

**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK**

PATRICE CHAMBERS, on behalf of  
herself and all others similarly situated,

Plaintiff,

vs.

HSBC BANK USA, N.A.

Defendant.

Civil Action No. 19-cv-10436

**JURY TRIAL DEMAND**

**CLASS ACTION COMPLAINT**

Plaintiff Patrice Chambers, on behalf of herself and all persons similarly situated brings this class action complaint against HSBC Bank USA, N.A. (“HSBC” or “Bank”), and alleges the following:

**INTRODUCTION**

1. When consumers open a checking account with their bank, they have to enter into a standard contract written by the bank and its lawyers. All the bank has to do is honor the contract it wrote and comply with the terms it dictated.

2. HSBC promises its customers that if their account balance drops too low to cover a particular “item,” such as a check, withdrawal, or service charge, HSBC will charge the customer a single \$35 insufficient funds fee (“NSF Fee”) per item. But as Ms. Chambers and consumers all over the country have discovered, HSBC doesn’t abide by this promise. Instead, HSBC routinely charges its customers multiple NSF Fees for the same item, driving their account balances deeper into negative territory.

3. HSBC's customers have been injured by the Bank's improper practices to the tune of millions of dollars bilked from their accounts in violation HSBC's clear contractual commitments.

4. Ms. Chambers, on behalf of herself and two Classes of similarly situated consumers, seeks to end HSBC's abusive and predatory practices and force it to refund all of these improper charges. She asserts claims for breach of contract; breach of the covenant of good faith and fair dealing; violation of state consumer protection law; and/or unjust enrichment, and seeks damages, restitution, and injunctive relief, as set forth more fully below.

### **PARTIES**

5. Patrice Chambers is a resident of Patchogue, New York, and holds an HSBC checking account.

6. Defendant HSBC Bank is engaged in the business of providing retail banking services to consumers, including Plaintiff and members of the putative Classes. HSBC has its headquarters in New York, New York. HSBC has more than \$200 billion in assets and provides banking services to over 2.4 million customers. It operates more than 229 bank branches throughout the United States. There are over 145 in New York as well as branches in: California; Connecticut; Delaware; Washington, D.C.; Florida; Maryland; New Jersey; Pennsylvania; Virginia; and Washington.

### **JURISDICTION AND VENUE**

7. This Court has original jurisdiction of this action under the Class Action Fairness Act of 2005. Pursuant to 28 U.S.C. §§ 1332(d)(2) and (6), this Court has original jurisdiction because (1) the proposed Classes are comprised of at least 100 members; (2) proposed class members reside in at least ten states, meaning at least one member of the proposed classes resides

outside of New York; and (3) the aggregate claims of the putative class members exceed \$5 million, exclusive of interest and costs.

8. Venue is proper in this district pursuant to 28 U.S.C. § 1391 because HSBC is subject to personal jurisdiction here and regularly conducts business in this District, and because a substantial part of the events or omissions giving rise to the claims asserted herein occurred in this district.

### **FACTUAL BACKGROUND AND GENERAL ALLEGATIONS**

#### **I. HSBC CHARGES MORE THAN ONE NSF FEE ON THE SAME ITEM**

9. HSBC's Rules for Consumer Deposit Accounts ("Deposit Agreement") and Fee Schedule (collectively "Account Documents") allow it to charge a *single* \$35 NSF Fee or a *single* \$35 OD Fee when an item is returned for insufficient funds or paid despite insufficient funds.

10. HSBC breaches its contract by charging more than one \$35 NSF Fee on the same item, since the contract explicitly states—and reasonable consumers understand—that the same item can only incur a single NSF or OD Fee.

11. HSBC's abusive practices are not standard within the financial services industry. Indeed, major banks like JP Morgan Chase—the largest consumer bank in the country—charge one NSF Fee per item, even if that item is resubmitted for payment multiple times.<sup>1</sup> And while some other banks engage in the same practices as HSBC, they clearly disclose those charges in the deposit agreements with their customers.

---

<sup>1</sup> As indicated by Chase's printed disclosures, an "item" maintains its integrity even if multiple processes are affected on it: "If we return the same item multiple times, we will only charge you one Returned Item Fee for that item within a 30-day period."

