26
27
28

1 Defendant's consumer credit card agreements ("Card Agreement"). Exhibit A, pgs.
2 1, 3

3 6. Starting sometime in early 2020, without warning or advance notice to
4 its consumers, Citibank began to re-classify purchase transactions made through
5 MEP Apps funded with Citibank consumer credit cards as cash advances.¹ Unlike
6 standard purchase transactions, cash advance transactions incur a fee on each such
7 transaction, are subject to higher interest rates, and have interest calculated from
8 the date of purchase without any grace period. Exhibit A, pgs. 1, 3

9
10
11 7. A cash advance fee is "Any fee imposed for an extension of credit in
12 the form of cash or its equivalent." 12 C.F.R. § 1026.6(b)(2)(vii).

13
14 8. According to its Card Agreement, Citi charges cash advance fees to
15 transactions it categorizes as cash advances, such as cash withdrawals from ATMs
16 where a credit card is used to make the withdrawal. Citi also charges cash advance
17 fees on "cash-like transactions" such as purchase of casino gaming chips, money
18 orders, wire transfers, traveler's checks, lottery tickets, and other similar
19 transactions as set forth in the Citi Card Agreement. Exhibit A, pgs. 1, 3

20
21
22 9. Unlike a standard purchase, there is no interest-free grace period
23 applicable to cash advances and thus, interest accrues immediately from the time of
24

25
26
27 ¹ Carrns, Ann; *Beware the Fees That Come With Some Money Transfers on Apps*; New York Times,
28 April 24, 2020 (updated Nov. 6, 2020); <https://www.nytimes.com/2020/04/24/your-money/fees-mobile-app-payments.html> (last checked May 7, 2021)

1 the transaction. Cash advances can also incur a higher applicable “Cash Advance
2 APR” interest rate as compared to “Purchase APR” interest rates or other
3 introductory promotional interest rates applied to a standard purchase.
4

5 10. MEP App purchase transactions funded by a Citi consumer credit card
6 had been previously coded and processed as standard purchases subject to the
7 comparatively lower “Purchase APR” and introductory interest rates. These
8 standard purchase transactions did not incur a cash advance transaction fee and
9 qualified for an interest free grace period under the terms of the Citi Card
10 Agreement. Without warning, MEP App transactions processed by Citi morphed
11 from standard purchase transactions into cash advances for which the MEP App
12 user was charged a cash advance fee, subject to a higher interest rate, and began
13 accruing interest on the transaction date without the benefit of a grace period
14 applicable for standard purchase transactions.
15
16
17

18 11. Citi’s undisclosed reclassification of MEP APP transactions from
19 standard purchases to cash advances amounted to a significant material deviation
20 from its application of its Card Agreement account terms. Yet, Citi elected not to
21 amend its current Card Agreement terms or otherwise advise its cardholders of the
22 impending change in how it would classify and process MEP App payments
23 funded by a Citi credit card.
24
25

26 12. The Truth In Lending Act (“TILA”), implemented through
27 Regulation Z, mandates credit card account opening disclosures be “clear and
28

1 conspicuous”. 15 U.S.C. §§1632(a), 1637, *et seq.*; 12 C.F.R. §1026.5(a)(1)(i).

2 Compliance with these disclosure requirements is accomplished by clearly stating
3 the applicable interest rate, charges, and fees to certain types of transactions,
4 especially if different types of transactions incur different rates. 12 C.F.R.
5 §1026.6(b)(4)(i)(C).
6

7 13. Citi sowed confusion among its cardholders who reasonably believed
8 the purchase of goods and services through MEP Apps would be classified as
9 standard purchases consistent with the Citi Card Agreements as well as Citi’s
10 established practice of previously processing such transactions as standard
11 purchases. As a result, Plaintiff and Class Members incurred cash advance fees and
12 incurred interest charges without a grace period because Citi failed to clearly and
13 conspicuously disclose it would classify a segment of standard purchase
14 transactions as cash advance transactions because they were made through a MEP
15 App.
16
17
18

19 14. Despite the ubiquity of mobile electronic payments over the last
20 several years, Citi’s decision to not disclose its re-classification of MEP App
21 transactions as cash advances is a self-serving choice to derive fee and interest
22 income at the expense of its credit card consumers who used their Citi consumer
23 credit card to fund MEP App transactions.
24
25

26 15. This sudden and unannounced change left Plaintiff and other Class
27 members saddled with unexpected fees and increased interest charges without any
28

1 warning that such a change in processing or coding of MEP App transactions was
2 forthcoming by Citi. Indeed, Plaintiff was not made aware of the cash advance fee,
3 higher interest rate, and lack of grace period applicable to his Venmo mobile
4 electronic transactions funded with his Citi credit card until he reviewed his Citi
5 credit card transaction history online after the transactions had already occurred.
6 Plaintiff and Class Members were assessed higher credit transaction costs than they
7 reasonably expected to as a result of Citi's undisclosed change in the classification
8 and transaction processing of MEP app purchases.

11 16. Plaintiff brings this action on behalf of himself and a proposed Class
12 of Citi consumer credit card customers who were damaged by Citi's breach of its
13 own Card Agreement and failure to clearly and conspicuously disclose how it
14 would categorize and process MEP App payments in violation of TILA and other
15 statutes.
16
17

18 JURISDICTION AND VENUE

19 17. This Court has original jurisdiction pursuant to 28 U.S.C. §1331. This
20 Court also has subject matter jurisdiction under claims arising pursuant to 15
21 U.S.C. §1601, *et seq.*
22

23 18. Venue is proper in this Court pursuant to 28 U.S.C. §1391 *et seq.*
24 inasmuch Plaintiff resides in this District and because a substantial part of the
25 events giving rise to Plaintiff's claims occurred while he resided in this judicial
26
27
28

1 district. Venue is also proper in this Court under 18 U.S.C. §1965(a) because
2 Defendant regularly transacts substantial business in this District.

3 **PARTIES**

4
5 19. Plaintiff David Abel is a resident of Los Angeles, California and has
6 resided in Los Angeles during the relevant time period.

7
8 20. Defendant Citibank, N.A. is a national banking and financial services
9 company incorporated and headquartered in New York, New York. Defendant
10 markets and issues consumer credit cards to consumers nationwide, including in
11 California. Defendant is considered a creditor as defined under 15 U.S.C.A.
12 §1602(g).
13

14 **FACTUAL ALLEGATIONS**

15 **Citi Defines What Are Considered Standard Purchases And Cash Advances**

16
17 21. Defendant distributes a Card Agreement to every consumer and
18 business who has been issued a credit card by Citi. At the option of the cardholder,
19 the Card Agreement may be distributed to the cardholder in electronic or hardcopy
20 paper form. Citi may elect to update the Card Agreement from time to time on an
21 irregular basis.
22

23
24 22. Attached to this complaint as Exhibit A, the current Citi Card
25 Agreement applicable to Plaintiff's Citi Simplicity credit card account identifies
26 what types of credit card transactions will be considered "Cash Advances".
27

28 **Cash Advance** - Use of your Card to get cash, including foreign

1 currency, or for what we consider a cash-like transaction. Examples
2 include using your Card for: ATM and teller withdrawals, wire transfers,
3 money orders, traveler’s checks, lottery tickets, gaming chips and other
4 methods used for gambling, wagers and other betting transactions. A Citi
5 Flex Loan is not a Cash Advance.

6 Exhibit A, page 1.

7 23. Notably omitted from Citi’s exhaustive definition of Cash Advances,
8 is any reference to mobile electronic payments as a cash-like item despite the
9 prevalence of MEP Apps and the funding of payments with Citi credit cards over
10 the last several years.

11 24. Citi also defines what it considers to be standard purchases which
12 center on the purchase of goods and services.
13

14 **Purchase** – Use of your Card to buy goods and services. Balance Transfers
15 and Cash Advances are not Purchases.

16 *Id.*

17 25. Citi issues several types of consumer credit cards that offer consumer
18 perks or rewards such as cash back, airline miles, etc.² Each type of consumer
19 credit card issued by Citi is accompanied by a Card Agreement listing terms and
20 rates applicable to the corresponding Citi consumer credit card.
21
22

23 26. The Citi Card Agreements are form agreements with variations by
24 card type in the “Purchase Annual Percentage Rate,” “Balance Transfer APR”,
25 introductory promotional interest rates, and whether a foreign transaction fee is
26

27 _____
28 ² <https://www.citi.com/credit-cards/home> (last accessed May 7, 2021)

1 charged, but otherwise feature almost entirely identical terms. During the time
2 period at issue, the definitions of “Cash Advance”, “Cash Advance APR”, and
3 “Cash Advance Fee” are virtually identical across all Citi Card Agreements.
4

5 **Cardholders Incur Significant Costs From Cash-Like Transactions**

6 27. When a transaction had been previously processed as a standard
7 purchase credit card transaction is instead treated as a cash-like transaction and
8 processed as a cash advance without advance notice, material and unexpected
9 credit costs are thrust upon the cardholder.
10

11 28. To illustrate, a standard purchase credit card transaction does not
12 incur a transaction fee of any sort, while for each cash advance transaction, the
13 cardholder is charged a cash advance fee of the greater of \$10 or 5% of the amount
14 of the transaction.
15

16
17 **Transaction Fee for Cash Advances:** Either \$10 or 5% of the amount of
18 each cash advance, whichever is greater. We charge you a fee for each Cash
19 Advance.