12. HSBC's Deposit Agreement does not say that HSBC repeatedly charges customers multiple NSF fees on a single item. To the contrary, the Deposit Agreement indicates it will only charge a single NSF Fee or OD Fee on an item.

**A. Plaintiff Chambers's Experience.**

13. In support of her claims, Plaintiff offers examples of fees that should not have been assessed against her checking account. As alleged below, HSBC: (a) reprocessed previously declined items; and (b) charged an additional fee upon reprocessing, for a total assessment of *\$70 in fees on each item*.

14. On May 17, 2019, Plaintiff Chambers attempted a payment to Santander.

15. HSBC rejected payment of that item due to insufficient funds in Plaintiff's account and charged her a \$35 NSF Fee for doing so. Plaintiff does not dispute this initial fee, as it is allowed by HSBC's Deposit Agreement.

16. Unbeknownst to Plaintiff, and without her request to HSBC to reprocess the item, however, twelve days later, on May 29, 2019, HSBC processed the same item yet again, with HSBC labeling the transaction a RETRY PYMT on her statements. Again, HSBC returned the item unpaid and charged Plaintiff *another* \$35 NSF Fee for doing so.

17. In sum, HSBC assessed Plaintiff \$70 in fees in its effort to process a single payment.

18. Plaintiff understood the payment to be a single item as is laid out in HSBC's contract, capable at most of receiving a single NSF Fee (if HSBC returned it) or a single OD Fee (if HSBC paid it).

19. Similarly, on June 21, 2019, Plaintiff Chambers attempted a payment to Geico.

20. HSBC rejected payment of that item due to insufficient funds in Plaintiff's account and charged her a \$35 NSF Fee for doing so. Plaintiff does not dispute this initial fee, as it is allowed by HSBC's Deposit Agreement.

21. Unbeknownst to Plaintiff, and without her request to HSBC to reprocess the item, however, six days later, on June 27, 2019, HSBC processed the same item yet again, with HSBC labeling the transaction a RETRY PYMT on her statements. Again, HSBC again returned the item unpaid and charged Plaintiff *another* \$35 NSF Fee for doing so.

22. In sum, HSBC assessed Plaintiff \$70 in fees in its effort to process a single payment.

23. Plaintiff understood the payment to be a single item as is laid out in HSBC's contract, capable at most of receiving a single NSF Fee (if HSBC returned it) or a single OD Fee (if HSBC paid it).

**B. The Imposition of Multiple NSF Fees on a Single Item Violates HSBC's Express Promises and Representations.**

24. HSBC's Account Documents state that the Bank will assess a single fee of \$35 for an item that is returned due to insufficient funds.

25. According to the Fee Schedule, at most a *single* fee will be assessed when an "item" is returned or paid into overdraft:

Insufficient Funds (NSF)	\$35	For each withdrawal, check, electronic funds transfer or other item that overdraws your account. <b>A fee is charged</b> whether we pay or return the item. Example: When a check is presented for payment from your account and you don't have enough money to cover the check, we return or pay it and charge a fee. However, if your ledger balance at the end of the Business Day is overdrawn by \$10 or less, there is no fee.
--------------------------	------	--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

Fee Schedule, Ex. A (emphasis added).

26. The same check, automatic bill payment, or other electronic payment on an account is not a new “item” each time it is rejected for payment then reprocessed, especially when—as here—Plaintiff took no action to resubmit the item.

27. The Account Documents do not say that the same item is eligible to incur multiple NSF Fees. Indeed, the HSBC Account Agreement says that an “item . . . *includes*” all of the following, all of which are created only by the affirmative action of an accountholder:

An “item” includes checks, substitute checks, remotely created checks, withdrawal slips or other in-person transfers or withdrawals, service charges, electronic items or transactions, including withdrawals made from an Automated Teller Machine, everyday or recurring debit card transactions, pre-authorized payments or transfers, ACH transactions, telephone initiated transfers, online banking transfers or bill payment instructions, and any other instruments or instructions for the payment, transfer or withdrawal of funds including an image or photocopy of any of these.

Deposit Agreement, Ex. B at 4.