20 Exhibit A, pg. 5

21 29. A standard purchase credit card transaction also has an interest-free
22 grace period during which interest will not be charged to the cardholder so long as
23 the cardholder pays the entire balance before or by the due date each month. In
24 contrast, interest is immediately charged to cash advances as of the transaction date
25 and accrues until the balance including accrued interest is paid off.
26
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28

1 **Grace Period on Purchases.** You won't pay any interest on Purchases if
 2 you pay the Adjusted New Balance, including any Balance Transfers, plus
 3 any Citi Flex Plan Payment Account, in full by the payment due date shown
 4 on your statement each Billing Period. We call this a **grace period on**
 5 **purchases.** If you don't pay your Adjusted New Balance in full, plus any
 6 Citi Flex Plan Payment Amount, by the payment due date in a Billing
 7 Period, you'll pay interest on your Purchases from the date they're posted to
 your Account. You also won't have a grace period on Purchases again until
 you pay the Adjusted New Balance in full, plus any Citi Flex Plan Payment
 Amount, by the payment due date 2 Billing Periods in a row.

8 There's no grace period on Balance Transfers and Cash Advances. This
 9 means you'll pay interest on Balance Transfers and Cash Advances from the
 10 date these Transactions post to your Account.

11 Exhibit A, pg. 3

12 **Plaintiff's Transactions**

13 30. Citi issued Plaintiff a Simplicity MasterCard on or around October
 14 2019 with an introductory interest rate of 0% for standard purchase transactions
 15 through September 9, 2020.

16 31. From on or around July 8, 2020 through October 9, 2020, Plaintiff
 17 issued mobile electronic payments through his Venmo MEP App funded by his
 18 Citi Simplicity MasterCard credit card to vendors for music recording and mixing
 19 services as well as lease of a recording studio. Plaintiff had previously paid these
 20 same vendors on several occasions using the same Venmo MEP App method
 21 funded by his Citi Simplicity MasterCard credit card which was processed by Citi
 22 as standard purchase transactions. As such, Plaintiff reasonably assumed his
 23 Venmo MEP App payments to these vendors would be processed as standard
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1 purchases just as similar previous transactions with the same vendors had been
2 processed.

3 32. Sometime in October 2020, Plaintiff viewed his Citi Simplicity
4 MasterCard credit card account balance and monthly statements online where to
5 his surprise, he first observed his Venmo MEP App payments on July 8, 2020 had
6 been assessed Cash Advance fees in the amount of \$10 per transaction by Citi.
7

8 33. Indeed, Plaintiff was assessed Cash Advance fees on his Venmo MEP
9 App transactions on the following dates: July 8, 2020; July 27, 2020; July 31,
10 2020; August 1, 2020; and October 9, 2020.
11

12 34. Plaintiff further observed he did not receive an interest grace period
13 for these transactions and didn't receive the benefit of the zero percent introductory
14 rate he enjoyed with his Citi Simplicity card for transactions prior to September 9,
15 2020. Plaintiff subsequently contacted Citi via phone to dispute the assessment of
16 the "cash advance" fee. Citi refused to refund or cancel the cash advance fee and
17 did not address the interest assessed and accruing upon Plaintiff's Venmo MEP
18 App transactions.
19
20
21

22 35. Plaintiff reasonably assumed purchases made through his Venmo
23 MEP App for music-related services funded by his Citi credit card would be
24 deemed standard purchases consistent with the terms of his Citi credit card
25 agreement.
26
27
28

1 36. Plaintiff also reasonably assumed his Venmo MEP App payment for
2 music-related services funded by his Citi credit card would not be considered a
3 cash advance nor a cash-like transaction under the terms of his Citi credit card
4 agreement.
5

6 37. Plaintiff did not deploy his Venmo MEP App payment funded by his
7 Citi credit card to withdraw cash from an ATM machine, conduct a wire transfer of
8 money, purchase gaming chips, place a wager, or any of the myriad examples of
9 cash-like transactions listed by Citi in its Card Agreement.
10

11 38. Had Plaintiff known Citi would start processing his Venmo MEP App
12 payments as cash advance transactions, Plaintiff would not have funded his Venmo
13 MEP App purchase transactions with his Citi credit card or would have used a
14 different method of payment.
15

16 39. Plaintiff and the Class would derive greater benefits from the use of
17 their Citi credit cards as a result of timely and accurate disclosures by Citi
18 concerning the cost of credit furnished by Citi applicable to MEP transactions.
19

20 40. Plaintiff incurred cash advance fees for his use of a MEP App without
21 any warning or disclosure from Citi that such transactions funded by a Citi credit
22 card would incur a cash advance fee. As a result of Citi's contravention of its own
23 Card Agreement as well as Citi's violation of Federal regulations and California
24 unfair competition laws as discussed herein, Plaintiff suffered monetary damages
25 from Citi's unlawful and deceptive conduct.
26
27
28

CLASS DEFINITIONS AND ALLEGATIONS

1
2 41. Plaintiff brings this action on behalf of himself and all other similarly
3 situated consumers pursuant to Rule 23(a), (b)(2) and (b)(3) of the Federal Rules of
4 Civil Procedure.
5

6 42. Plaintiff asserts his claims for breach of contract and violation of
7 TILA on behalf of the following class ("**National Class**"):
8

9 All persons and entities who within the applicable statute of limitations
10 whose utilized a mobile electronic payment application to fund a payment
11 transaction with a credit card issued by Defendant and such transactions
12 were classified as cash advance transactions by Defendant.

13 43. Plaintiff asserts his claims for violation of the UCL on behalf of the
14 following subclass ("**California Subclass**"):

15 All persons and entities residing within California who within the applicable
16 statute of limitations utilized a mobile electronic payment application to
17 fund a payment with a credit card issued by Defendant and such transactions
18 were classified as cash advance transactions by Defendant.

19 44. The National Class and California Subclass are referred to collectively
20 herein as the "Class" or "Classes".

21 45. Excluded from the Classes are Citi; any affiliate, parent, or subsidiary
22 of Citi; any entity in which Citi has a controlling interest; any officer, director, or
23 employee of Citi; any successor or assign of Citi; any Judge to whom this case is
24 assigned as well as his or her immediate family and staff.
25

26 46. Plaintiff reserves the right to amend or modify the Class definitions in
27 connection with a motion for class certification or with the result of discovery.
28

Numerosity

1
2 47. The members of the Classes are so numerous that joinder of all
3 members of the Class is impracticable. Plaintiff is informed and believes that the
4 proposed Class contains at least thousands of Citi credit card customers who have
5 been damaged by Defendant's conduct as alleged herein. The precise number of
6 Class members is unknown to Plaintiff.
7

Predominance of Common Issues

8
9
10 48. This action involves common questions of law and fact, which
11 predominate over any questions affecting individual Class members. These
12 common legal and factual questions include, but are not limited to, the following:
13

- 14 a. whether Citi's disclosed credit card fees and applicable interest
15 rates are considered material account terms;
- 16
17 b. whether Citi clearly and conspicuously disclosed fees and
18 applicable interest rates applicable to MEP App payment
19 transactions to Plaintiff and the Class;
- 20
21 c. whether Citi's application of cash advance fees, corresponding
22 interest rates, and failure to provide a grace period to MEP App
23 payment transactions are a breach of the Card Agreement
24 discussed herein;
- 25
26 d. whether Citi's alleged conduct is unlawful;
- 27
28 e. whether Citi's alleged conduct constitutes a violation of TILA;

- 1 f. whether Citi engaged in unfair and deceptive business practices;
- 2 g. whether Plaintiff and the Class suffered monetary damages as a
- 3 result of Citi's alleged unlawful conduct; and
- 4
- 5 h. whether Plaintiff and Class members are entitled to appropriate
- 6 statutory remedies, including restitution, corrective disclosures,
- 7 and injunctive relief and statutory damages.
- 8

9 **Typicality**

10 49. Plaintiff's claims are typical of the claims of the members of the

11 Classes because, inter alia, all Class members were injured through the uniform

12 misconduct described above and were subject to Citi's failure to disclose a material

13 significant change in the terms and conditions applicable to Citi's credit card

14 customers who made mobile electronic payments through MEP Apps funded by a

15 Citi credit card. Plaintiff is also advancing the same claims and legal theories on

16 behalf of himself and all members of the Class.

17

18

19

20 **Adequacy of Representation**

21 50. Plaintiff will fairly and adequately protect the interests of the

22 members of the Classes. Plaintiff has retained counsel experienced in complex

23 consumer class action litigation, and Plaintiff intends to prosecute this action

24 vigorously. Plaintiff has no adverse or antagonistic interests to those of the

25 Classes.

26

27

28

Superiority

1
2 51. A class action is superior to all other available means for the fair and
3 efficient adjudication of this controversy. The damages or other financial
4 detriment suffered by individual Class members is relatively small compared to the
5 burden and expense that would be entailed by individual litigation of their claims
6 against Citi. It would thus be virtually impossible for members of the Classes, on
7 an individual basis, to obtain effective redress for the wrongs done to them.
8

9
10 Furthermore, even if Class members could afford such individualized litigation, the
11 court system could not. Individualized litigation would create the danger of
12 inconsistent or contradictory judgments arising from the same set of facts.
13

14 Individualized litigation would also increase the delay and expense to all parties
15 and the court system from the issues raised by this action. By contrast, the class
16 action device provides the benefits of adjudication of these issues in a single
17 proceeding, economies of scale, and comprehensive supervision by a single court,
18 and presents no unusual management difficulties under the circumstances here.
19

20
21 52. Plaintiff seeks equitable relief on behalf of the Classes, on grounds
22 generally applicable to the entire Class and Subclass requiring Citi to provide full
23 statutory and restitution relief to Plaintiff and Class members.
24

25 53. Unless a Class is certified, Citi will retain monies received as a result
26 of its conduct that were taken from Plaintiff and Class members.
27
28

Rule 23(b)(2)