28. Even if HSBC reprocesses an instruction for payment, it is still the same item. The Bank’s reprocessing is simply another attempt to effectuate an accountholder’s original order or instruction.

29. As alleged herein, Plaintiff took only a single action to make a single payment; she therefore created only one item and may be charged only a single fee.

30. The disclosures described above never discuss a circumstance where HSBC may assess multiple NSF Fees for an item that was returned for insufficient funds and later reprocessed one or more times and returned again.

31. In sum, HSBC promises that one \$35 NSF Fee or one \$35 OD Fee will be assessed per item, and this must mean all iterations of the same instruction for payment. As such, HSBC breached the contract when it charged more than one fee per item.

32. A reasonable consumer would understand that HSBC's Account Documents permit it to assess an NSF Fee only once per "item."

33. Taken together, the representations and omissions identified above convey to customers that all submissions for payment of the same transaction will be treated as the same "item," which the Bank will either pay (resulting in an overdraft item) or return (resulting in a returned item) when it decides there are insufficient funds in the account. Nowhere does HSBC disclose that it will treat each reprocessing of a check or ACH payment as a separate item, subject to additional fees, nor do HSBC customers ever agree to such fees.

34. Customers reasonably understand, based on the language of the Account Documents, that the Bank's reprocessing of checks or ACH payments are simply additional attempts to complete the original order or instruction for payment, and as such, will not trigger additional NSF Fees. In other words, it is always the same item.

35. Banks like HSBC that employ this abusive multiple fee practice know how to plainly and clearly disclose it. Indeed, other banks and credit unions that do engage in this abusive practice disclose it expressly to their accountholders—something HSBC never did.

36. For example, First Hawaiian Bank engages in the same abusive practices as HSBC, but at least currently discloses it in its online banking agreement, in all capital letters, as follows:

**YOU AGREE THAT MULTIPLE ATTEMPTS MAY BE MADE TO SUBMIT A RETURNED ITEM FOR PAYMENT AND THAT MULTIPLE FEES MAY BE CHARGED TO YOU AS A RESULT OF A RETURNED ITEM AND RESUBMISSION.**

*Terms and Conditions of FHB Online Services*, First Hawaiian Bank 40, [https://www.fhb.com/en/assets/File/Home\\_Banking/FHB\\_Online/Terms\\_and\\_Conditions\\_of\\_FHB\\_Online\\_Services\\_RXP1.pdf](https://www.fhb.com/en/assets/File/Home_Banking/FHB_Online/Terms_and_Conditions_of_FHB_Online_Services_RXP1.pdf) (last accessed September 25, 2019) (emphasis added).

37. Klein Bank similarly states in its online banking agreement:

[W]e will charge you an NSF/Overdraft Fee each time: (1) a Bill Payment (electronic or check) is submitted to us for payment from your Bill Payment Account when, at the time of posting, your Bill Payment Account is overdrawn, would be overdrawn if we paid the item (whether or not we in fact pay it) or does not have sufficient available funds; or (2) we return, reverse, or decline to pay an item for any other reason authorized by the terms and conditions governing your Bill Payment Account. **We will charge an NSF/Overdraft Fee as provided in this section regardless of the number of times an item is submitted or resubmitted to us for payment, and regardless of whether we pay the item or return, reverse, or decline to pay the bill payment.**

*Consumer and Small Business Online Access Agreement*, Klein Bank ¶ H, <https://www.kleinbankonline.com/bridge/disclosures/ib/disclose.html> (last accessed September 25, 2019) (emphasis added).

38. Central Pacific Bank, a leading bank in Hawai'i, states in its Fee Schedule under the "MULTIPLE NSF FEES" subsection: "Items and transactions (such as, for example, checks and electronic transactions/payments) returned unpaid due to insufficient/non-sufficient ("NSF") funds in your account, may be resubmitted one or more times for payment, and a \$32 fee will be imposed on you each time an item and transaction resubmitted for payment is returned due to insufficient/nonsufficient funds." *Miscellaneous Fee Schedule*, Central Pacific Bank 1 (Feb. 15, 2019), <https://www.centralpacificbank.com/PDFs/Miscellaneous-Fee-Schedule.aspx>.

39. BP Credit Union likewise states: "We may charge a fee each time an item is submitted or resubmitted for payment; therefore, you may be assessed more than one fee as a result of a returned item and resubmission(s) of the returned item."

40. HSBC provides no such disclosure, and in so doing, breaches its contracts with accountholders, engages in bad faith conduct, and deceives its accountholders.



**C. The Imposition of Multiple NSF Fees on a Single Item Breaches HSBC's Duty of Good Faith and Fair Dealing.**

41. Parties to a contract are required not only to adhere to the express conditions in the contract, but also to act in good faith when they are vested with a discretionary power over the other party. In such circumstances, the party with discretion is required to exercise that power and discretion in good faith. This creates an implied promise to act in accordance with the parties' reasonable expectations and means that the Bank is prohibited from exercising its discretion to enrich itself and gouge its customers. Indeed, the Bank has a duty to honor transaction requests in a way that is fair to Plaintiff and its other customers and is prohibited from exercising its discretion to pile on ever greater penalties. Here—in the adhesion agreements HSBC foisted on Plaintiff and its other customers—HSBC has provided itself numerous discretionary powers affecting customers' bank accounts. But instead of exercising that discretion in good faith and consistent with consumers' reasonable expectations, the Bank abuses that discretion to take money out of consumers' accounts without their permission and contrary to their reasonable expectations that they will not be charged multiple fees for the same transaction.

42. HSBC exercises its discretion in its own favor—and to the prejudice of Plaintiff and its other customers—when it defines “item” in a way that directly leads to more NSF Fees. Further, HSBC abuses the power it has over customers and their bank accounts and acts contrary to their reasonable expectations under the Deposit Agreement. This is a breach of the Bank's implied covenant to engage in fair dealing and act in good faith.

43. By exercising its discretion in its own favor—and to the prejudice of Plaintiff and other customers—by charging more than one NSF Fee on a single item, HSBC breaches the reasonable expectation of Plaintiff and other customers and in doing so violates the implied covenant to act in good faith.

44. It was bad faith and totally outside Plaintiff's reasonable expectations for HSBC to use its discretion to assess two or three NSF Fees for a single attempted payment.

**CLASS ACTION ALLEGATIONS**

45. Plaintiff brings this action on behalf of herself and on behalf of all others similarly situated pursuant to Federal Rule 23. The Classes include:

All persons who, within the applicable statute of limitations period, were charged multiple NSF Fees for the same debit item in an HSBC checking account (the "Multiple NSF Class").

All persons who either opened an HSBC checking account in New York or who opened an HSBC checking account via the telephone or Internet, and who, within the applicable statute of limitations period, were charged multiple NSF Fees for the same debit item in an HSBC checking account (the "New York Multiple NSF Class").

46. Excluded from the Classes are HSBC and its subsidiaries, affiliates, and any entities in which it has a controlling interest, and each of the officers, directors, immediate family members, legal representatives, heirs, successors, or assigns of any such excluded party, the judicial officer(s) to whom this action is assigned, and the members of their immediate families.

47. Plaintiff reserves the right to modify or amend the definition of the proposed Classes and/or to add subclasses if necessary before this Court determines whether certification is appropriate.

48. The questions here are ones of common or general interest such that there is a well-defined community of interest among the members of the Classes. These questions predominate over questions that may affect only individual Class members because HSBC has acted on grounds generally applicable to the Classes. Such common legal or factual questions include, but are not limited to:

a) Whether HSBC improperly charged NSF Fees;

- b) Whether any of the conduct enumerated above violates the contract;
- c) Whether any of the conduct enumerated above violates the covenant of good faith and fair dealing;
- d) Whether any of the conduct enumerated above constitutes unjust enrichment; and
- e) The appropriate measure of damages.

49. The parties are numerous such that joinder is impracticable. Upon information and belief, and subject to class discovery, the Classes consist of thousands of members or more, the identities of whom are within the exclusive knowledge of and can be ascertained only by resort to HSBC's records. HSBC has the administrative capability through its computer systems and other records to identify all members of the Classes, and such specific information is not otherwise available to Plaintiff.