1
2 54. Class certification is also warranted under Rule 23(b)(2). A class may
3 be certified under Rule 23(b)(2) where “the party opposing the class has acted or
4 refused to act on grounds that apply generally to the class, so that final injunctive
5 relief or corresponding declaratory relief is appropriate respecting the class as a
6 whole. *Parsons v. Ryan*, 754 F.3d 657, 688 (9th Cir. 2014) (the requirements of
7 Rule 23(b)(2) “are unquestionably satisfied when members of a putative class seek
8 uniform injunctive or declaratory relief from policies or practices that are generally
9 applicable to the class as a whole”).
10
11

12
13 55. Certification under Rule 23(b)(2) is appropriate here because all of the
14 Class members have by definition been exposed to the same deficient terms and
15 conditions governing credit card transactions by Citi that fail to meet the “clear and
16 conspicuous” standard set forth under TILA. Moreover, the declaratory and
17 injunctive relief sought by Plaintiff are by definition generally applicable across
18 the Class as a whole.
19
20

Rule 23(b)(3)

21
22 56. The Class may also be certified under Rule 23(b)(3) when questions
23 of law or fact that are common to class members predominate over questions
24 concerning individual members. Certification under Rule 23(b)(3) is appropriate
25 when necessary to attain time, effort, and resource efficiencies as well as
26 uniformity of decision applicable to similarly situated persons without sacrificing
27
28

1 procedural fairness. Predominance is found on sufficient cohesiveness among class
2 members with a focus on whether common questions can be resolved in a single
3 adjudication. *Walker v. Life Ins. Co. of Sw.*, 953 F.3d 624 (9th Cir. 2020) (citations
4 omitted)
5

6 57. Very few members of the Class will have the means to seek individual
7 redress for the violations of TILA and UCL committed against them. Once Citi's
8 liability has been established as to its failure to abide by the requirements of the
9 TILA applicable to the uniform Citi credit card agreement and account disclosures
10 held by all members of the Class, the Court can readily oversee the efficient
11 administration of the Class claims.
12

13
14 58. Individualized litigation presents a potential for inconsistent or
15 contradictory judgments. In contrast, a class action presents far fewer management
16 difficulties; allows the hearing of claims that might otherwise go unaddressed; and
17 provides the benefits of single adjudication, economies of scale, and
18 comprehensive supervision by the Court.
19
20

21 **COUNT I**
22 **Breach of Contract**
23 **(On Behalf of the Nationwide Class)**

24 59. Plaintiff repeats and re-alleges the allegations contained in the
25 paragraphs above, as if fully set forth herein.

26 60. Plaintiff brings this claim individually and on behalf of the
27 Nationwide Class.
28

1 61. Plaintiff entered into a Card Agreement with Citi upon his acceptance
2 of the terms and conditions in his Citi Simplicity Credit Card Agreement.

3 62. Under TILA, Citi was statutorily obligated to set forth terms and
4 conditions to Plaintiff and other consumers concerning the applicable Annual
5 Percentage Rate (“APR”), transaction costs, and grace period for the credit cards
6 issued to Plaintiff and the Nationwide Class.
7

8 63. Citi breached its Card Agreement by failing to clearly and
9 conspicuously disclose it will process MEP App payments as a cash advance or
10 cash-like transaction. Citi further breached its Card Agreement by failing to
11 sufficiently define categories of mobile electronic payments that it would treat as a
12 cash advance or cash-like transaction.
13

14 64. Citi also breached its Card Agreement with Plaintiff and the
15 Nationwide Class by imposing cash advance fees and interest charges on Plaintiff
16 and the Nationwide Class for MEP App payment transactions without any
17 contractual right to do so.
18

19 65. As a result of Citi’s breach, Plaintiff and the Nationwide Class were
20 financially harmed by Citi’s imposition of cash advance fees and interest charges
21 that were not permitted under the terms of Citi’s Card Agreement.
22

23 66. On behalf of himself and all other members of the Nationwide Class,
24 Plaintiff seeks class-wide relief in the form of restitution of the cash advance fees
25
26
27
28

1 and interest Citi received stemming from Citi's breach of its Card Agreement as
2 well as all applicable interest, costs, and attorney fees as permitted by law.

3 **COUNT II**

4 **Violation of Truth In Lending Act**

5 **15 U.S.C. §§1601, 1632, 1637, *et seq.* (via 12 C.F.R. §1026.9(c)(2))**
6 **(On Behalf of the Nationwide Class)**

7 67. Plaintiff repeats and re-alleges the allegations contained in the
8 paragraphs above, as if fully set forth herein.

9 68. Plaintiff brings this claim individually and on behalf of the
10 Nationwide Class.

11 69. The overarching purpose of TILA is to equip credit card consumers
12 with a full disclosure of credit card terms so consumers can be sufficiently
13 informed and aware of the costs of credit available to them as well as safeguard
14 against deceptive business practices and acts. 15 U.S.C. §1601(a)

15 70. As alleged herein, Plaintiff paid vendors for music-related services via
16 Venmo MEP App funded by his Citi Simplicity credit card. Without notice, Citi
17 altered the classification of the MEP App transactions from a standard purchase
18 transaction to a cash advance and processed the transaction as a cash advance. As
19 a result, Plaintiff incurred a cash advance fee, was deprived of the benefits of his
20 0% introductory interest rate while charged the higher Cash Advance APR interest
21 rate and didn't receive the benefit of an interest-free grace period applicable on
22 standard purchase transactions.
23
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28

1 71. Under TILA, creditors such as Citi are required to clearly and
2 conspicuously disclose material terms including rates and fees to its credit card
3 accountholders in its opening account disclosures. 15 U.S.C. §1637, *et seq.*
4

5 72. Under Regulation Z, clear and conspicuous account opening
6 disclosures to consumers has been required by the Consumer Protection Finance
7 Bureau (“CPFB”). These account opening disclosures include, but are not limited
8 to, transaction charges, grace periods, introductory rates, balance computation
9 methodology, and cash advance fees. 15 U.S.C. §1637; See also 12 C.F.R.
10 §§1226.1-1226.60 (enabling the CPFB to promulgate regulations pursuant to
11 TILA).
12
13

14 **Transaction charges.** Any transaction charge imposed by the creditor for
15 use of the open-end plan for purchases.
16 15 U.S.C. §1637(c)(1)(A)(ii)(III)

17 **Grace period.** The date by which or the period within which any credit
18 extended may be repaid without incurring a finance charge due to a periodic
19 interest rate and any conditions on the availability of the grace period.
20 15 U.S.C. §1637(c)(1)(A)(iii)(I)

21 **Balance computation method.** The name of the balance computation
22 method listed in §1026.60(g) that is used to determine the balance on which
23 the finance charge is computed for each feature, or an explanation of the
24 method used if it is not listed, along with a statement that an explanation of
25 the method(s) required by paragraph (b)(4)(i)(D) of this section is provided
26 with the account-opening disclosures. In determining which balance
27 computation method to disclose, the creditor shall assume that credit
28 extended will not be repaid within any grace period, if any.
15 U.S.C. §1637(c)(1)(A)(iv)(I)

Cash advance fee. Any fee imposed for an extension of credit in the form of
cash or its equivalent.

1 15 U.S.C. §1637(c)(1)(B)(i)

2
3 73. TILA's clear and conspicuous notice requirement also extends to the
4 type of credit card transactions that would incur different levels of interest rates in
5 order to best inform the consumer of his or her use of credit.

6
7 **Type of transaction.** The type of transaction to which the [interest] rate
8 applies, if different rates apply to different types of transactions.

9 12 C.F.R. §1026.6(b)(4)(i)(C); 12 CFR § 1026.9(c)(2)(B)(ii) and (iii).

10
11 74. Citi failed to provide clear and conspicuous disclosure of any kind to
12 Plaintiff and Nationwide Class Members regarding its intent to assess a cash
13 advance fee to MEP App payments. Citi also failed to provide sufficient disclosure
14 that it would alter the types of transactions to which the Cash Advance APR
15 applied to include Venmo and other MEP App payment transactions; and failed to
16 provide statutory written notice that a grace period would no longer be available
17 for certain mobile electronic payment transactions.
18

19
20 75. Plaintiff and Nationwide Class Members have been damaged by Citi's
21 ongoing failure to provide clear and conspicuous disclosure of the type of
22 transactions that would incur cash advance fees, higher interest charges, and the
23 lack of an interest grace period.
24

25 76. Plaintiff and Class Members request all statutory and actual damages
26 pursuant to TILA as well as attorney fees and costs.
27
28

COUNT III
VIOLATION OF THE CALIFORNIA UNFAIR COMPETITION LAW
Cal. Civ. Code §§ 17200 *et seq.*
(on Behalf of Plaintiff and the California Subclass)

1
2
3
4 77. Plaintiff repeats and re-alleges every allegation above as if set forth
5 herein in full.

6
7 78. This claim is brought by Plaintiff and the California Subclass to
8 obtain restitution and injunctive relief from Citi for acts and practices, as alleged
9 herein, that violated §17200 of the California Business and Professions Code,
10 commonly known as the UCL.
11

12 79. The UCL prohibits any “unlawful,” “fraudulent,” or “unfair” business
13 act or practice.
14

15 80. The acts and practices of Citi as alleged above have caused Plaintiff
16 and the other members of the California Subclass to lose money or property by
17 being assessed a cash advance fee, being subject to a higher interest rate, and
18 increased interest charges as a consequence of not being availed of an interest
19 grace period that applies to standard purchase transactions. Citi’s acts and practices
20 are actionable under the “fraudulent”, “unlawful” and “unfair” prongs of the UCL,
21 as alleged with more specificity below.
22
23

24 81. Citi has been unjustly enriched as a result of its wrongful acts of
25 unfair competition. Plaintiff and the other members of the California Subclass are
26 accordingly entitled to injunctive relief prohibiting Citi from continuing such
27
28

1 practices including the insufficient disclosure of the costs of credit. Plaintiff and
2 the other members of the California Subclass are also entitled to further equitable
3 relief, including accounting, restitution and/or disgorgement of all revenues and
4 profits that may have been obtained by Citi as a result of such business acts and
5 practices, pursuant to California Business and Professions Code §§17203 and
6 17204.
7

8 **Fraudulent Prong**

9
10 82. By omitting to disclose its transaction categorization of MEP App
11 payments funded by a Citi credit card and otherwise giving Plaintiff and the
12 Subclass the false impression that MEP App payments would be processed as
13 standard purchase transactions, Citi deceptively leads Plaintiff and the other
14 members of the California Subclass to reasonably believe that their MEP App
15 payments would not incur a cash advance fee and applicable interest for such
16 transactions.
17
18

19
20 83. As a consequence of Citi's failure to disclose the categorization of
21 MEP App payments as cash advance transactions, Plaintiff and other members of
22 the California Subclass unwittingly incurred cash advance fees and higher interest
23 charges than they otherwise would have.
24

25 84. Citi's conduct is deceptive within the meaning of the UCL's
26 fraudulent prong as the public is likely to be deceived by Citi's practice of not
27
28

1 clearly and conspicuously disclosing MEP App payment transactions may be
2 subject to cash advance fees and corresponding higher interest charges.

3 85. Citi's undisclosed categorization of MEP App payments as a cash
4 advance transaction is a material fact that has a direct effect on the cost of credit to
5 a reasonable consumer. As such, a reasonable consumer would be deceived by
6 Citi's failure to clearly and conspicuously disclose its processing of Venmo and
7 PayPal mobile electronic payments as cash advance transactions.
8
9

10 **Unlawful Prong**

11 86. Liability under the UCL is also established through a predicate
12 violation of a relevant statute applicable to the underlying unfair and deceptive
13 conduct.
14

15 87. A violation of a relevant statute is an independently actionable
16 violation of the UCL.
17

18 88. As discussed more fully above, Citi is alleged to have violated
19 material provisions of TILA that go to clear and conspicuous disclosure of terms
20 and conditions that affect the cost of credit used by Plaintiff and Subclass
21 members.
22

23 89. Citi's conduct is unlawful within the context of the unlawful prong of
24 the UCL.
25
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28

1 to Plaintiff and the other members of the California Subclass;

2 E. Issuance of a Court order awarding appropriate equitable relief
3 to Plaintiff and the other members of the Classes, including
4 injunctive relief compelling Citi to proffer adequate public
5 consumer disclosure about the costs of using its credit cards for
6 mobile payment transactions; and restitution and disgorgement
7 of Citi's receipt of cash advance fees and interest stemming from
8 its insufficient and misleading disclosure of the cost of mobile
9 electronic payments;

10 F. An award of costs and reasonable attorneys' fees; and

11 G. Such other and further relief as this Court finds necessary and
12 proper.

13
14
15
16
17 **JURY TRIAL DEMANDED**

18 Plaintiff demands a trial by jury on all issues so triable as permitted under
19 applicable law.

20
21 Dated: May 7, 2021

22 **MANFRED, APC**

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Exhibit A

Card Agreement Guide

This Guide will help you easily identify sections of the Card Agreement and give you a brief overview of the contents of each section. This is not intended to be a complete summary of the Card Agreement's contents, and we encourage you to read your entire Card Agreement, including the arbitration provision, before you use your Account.

1 DEFINITIONS

Lists the meanings of particular phrases and terms used in the Card Agreement.

2 YOUR ACCOUNT

Describes some of your responsibilities for using your Account.

3 ANNUAL PERCENTAGE RATES & INTEREST CHARGES

Shows how we calculate interest rates and how that affects your Account balance.

4 FEES & FOREIGN CURRENCY CONVERSION

Describes the fees that can be applied to your Account, including annual membership fees, returned payment fees, as well as foreign transaction fees for Purchases not in U.S. dollars.

5 PAYMENTS

Shows how your monthly Minimum Payment Due is calculated, tells you how we apply your payments to balances, and gives you certain instructions for making payments (and tells you the possible consequences of not following those instructions).

6 AUTHORIZED USERS

Describes an Authorized User's rights and your responsibility for that user. Also describes what information we can share about you and your Authorized User.

7 DEFAULT, CLOSING OR SUSPENDING YOUR ACCOUNT

Tells you when we may require immediate payment of your total Account balance, and explains when we may close or suspend your Account, and when you may close your Account.

8 CREDIT REPORTING

Describes what information we provide about you to credit reporting agencies, and how to dispute items on your report. This section also explains how we use information we get about you from those agencies.

9 ACCOUNT INFORMATION, INFORMATION SHARING & COMMUNICATIONS

Explains that your personal information we use to manage your Account should always be up to date. Also notes that we share information about you and your Account. In addition, this section describes how we may contact you.

10 TRANSACTIONS

Provides important information about merchant credits, recurring Transactions and card refusals.

11 ARBITRATION

Explains that you cannot go to court, have a jury trial or initiate or participate in a class action if you have a dispute with us. Instead, this provision tells you that the dispute must be resolved by a professional arbitrator, not a judge or jury. This section also explains how arbitration works and some of the differences between resolving a dispute in arbitration and resolving one in court.

12 AGREEMENT & BENEFIT CHANGES

Explains that we can make changes to the Card Agreement and your card benefits and features.

13 MISCELLANEOUS

Explains subjects that aren't included in previous sections.

14 YOUR BILLING RIGHTS

Explains your billing rights, which include how to address possible statement mistakes and your rights if you're not satisfied with a Purchase.



Card Agreement

This Card Agreement (Agreement) is your contract with us.

The *Facts about Interest and Fees* document (Fact Sheet) is part of this Agreement. The Fact Sheet shows important information about your Account, such as your annual percentage rates and certain fees. Any amendments to this Agreement also are part of this Agreement.

Please read all parts of this Agreement, including the arbitration provision, and keep it for your records.

Note: Throughout the Agreement are examples, helpful tips and additional explanations that will make the Agreement easier to understand.

1

DEFINITIONS

Account – Your Citi Account.

Adjusted New Balance – Your New Balance less any Citi Flex Plan balance.

Annual Percentage Rate (APR) – A rate, shown as a percentage, used to calculate interest on the balance on your Account.

Authorized User – Any person you allow to use your Account with a Card we provided with that person's name.

Balance Transfer – Use of a Balance Transfer offer, including use of a check that accesses your Account for any transaction, or the transfer of a balance from another credit account to your Account.

Billing Period – The period of time between each date when we create a statement for your Account. A Billing Period is usually 28 – 33 days. For each Billing Period, your statement will show any Transactions, other charges, payments and other credits posted during that Billing Period.

Business Day – Monday through Friday, excluding federal holidays.

Card – One or more cards or other devices (including an account number) used to access your Account to obtain credit.

Card Networks – Organizations, such as Mastercard, Visa and American Express, that facilitate the payment process between a cardmember, merchants and a card issuer.

Cash Advance – Use of your Card to get cash, including foreign currency, or for what we consider a cash-like transaction. Examples include using your Card for: ATM and teller withdrawals, wire transfers, money orders, traveler's checks, lottery tickets, gaming chips and other methods used for gambling, wagers and other betting transactions. A Citi Flex Loan is not a Cash Advance.

Citi Flex Loan – Funds provided to you by check or by direct deposit that you select to be charged to your Account and repaid under a Citi Flex Plan. Balance Transfers and Cash Advances are not Citi Flex Loans.

Citi Flex Pay – Eligible Transactions that you select to be paid under a Citi Flex Plan.

Citi Flex Plan – A feature on your Account to pay Citi Flex Loans or Citi Flex Pay amounts in fixed payments over a defined number of Billing Periods subject to a Citi Flex Plan APR.

Consumer Reporting Agency – An organization, such as Experian, Equifax and TransUnion, that compiles credit information for the purpose of generating consumer credit reports. It's also known as a "credit bureau" and a "credit reporting agency."

Include and including – These terms mean "include [or including] without limitation."

New Balance – The total amount you owe us at the end of each Billing Period. This amount is shown on each statement under the heading "New Balance." We explain how we calculate the New Balance below.

Overlimit Amount – The amount by which your Account balance exceeds your credit limit in any Billing Period.

Purchase – Use of your Card to buy goods and services. Balance Transfers and Cash Advances are not Purchases.

Returned Payment – A payment that isn't honored by your financial institution.

Transaction – A Balance Transfer, Cash Advance, Purchase or Citi Flex Plan, as applicable.

we, us and our – Citibank, N.A.

you and your – The cardmember who opened the Account.

You'll find definitions of other terms within this Agreement.



2

YOUR ACCOUNT

Your Account use is subject to this Agreement. You must pay us for all amounts due on your Account, including:

1. Transactions you make, even if you didn't present your Card or sign for the Transaction;
2. Transactions an Authorized User makes;
3. Transactions that other people make if you or an Authorized User let them use your Account; and
4. Any fees and interest charges on the Account.

Binding Agreement. This Agreement takes effect once you use your Card. Even if you don't use your Card, this Agreement will take effect unless you contact us to cancel your Account within 30 days after we sent you this Agreement.

Credit Limit. We assign a credit limit to your Account. Part of this credit limit may be available for Cash Advances, and there may be a limit on the amount of Cash Advances you can take in a given period. We may authorize Transactions that cause your balance to exceed your credit limit.

ACCOUNT USE

Consumer Purposes. You aren't permitted to use your Account for business purposes. If you do use your Account for business purposes, this Agreement still applies, and you must pay us for those Transactions. You have to pay us for any damages and/or expenses resulting from that use. In addition, we may also close your Account.

Citi Flex Plan. Your ability to create a Citi Flex Plan will depend on the amount of your available credit, creditworthiness, and other factors. We may limit the number of active Citi Flex Plans you can have and we may change this number at any time. There are two ways to create a Citi Flex Plan – Citi Flex Pay and Citi Flex Loan.

With Citi Flex Pay, you can pay for eligible Transactions under a Citi Flex Plan. An eligible Transaction for Citi Flex Pay must be a Purchase of at least a specified dollar amount and does not include a Purchase of cash or cash equivalent, a Purchase subject to Foreign Transaction Fees or any fee owed to us. Other exclusions may apply.

With Citi Flex Loan, you can use your Account's credit line to access funds and pay such funds under a Citi Flex Plan. You can only create a Citi Flex Loan if you receive an offer. The offer will tell you the terms, including the APR, that will apply to that Citi Flex Loan.

Unlawful Transactions. You aren't permitted to use your Account for unlawful Transactions. If you do use your Account for unlawful Transactions, this Agreement still applies and you must pay us for those Transactions. You also may have to pay the Card Network and/or us for any damages and expenses resulting from that use. In addition, we may close your Account.

Mobile Phone or Other Devices. Smart phones, tablets and other electronic devices can store your Card (such as through a mobile wallet). This means they can be used to make Purchases or other Transactions. Any such Transactions are covered by this Agreement. Apps that use your Card to make Transactions may have separate terms of use. We're not responsible if you violate those terms, or for any consequences resulting from any violation.

Note: It's important to protect your devices the same way you protect your Card. Anyone who can access your Card using your device also can make charges to your Account using that device.

3

ANNUAL PERCENTAGE RATES & INTEREST CHARGES

The following sections explain how we calculate the interest you owe each Billing Period.

APRs. We use APRs to calculate interest charges on your Account. Different APRs may apply to different Transactions. See the listing of your APRs on the Fact Sheet.

Variable APRs. A variable APR is an APR that can change each Billing Period. We calculate each variable APR first by taking the U.S. Prime Rate from *The Wall Street Journal (WSJ)* two Business Days before the last day of each Billing Period. (If the *WSJ* doesn't publish the U.S. Prime Rate that day, then we'll use another publication.) Then we add to the U.S. Prime Rate a certain percentage amount, which we call the Margin. You can find the Margin we use for your Account in the Details About Your Interest Rate section of the Fact Sheet. Your variable APRs will increase if the U.S. Prime Rate increases and decrease if the U.S. Prime Rate decreases. If a variable APR increases, then your interest charges and Minimum Payment Due may increase.

How is a variable APR calculated?

If the U.S. Prime Rate published in the *WSJ* two Business Days before the end of a Billing Period is 5%; and
If the Margin is 13.99%; then
Add the two together to calculate a variable APR:

$$5\% + 13.99\% = 18.99\%$$

If the U.S. Prime Rate changes, we'll apply the new variable APR starting from the first day of the Billing Period when we take the U.S. Prime Rate from the *WSJ*. The new APR will apply to existing balances, as well as balances added to your Account after the change.



continued on next page

Daily Balance

We calculate interest on your Account each Billing Period first by calculating your daily balances. The following explains how we do that.

Here's how and when Transactions, fees and credits are applied to the balances on your Account:

- We add the amount of a Purchase or Balance Transfer to the Purchase balance as of the post date on your statement.
- We add the amount of a Cash Advance to the Cash Advance balance as of the post date on your statement.
- We add a Balance Transfer fee to the Purchase balance as of the post date on your statement.
- We add the amount of any eligible Transaction under Citi Flex Pay or a Citi Flex Loan to a Citi Flex Plan balance as of the post date on your statement. If you moved an amount from another balance within your Account to a Citi Flex Plan, we will credit the other balance in the amount you added to a Citi Flex Plan in order to avoid double counting that amount.
- We add a Cash Advance fee to the Cash Advance balance as of the post date on your statement. We'll add any other fees to the balance of our choice. If you're charged interest in a Billing Period, but the amount calculated is less than \$0.50, we'll add additional interest to the balance(s) of our choice so that you'll be charged \$0.50 in interest for that Billing Period.
- We subtract credits and payments as of the post date shown on your statement.
- Each balance may have a different APR. Certain categories of Transactions in a balance may have multiple APRs. For example, you may make a Purchase or Balance Transfer, or create a Citi Flex Plan, that's subject to a promotional APR. Your balances, and their corresponding APRs, are shown on your statement.

Note: The post date shown on your statement will usually be the date of the Transaction, but it may be later.

Here's how we calculate each of the daily Purchase, Cash Advance and Citi Flex Plan balances on your Account:

- We start with the daily balance from the end of the previous day.
- We add any new Transactions, fees and other charges, including interest accrued on the previous day's balance. This means that interest is compounded daily.

- We subtract any credits or payments credited as of that day.
- We make additional adjustments as appropriate, subject to applicable law (as an example, for a disputed charge). This gives us the daily balance for that day.

Daily balance for purchases from the previous day + New purchases + Fees and interest accrued on the previous day's Purchase balance – Payments, credits and adjustments posted that day = New daily balance for Purchases
--

Interest Calculation. Each daily balance may have a different APR. Certain categories of Transactions in a daily balance may have multiple APRs. For example, you may make a Purchase or Balance Transfer that's subject to a promotional APR. If a daily balance on your Account is subject to an APR, we'll charge interest on that daily balance. We use the daily balance method (which includes new Transactions). If interest applies to a balance, it will start applying on the day a charge is added to that balance and continue until that balance is paid in full. We consider a credit balance as a balance of zero when calculating interest on that balance.

- We multiply each daily balance by its applicable daily periodic rates (each applicable APR divided by 365).
- We do this for each day in the Billing Period. This gives us the daily interest amounts.
- Then we total all the daily interest amounts for all the daily balances. This gives us the total interest for the Billing Period.

Note: Your balances, and their corresponding APRs, are shown on your statement.

Calculating the New Balance. To calculate the New Balance at the end of each Billing Period, we begin with the total Account balance at the start of that Billing Period. Then we add any Transactions that are new to the Account during that Billing Period. Then we subtract any credits applied or payments made during that Billing Period. Then we add any interest charges or fees incurred during that Billing Period and make any other adjustments, as applicable (for example, if you have disputed a charge).

Grace Period on Purchases. You won't pay any interest on Purchases if you pay the Adjusted New Balance, including any Balance Transfers, plus any Citi Flex Plan Payment Amount, in full by the payment due date shown on your statement each Billing Period. We call this a grace period on purchases. If you don't pay your Adjusted New Balance in full, plus any Citi Flex Plan Payment Amount, by the payment due date in a Billing Period, you'll pay interest on your Purchases from the date they're posted to your Account. You also won't have a grace period on Purchases again until you pay the Adjusted New Balance in full, plus any Citi Flex Plan Payment Amount, by the payment due date 2 Billing Periods in a row.

There's no grace period on Balance Transfers and Cash Advances. This means you'll pay interest on Balance Transfers and Cash Advances from the date these Transactions post to your Account.



Important Information about Citi Flex Plans: We apply any amount you pay over your Minimum Payment Due first to the balance with the highest APR, then to the balance with the next highest APR, and so on, as described in Section 5, Application of Payments. This means that, if the APR for a Citi Flex Plan balance is higher than an APR that applies to another balance on your Account, we will apply the amount you pay above the Minimum Payment Due to that Citi Flex Plan balance prior to that other balance. This will cause you to pay off that Citi Flex Plan balance before the end of its repayment period and may result in an amount remaining due on your next billing statement for the other balance, increasing your Adjusted New Balance on your next billing statement.

You can see your balances and their corresponding APRs on your statement.

For example, in a sample Billing Period, an Account with no past due or Overlimit Amounts, has:

Citi Flex Plan: \$5,000 with a repayment period of 24 months at 16.99% APR

Citi Flex Plan statement balance in sample Billing Period: \$4,090

Citi Flex Plan interest charge in sample Billing Period: \$56.92

Citi Flex Plan Payment Amount per Billing Period: \$248

and

Purchase balance: \$5,000

Minimum Payment Due for Purchases: \$75

(Calculations are approximate and for illustrative purposes only.)

The New Balance for the Account: is \$9,090. The Adjusted New Balance is the New Balance (\$9,090) less the Citi Flex Plan

Balance (\$4,090): \$5,000. Your Minimum Payment Due is \$323 (\$75 + \$248). To retain your grace period on purchases, you must pay the Adjusted New Balance (\$5,000) plus your Citi Flex Plan Payment Amount (\$248): \$5,248.

If your Purchase APR is equal to or higher than your Citi Flex Plan APR and you make a payment to retain your grace period on purchases (\$5,248), your Purchase balance will be reduced to \$0. This means that, to retain your grace period on purchases in the next Billing Period, you will be required to pay \$248 (your Citi Flex Plan Payment Amount), assuming you do not make any new Transactions.

If your Purchase APR is lower than your Citi Flex Plan APR and you make a payment to retain your grace period on purchases (\$5,248), your Purchase balance will only be reduced by \$75 (to \$4,975). This is because your payment above the Minimum Payment Due will be applied to your Citi Flex Plan balance first. As a result, to retain your grace period on purchases in the next Billing Period, you will be required to pay \$4,975 (your remaining Purchase balance) plus \$248 (your Citi Flex Plan Payment Amount) for a total of \$5,223, assuming you do not make any new Transactions. **This amount is greater than the \$248 you would have been required to pay in order to retain your grace period on purchases if the Citi Flex Plan APR had been equal to or lower than the Purchase APR. We will continue to apply any payments above the Minimum Payment Due to your Citi Flex Plan balance, and not your Purchase balance, until your Citi Flex Plan balance is paid in full.**

Grace Period for Citi Flex Plan balances. When you create a Citi Flex Plan, you will be charged interest on the Citi Flex Plan balance from the start of the Billing Period following the Billing Period when you created the Citi Flex Plan. This means that you will not be charged interest on the Citi Flex Plan balance during the Billing Period in which you created the Citi Flex Plan.



FEES & FOREIGN CURRENCY CONVERSION

FEES

Fee	Amount	About the Fee
Annual Membership Fee	See Pricing Table	If your Account has an annual membership fee, the Fact Sheet shows this fee. You'll see this annual fee on your first statement after opening your Account and each year after that. We'll charge the fee if your Account is open, even if you don't have a balance.
Returned Payment Fee	Up to \$40	We have the right to charge you a Returned Payment fee of \$29 if your bank doesn't honor your payment. If that happens, we'll resubmit the payment request. If your bank doesn't honor another payment within 6 consecutive Billing Periods, the returned payment fee will go up to \$40.
Transaction Fee for Balance Transfers	Either \$5 or [3%-5%] of the amount of each transfer, whichever is greater.	We charge you a fee for each Balance Transfer.
Transaction Fee for Cash Advances	Either \$10 or 5% of the amount of each cash advance, whichever is greater.	We charge you a fee for each Cash Advance.
Transaction Fee for Purchases in Foreign Currency	3% of the amount of the Transaction after conversion to U.S. dollars.	We charge you a fee for a Purchase made in a currency other than U.S. dollars regardless of where the Transaction takes place or who the merchant is.

FOREIGN CURRENCY CONVERSION

Foreign Currency Conversion – Purchases. A Card Network converts the amount of a Purchase in a foreign currency into U.S. dollars. Each Card Network follows its own procedures for conversion. These procedures include how the Card Network chooses an exchange rate and when to do the conversion. For example, Visa chooses either a government-mandated exchange rate or chooses from a range of rates available on wholesale currency markets (and, in either case, the exchange rate that it chooses may be less favorable than the rate that Visa itself, receives when it makes foreign currency transactions). Depending on the policies of each Card Network, the exchange rate chosen may be the one in effect on the day the Card Network does the conversion, or on the day before. The exchange rate that a Card Network uses to convert the Purchase to U.S. dollars may differ from the rate in effect on the date you made the Purchase or on the post date for that Purchase shown on your statement. The Card Network's procedures may change without notice.

If a third party, such as a merchant, converts the amount of a Purchase into U.S. dollars before sending the Purchase to a Card Network, the third party chooses the conversion rate instead of the Card Network.

Foreign Currency Conversion – Cash Advances. If you take a Cash Advance in a foreign currency at an ATM or branch of a financial institution, it may not be the Card Network in all instances that converts the Transaction into U.S. dollars. Instead, depending on where the Transaction takes place, another third party, such as a financial institution, ATM network or ATM operator, may do the conversion. We do not control this. However, if you use your Card for a Cash Advance at a Citibank ATM or branch, then we or our affiliates may do the conversion.

The party that converts a Cash Advance to U.S. dollars will choose the exchange rate and when to do the conversion. The exchange rate in effect on the date the Cash Advance is converted to U.S. dollars may differ from the rate in effect on the date you took the Cash Advance or the post date for that Transaction shown on your statement. The exchange rate may also differ from any rate quoted to you when you made the Transaction.



PAYMENTS

Minimum Payment Due. You may pay all or a part of your Account balance at any time. You must pay at least the Minimum Payment Due by the payment due date each Billing Period.

Your "Minimum Payment Due" equals:

- Any amount past due; plus
- Any Overlimit Amount; plus
- Any Citi Flex Plan Payment Amount; plus
- The greater of:
 1. The Adjusted New Balance, if it's less than \$20;
 2. \$20 if the Adjusted New Balance is at least \$20;
 3. 1% of the Adjusted New Balance (rounded to the nearest dollar), plus any billed interest or minimum interest charge, or
 4. 1.5% of the Adjusted New Balance (rounded to the nearest dollar).

The Minimum Payment Due is never more than the New Balance.

Note: Your payment due date is typically the same day of the month, every month. You may request a change to your monthly due date.

How is the Minimum Payment Due calculated?

For example, in a sample Billing Period, an Account with no past due, Overlimit or Citi Flex Plan Payment amount has:

New Balance: \$2,500

Interest: \$18.54

Since the New Balance is more than \$25, and there are no past due or Overlimit amounts, the Minimum Payment Due will be the greater of:

1% of the New Balance

$(1.0\% \times \$2,500) = \25.00 + interest (\$18.54): **\$43.54**

or

1.5% of the New Balance $(1.5\% \times \$2,500)$: **\$37.50**

Since 1% of the New Balance plus interest (\$43.54) is greater than 1.5% of the New Balance (\$37.50) the Minimum Payment Due is **\$43.54**.

Citi Flex Plan Payment Amount. The Minimum Payment Due will include any amount due on a Citi Flex Plan balance each Billing Period (the "Citi Flex Plan Payment Amount"). You must pay the Citi Flex Plan Payment Amount each Billing Period, calculated as described below, for so long as any balance remains in the Citi Flex Plan. The Citi Flex Plan Payment Amount will never be more than the amount of the Citi Flex Plan balance.

We determine the Citi Flex Plan Payment Amount for each Citi Flex Plan that you will pay in each Billing Period as follows:

- The Citi Flex Plan balance as of the date you create the Citi Flex Plan, plus
- The estimated interest charges for the Citi Flex Plan calculated on the daily balance from the start of the next Billing Period following the Billing Period in which you created the Citi Flex Plan through the end of the Citi Flex Plan repayment period (assuming that you pay the Minimum Payment Due on your Account each month on the due date), the sum of which is divided by:

- The number of months in the Citi Flex Plan repayment period.
- We then round the result up to the nearest dollar.

The formula we use for determining the amount described directly above is:

- The Citi Flex Plan balance, multiplied by
- $(IPAPR / 12) / (1 - (1 + IPAPR / 12)^{-N})$, rounded up to the nearest dollar. "IPAPR" equals the specific Citi Flex Plan APR applicable to the Citi Flex Plan balance. "N" equals the number of months in the Citi Flex Plan repayment period.

The actual interest charged on your Plan will be calculated as described in Section 3. Your first Citi Flex Plan Payment Amount will be due in the Billing Period following the Billing Period in which you created the Citi Flex Plan. If you do not pay your Minimum Payment Due in full by the due date, you may owe additional interest on your Citi Flex Plan balance. This will not increase the Citi Flex Plan Payment Amount for subsequent Billing Periods, but you may be required to make additional payments after the end of the Citi Flex Plan repayment period to pay your Citi Flex Plan balance (including any additional interest) in full.

If you have not paid your Minimum Payment Due for any three Billing Periods during the Citi Flex Plan, and the Minimum Payment Due for those three Billing Periods remains outstanding at the end of your current Billing Period, we may cancel any existing Citi Flex Plan from your Account, then add the balance of any canceled Citi Flex Plan to the Purchase balance, retaining the Citi Flex Plan APR that was in effect at time of cancellation. We may also do this if:

- You file for bankruptcy or some other insolvency proceeding is filed by or against you.
- You don't honor the terms of this Agreement.
- You're declared incompetent or mentally incapacitated or in the event of your death.
- You enter into a hardship assistance program.

If any of the above events occur, we will calculate the Minimum Payment Due as part of the Adjusted New Balance as described in Section 5 and you will no longer pay a monthly Citi Flex Plan Payment Amount. Any canceled Citi Flex Plan balance amount that was added to a Purchase balance will not be added back to a Citi Flex Plan balance, even if you pay your outstanding Minimum Payment Due in full. You will not be eligible to create another Citi Flex Plan until you pay your outstanding Minimum Payment Due in full, and then only if we offer you the opportunity to create another Citi Flex Plan.

Important Information about Citi Flex Plans and Promotional APRs:

If your Citi Flex Plan APR is higher than any other APR, such as a promotional Balance Transfer APR, we will apply any payment you make above the Minimum Payment Due to that Citi Flex Plan balance prior to the lower APR balances. **This means that if you want to pay off a balance with a lower promotional APR before the promotional period expires, you must first pay off all your other balances with higher APRs, including your Citi Flex Plan balance, before you can pay off that promotional balance.**



For example, in a sample Billing Period, an Account with no past due or Overlimit Amounts, has:

Citi Flex Plan: \$5,000 with a repayment period of 24 months at 16.99% APR

Citi Flex Plan statement balance in sample Billing Period: \$4,090

Citi Flex Plan interest charge in sample Billing Period: \$56.92

Citi Flex Plan Payment Amount per Billing Period: \$248

And

Balance Transfer amount: \$3,500

Balance Transfer promotional APR: 0.00% (increases to standard Purchase APR of 19.99% after the promotion period ends in the next Billing Period)

Minimum Payment Due for Balance Transfer amount: \$53

(Calculations are approximate and for illustrative purposes only.)

The New Balance for the Account: is \$7,590. The Adjusted New Balance is the New Balance (\$7,590) less the Citi Flex Plan Balance (\$4,090): \$3,500. Your Minimum Payment Due is \$301 (\$53 + \$248).

You make a payment of \$3,748, which includes the Minimum Payment Due (\$301) and an additional amount over your Minimum Payment Due (\$3,447). Because the Citi Flex Plan APR is higher than the Balance Transfer APR, the amount of your payment over the Minimum Payment Due will be applied to your Citi Flex Plan balance before the Balance Transfer amount, leaving a Balance Transfer amount of \$3,447. In the next Billing Period when the Balance Transfer promotional period ends, you will owe interest on this Balance Transfer amount at a 19.99% APR.

Application of Payments. We decide how to apply your payment, up to the Minimum Payment Due, to the balances on your Account. We may apply the Minimum Payment Due first to interest charges, then to the balance with the lowest APR and then to balances with higher APRs. If you pay more than the Minimum Payment Due, we'll apply the amount over the Minimum Payment Due first to the balance with the highest APR, then to the balance with the next highest APR, and so on, except as otherwise required by applicable law.

Payment Instructions. You must follow the instructions below when making a payment. If you do, we'll credit the payment to your Account as of the day we receive it.

1. You must pay in U.S. dollars.
2. You must use a check or electronic debit issued by a bank in the United States.
3. You must not send us a check dated after the date that we receive it.
4. You must not enclose more than one check per envelope.
5. You must not include any restrictive endorsements on the check.
6. You must follow the additional payment instructions shown on your statement.

If you don't pay in U.S. dollars and we accept your payment, we'll select the currency conversion rate, and you must pay our costs. If you don't follow our payment instructions, we may not accept your payment, or there may be a delay in crediting your Account. Either case may result in late fees and additional interest charges to your Account. If you don't follow the instructions in this Agreement or on your statement, we may accept your payment without losing our rights. We may reject a payment if it's more than the outstanding Account balance. We also may close your Account.



AUTHORIZED USERS

Account Use by Authorized Users. You can ask us to add one or more Authorized Users to your Account. If we approve, use of your Account by an Authorized User is subject to the terms of this Agreement. You must:

- Obtain permission from each Authorized User before naming him or her as an Authorized User on your Account.
- Make a copy of this Agreement available to each Authorized User.
- Pay us for all charges incurred by each Authorized User.
- Notify us to remove an Authorized User from your Account.

If we remove an Authorized User, in some cases we may close your Account, open a new Account and issue you a new Card.

You're responsible for:

- Any Transactions made by an Authorized User on your Account.
- Any Transaction made by an Authorized User even if the post date shown on your statement for that Transaction occurs after the date you ask us to remove the Authorized User from your Account.
- Any Transactions made by others if an Authorized User allows them to use your Account.
- Fees and charges resulting from any Transactions made by an Authorized User or others if an Authorized User allows them to use your Account.

Account Information Rights for Authorized Users. You allow us to discuss your Account with an Authorized User. This includes giving him or her access to your Account information and history. You also agree that an Authorized User may use and receive information about the Account the same way you do. An Authorized User can't add other Authorized Users, adjust the credit limit or close the Account.

What can Authorized Users do?

- Report lost or stolen Cards
- Request statement copies
- Initiate billing disputes
- Make payments
- Change the billing address for your Account
- Request refund checks
- Obtain Account information such as Transaction histories

Information about Authorized Users. You agree to give us certain personal information about each Authorized User. You must let each one know that you'll give us that information and you must have his or her permission to do so. You must have permission from each one to allow us to share information about him or her as allowed by applicable law. This includes information we may get from you, any Authorized User and others. It also includes information about their Transactions on the Account.

Credit Reporting. We report information about this Account to Consumer Reporting Agencies in the Authorized User's name that may appear on their credit report. This could include information about:

- Late Payments;
- Overlimit Amounts;
- Returned Payments; and
- Other violations of this Agreement.

You must let each Authorized User know that we report Account information in his or her name. Also, see Credit Reporting in Section 8.

DEFAULT, CLOSING OR SUSPENDING YOUR ACCOUNT

Default. We may require immediate payment of your total Account balance, to the extent allowed by law, if any of the following occur:

1. You don't pay at least the Minimum Payment Due by the due date.
2. You have a Returned Payment.
3. You file for bankruptcy or some other insolvency proceeding is filed by or against you.
4. You don't honor the terms of this Agreement.
5. You default under any other card agreement you have with us.
6. You're declared incompetent or mentally incapacitated, or in the event of your death.

Closing or Suspending Your Account. We may close or suspend your Account if any of the events listed above occur, or for any reason, or for no reason. We may do this at any time, without notifying you, as allowed by law. We may cancel your current Card and issue you a substitute Card at any time. You also may close your Account at any time by notifying us by telephone or in writing. If we close or suspend your Account, or if you close your Account, you must pay us all amounts you owe on the Account (including any amount due on a Citi Flex Plan balance), even if they post to your Account after it's closed or suspended.

Closing Secured Accounts. If your Account is a secured Account, you gave us a security interest in a deposit account. This secures repayment of your Account. If you withdraw your funds from the deposit account, we will close your Account. If you gave us a security interest in a deposit account, we may use the deposit amount to pay any amount you owe.



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CREDIT REPORTING

You allow us to get information about you. We get it from Consumer Reporting Agencies and other sources that provide consumer financial information. You allow us to use it for:

- Renewal of your Account;
- Credit line increases or decreases;
- Administration or review of your Account, collection and any other servicing;
- All other credit-related purposes connected with this Agreement;
- Offers for other cards, insurance products and other services; and
- Other uses permitted by law.

We report Account information in your name, as well as information about you to Consumer Reporting Agencies, on a monthly basis.

The information we provide may appear on your credit reports. This can include information about:

- Late Payments;
- Overlimit Amounts;
- Returned Payments; and
- Other violations of this Agreement.

If you think we've given incorrect information to a Consumer Reporting Agency about you (or about an Authorized User), please write to us at the Customer Service address on your statement and we'll research it. We'll let you know if we agree or disagree with you. If we agree with you, we'll contact each Consumer Reporting Agency we reported to and request a correction.

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ACCOUNT INFORMATION, INFORMATION SHARING & COMMUNICATIONS

Changes to Account Information. You provided certain personal information to us when you opened your Account. You agree to notify us if this information changes. If you don't, or if we ask you to verify your Account information and you cannot, we may suspend or close your Account.

Information Sharing. You agree to let us share information about you and your Account as allowed by law. This includes information we get from you and others. Our privacy notice, which is enclosed with your new Account materials, describes reasons Citi can share its customers' personal information.

COMMUNICATIONS

Contacting You. You agree that we (and/or our service providers or anyone we authorize) may contact you at any phone number, email address or mailing address you provide or we obtain in other ways.

This includes communications to mobile, cellular/wireless or similar devices. We may contact you by live operator, auto-dialer, recorded or artificial voice, text or email.

You agree to pay any charges from your plan provider for communications we send to you, as well as communications you send to us.

How We Capture and Use Voiceprints. We may use voice recognition technology to verify your identity when you call. We may capture and store your voiceprint for this purpose.

Call Monitoring. We may monitor and record any calls between you and us.

Notices. We send any notices to your billing address or, if you've agreed, by email to the address you gave us. We consider a notice sent as soon as we mail it. We consider an electronic notice sent as soon as we email it, unless we receive notification that the email was undeliverable.

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TRANSACTIONS

Merchant Refunds. A merchant refund to your Account will post to your Account as a credit. We don't control when a merchant sends an Account credit. We'll choose how to apply the credit to your existing Account balances, including whether to apply a credit to a Citi Flex Plan or a different balance. If you believe a merchant credit has not been applied properly, please contact us. If a credit creates a credit balance on your Account, we'll mail you a check for the amount of the credit balance.

Note: Merchant Surcharges. Some merchants, including merchants outside the U.S., may charge you a fee to use your Card for a Purchase. The fee will be either a percentage of the amount of your Purchase, or a flat fee, and will be added to the amount of your Purchase. Usually, a merchant will tell you about this fee before you use your Card, but not always. We don't control these fees, and can't prevent them.

Recurring Authorized Transactions. If you authorize a merchant or any other person to charge your Account for recurring Transactions, you must notify the merchant if:

- You want to discontinue these Transactions;
- Your Account is closed;
- Your Account number changes;
- Your Card expiration date changes.

You're responsible for reinstating any recurring authorized Transactions.

Refusal of the Card. We don't guarantee approval of Transactions. We are not liable for those that aren't approved, even if you have enough available credit on your Account. If we detect unusual or suspicious activity, we may suspend your credit privileges. We also may limit the number of Transactions approved in a single day.



11

ARBITRATION

PLEASE READ THIS PROVISION OF THE AGREEMENT CAREFULLY.

This section provides that disputes may be resolved by binding arbitration. Arbitration replaces the right to go to court, have a jury trial or initiate or participate in a class action. In arbitration, disputes are resolved by an arbitrator, not a judge or jury. Arbitration procedures are simpler and more limited than in court. This arbitration provision is governed by the Federal Arbitration Act (FAA), and shall be interpreted in the broadest way the law will allow.

Covered claims

- You or we may arbitrate any claim, dispute or controversy between you and us arising out of or related to your Account, a previous related Account or our relationship (called "Claims").
- If arbitration is chosen by any party, neither you nor we will have the right to litigate that Claim in court or have a jury trial on that Claim.

Except as stated below, all Claims are subject to arbitration, no matter what legal theory they're based on or what remedy (damages, or injunctive or declaratory relief) they seek, including Claims based on contract, tort (including intentional tort), fraud, agency, your or our negligence, statutory or regulatory provisions, or any other sources of law; Claims made as counterclaims, cross-claims, third-party claims, interpleaders or otherwise; Claims made regarding past, present or future conduct; and Claims made independently or with other claims. This also includes Claims made by or against anyone connected with us or you or claiming through us or you, or by someone making a claim through us or you, such as a co-applicant, Authorized User, employee, agent, representative or an affiliated/parent/subsidiary company.

Arbitration limits

- Individual Claims filed in a small claims court are not subject to arbitration, as long as the matter stays in small claims court.
- We won't initiate arbitration to collect a debt from you unless you choose to arbitrate or assert a Claim against us. If you assert a Claim against us, we can choose to arbitrate, including actions to collect a debt from you. You may arbitrate on an individual basis Claims brought against you, including Claims to collect a debt.
- Claims brought as part of a class action, private attorney general or other representative action can be arbitrated only on an individual basis. The arbitrator has no authority to arbitrate any claim on a class or representative basis and may award relief only on an individual basis. If arbitration is chosen by any party, neither you nor we may pursue a Claim as part of a class action or other representative action. Claims of 2 or more persons may not be combined in the same arbitration. However, applicants, co-applicants, Authorized Users on a single Account and/or related Accounts or corporate affiliates are here considered as one person.

How arbitration works

- Arbitration shall be conducted by the American Arbitration Association

("AAA") according to this arbitration provision and the applicable AAA arbitration rules in effect when the claim is filed ("AAA Rules"), except where those rules conflict with this arbitration provision. You can obtain copies of the AAA Rules at the AAA's website (www.adr.org) or by calling 800-778-7879. You or we may choose to have a hearing, appear at any hearing by phone or other electronic means, and/or be represented by counsel. Any in-person hearing will be held in the same city as the U.S. District Court closest to your billing address.

- Arbitration may be requested at any time, even where there is a pending lawsuit, unless a trial has begun or a final judgment entered. Neither you nor we waive the right to arbitrate by filing or serving a complaint, answer, counterclaim, motion or discovery in a court lawsuit. To choose arbitration, a party may file a motion to compel arbitration in a pending matter and/or commence arbitration by submitting the required AAA forms and requisite filing fees to the AAA.
- The arbitration shall be conducted by a single arbitrator in accord with this arbitration provision and the AAA Rules, which may limit discovery. The arbitrator shall not apply any federal or state rules of civil procedure for discovery, but the arbitrator shall honor claims of privilege recognized at law and shall take reasonable steps to protect Account information and other confidential information of either party if requested to do so. The arbitrator shall apply applicable substantive law consistent with the FAA and applicable statute of limitations, and may award damages or other relief under applicable law.
- The arbitrator shall make any award in writing and, if requested by you or us, may provide a brief statement of the reasons for the award. An arbitration award shall decide the rights and obligations only of the parties named in the arbitration, and shall not have any bearing on any other person or dispute.

Paying for arbitration fees

- We'll pay your share of the arbitration fee for an arbitration of Claims of \$75,000 or less if they are unrelated to debt collection. Otherwise, arbitration fees will be allocated according to the applicable AAA Rules. If we prevail, we may not recover our arbitration fees, unless the arbitrator decides your Claim was frivolous. All parties are responsible for their own attorney's fees, expert fees and any other expenses, unless the arbitrator awards such fees or expenses to you or us based on applicable law.

The final award

- Any award by an arbitrator is final unless a party appeals it in writing to the AAA within 30 days of notice of the award. The arbitration appeal shall be determined by a panel of 3 arbitrators. The panel will consider all facts and legal issues anew based on the same evidence presented in the prior arbitration, and will make decisions based on a majority vote. Arbitration fees for the arbitration appeal shall be allocated according to the applicable AAA Rules. An award by a panel on appeal is final. A final award is subject to judicial review as provided by applicable law.

continued on next page



Survival and Severability of Terms

This arbitration provision shall survive changes in this Agreement and termination of the Account or the relationship between you and us, including the bankruptcy of any party and any sale of your Account, or amounts owed on your Account, to another person or entity. If any part of this arbitration provision is deemed invalid or unenforceable, the other terms shall remain in force, except that there can be no arbitration of a class or representative Claim. This arbitration provision may not be amended, severed or waived, except as provided in this Agreement or in a written agreement between you and us.

Rules for rejecting this arbitration provision

You may reject this arbitration provision by sending a written rejection notice to us at PO Box 6195; Sioux Falls, SD 57117-6195. Your rejection notice must be mailed within 45 days of Account opening. Your rejection notice must state that you reject the arbitration provision and include your name, address, Account number and personal signature. No one else may sign the rejection notice. Your rejection notice will not apply to the arbitration provision(s) governing any other account(s) that you have or had with us. Rejection of this arbitration provision won't affect your other rights or responsibilities under this Agreement, including use of the Account.

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AGREEMENT & BENEFIT CHANGES

Changes to this Agreement. We may change this Agreement for any reason and at any time, subject to applicable law. This means that we can change rates and fees that apply to your Account. It also means we can add, replace or remove provisions of this Agreement. If required by applicable law, we'll give you notice of the changes. If you have the right to reject a change, we'll notify you and tell you

how to reject. If we notify you of a change, we may do so on your statement or send you a separate written notice, either of which may be sent electronically if permitted by applicable law.

Changing Benefits. Any benefit, reward, service or feature offered may change or be discontinued at any time for any reason. Separate terms and conditions will describe any exceptions.

13

MISCELLANEOUS

Assignment. We may assign any or all of our rights and obligations under this Agreement to a third party. You may not sell, assign or transfer your Account or any of your obligations under this Agreement.

Governing Law. Federal law and the law of South Dakota govern the terms and enforcement of this Agreement.

Enforcing this Agreement. We won't lose our rights under this Agreement because we delay in enforcing them or fail to enforce them. If any provision of this Agreement is found to be unenforceable, all other provisions of the Agreement will remain in effect.

Collection Costs. To the extent allowed by law, you're liable to us for our legal costs if we refer collection of your Account to a lawyer who isn't our salaried employee. These costs may include reasonable attorneys' fees, as well as costs and expenses of any legal action.

Unforeseen Circumstances. From time to time, our services might be unavailable due to circumstances beyond our control (such as fires, floods, natural disasters, system failures or other unpredictable events). When this happens, you might not be able to use your Card or obtain information about your Account. We're not responsible or liable if this happens.

Lost or Stolen Cards, Account Numbers or Account Checks. You must try to prevent the unauthorized use of your Account and any Card, including your Account number. You must call us if any Card is lost or stolen. Also, you must call us if you think someone has used or may use these items without permission.

Headings. The headings in this Agreement are included as a matter of convenience and don't define, limit or enlarge the scope of this Agreement or any of its provisions.



14

YOUR BILLING RIGHTS

This notice tells you about your rights and our responsibilities under the Fair Credit Billing Act. Keep this document for future use.

What to Do if You Find a Mistake on Your Statement

If you think there is an error on your statement, write to us at the address for billing inquiries and correspondence shown on the front of your statement.

In your letter, give us the following information:

- Account information: Your name and account number.
- Dollar amount: The dollar amount of the suspected error.
- Description of problem: If you think there is an error on your bill, describe what you believe is wrong and why you believe it is a mistake.

You must contact us:

- Within 60 days after the error appeared on your statement.
- At least 3 business days before an automated payment is scheduled, if you want to stop payment on the amount you think is wrong.

You must notify us of any potential errors in writing. You may call us, but if you do we are not required to investigate any potential errors and you may have to pay the amount in question.

What Will Happen After We Receive Your Letter

When we receive your letter, we must do 2 things:

1. Within 30 days of receiving your letter, we must tell you that we received your letter. We will also tell you if we have already corrected the error.
2. Within 90 days of receiving your letter, we must either correct the error or explain to you why we believe the bill is correct.

While we investigate whether or not there has been an error:

- We cannot try to collect the amount in question, or report you as delinquent on that amount.
- The transaction in question may remain on your statement, and we may continue to charge you interest on that amount.
- While you do not have to pay the amount in question, you are responsible for the remainder of your balance.

We can apply any unpaid amount against your credit limit.

After we finish our investigation, one of two things will happen:

- If we made a mistake: You will not have to pay the amount in question or any interest or other fees related to that amount.
- If we do not believe there was a mistake: You will have to pay the amount in question, along with applicable interest and fees. We will send you a statement of the amount you owe and the date payment is due. We may then report you as delinquent if you do not pay the amount we think you owe.

If you receive our explanation but still believe your bill is wrong, you must write to us within 10 days telling us that you still refuse to pay. If you do so, we cannot report you as delinquent without also reporting that you are questioning your bill. We must tell you the name of anyone to whom we reported you as delinquent, and we must let those organizations know when the matter has been settled between us.

If we do not follow all of the rules above, you do not have to pay the first \$50 of the amount you question even if your bill is correct.

Your Rights if You're Dissatisfied with Your Credit Card Purchases

If you are dissatisfied with the goods or services that you have purchased with your credit card, and you have tried in good faith to correct the problem with the merchant, you may have the right not to pay the remaining amount due on the purchase.

To use this right, all of the following must be true:

1. The purchase must have been made in your home state or within 100 miles of your current mailing address, and the purchase price must have been more than \$50. (Note: Neither of these is necessary if your purchase was based on an advertisement we mailed to you, or if we own the company that sold you the goods or services.)
2. You must have used your credit card for the purchase. Purchases made with cash advances from an ATM or with an Account check do not qualify.
3. You must not yet have fully paid for the purchase.

If all of the criteria above are met and you are still dissatisfied with the purchase, contact us in writing at the address for billing inquiries and correspondence shown on the front of your statement.

While we investigate, the same rules apply to the disputed amount as discussed above. After we finish our investigation, we will tell you our decision. At that point, if we think you owe an amount and you do not pay, we may report you as delinquent.

For Further Information: Call the Customer Service number shown on the statement or on the back of your Card if you need more information.



ClassAction.org

This complaint is part of ClassAction.org's searchable class action lawsuit database and can be found in this post: [Citibank Secretly Reclassified Mobile App Payment Transactions as Cash Advances, Class Action Alleges](#)