50. It is impracticable to bring Class members' individual claims before the Court. Class treatment permits a large number of similarly situated persons or entities to prosecute their common claims in a single forum simultaneously, efficiently, and without the unnecessary duplication of evidence, effort, expense, or the possibility of inconsistent or contradictory judgments that numerous individual actions would engender. The benefits of the class mechanism, including providing injured persons or entities with a method for obtaining redress on claims that might not be practicable to pursue individually, substantially outweigh any difficulties that may arise in the management of this class action.

51. Plaintiff's claims are typical of the claims of the other members of the Classes in that they arise out of the same wrongful business practices by HSBC, as described herein.

52. Plaintiff is more than an adequate representative of the Classes in that Plaintiff has an HSBC checking account and has suffered damages as a result of HSBC's contract violations,

HSBC's violations of the covenant of good faith and fair dealing, and HSBC's unjust enrichment.

In addition:

- a) Plaintiff is committed to the vigorous prosecution of this action on behalf of herself and all others similarly situated and has retained competent counsel experienced in the prosecution of class actions and, in particular, class actions on behalf of consumers against financial institutions;
- b) There is no conflict of interest between Plaintiff and the unnamed members of the Classes;
- c) Plaintiff anticipates no difficulty in the management of this litigation as a class action; and
- d) Plaintiff's legal counsel has the financial and legal resources to meet the substantial costs and legal issues associated with this type of litigation.

53. Plaintiff knows of no difficulty to be encountered in the maintenance of this action that would preclude its treatment as a class action.

54. HSBC has acted or refused to act on grounds generally applicable to each of the Classes, thereby making appropriate final injunctive relief or corresponding declaratory relief with respect to each Class as a whole.

55. All conditions precedent to bringing this action have been satisfied and/or waived.

### **CAUSES OF ACTION**

#### **COUNT I**

#### **BREACH OF CONTRACT**

#### **(On Behalf of Plaintiff and the Classes)**

56. Plaintiff repeats, realleges, and incorporates by reference each of the foregoing paragraphs as if fully set forth herein.

57. Plaintiff and HSBC contracted for checking account services, as embodied in the Deposit Agreement and Fee Schedule.

58. Defendant mischaracterized in the Account Documents its true NSF Fee practices and breached the express terms of the Account Documents.

59. No contract provision authorizes Defendant to charge more than one NSF Fee on the same item.

60. Defendant has breached its contracts with Plaintiff and the Classes through its NSF fee policies and practices as alleged herein.

61. Plaintiff and members of the putative Classes have performed all of the obligations on them pursuant to the Bank's agreements.

62. Plaintiff and members of the putative Classes have sustained monetary damages as a result of each of Defendant's breaches.

**COUNT II**  
**BREACH OF THE COVENANT OF GOOD FAITH AND FAIR DEALING**  
**(On Behalf of Plaintiff and the Classes)**

63. Plaintiff repeats, realleges, and incorporates by reference each of the foregoing paragraphs as if fully set forth herein.

64. Plaintiff and HSBC contracted for checking account services, as embodied in the Deposit Agreement and Fee Schedule.

65. Under New York law and the states wherein HSBC does business, a covenant of good faith and fair dealing is implied in every contract. The covenant of good faith and fair dealing constrains Defendant's discretion to abuse self-granted contractual powers.

66. This good faith requirement extends to the manner in which a party employs discretion conferred by a contract.

67. Good faith and fair dealing, in connection with executing contracts and discharging performance and other duties according to their terms, means preserving the spirit—not merely the letter—of the bargain. Put differently, the parties to a contract are mutually obligated to comply with the substance of their contract in addition to its form. Evading the spirit of the bargain and

abusing the power to specify terms constitute examples of bad faith in the performance of contracts.

68. Subterfuge and evasion violate the obligation of good faith in performance even when an actor believes her conduct to be justified. A lack of good faith may be overt or may consist of inaction, and fair dealing may require more than honesty. Other examples of violations of good faith and fair dealing are willful rendering of imperfect performance, abuse of a power to specify terms, and interference with or failure to cooperate in the other party's performance.

69. HSBC breached the covenant of good faith and fair dealing through its NSF fee policies and practices as explained herein.

70. Each of Defendant's actions was done in bad faith and was arbitrary and capricious.

71. Plaintiff and members of the putative Classes have performed all of the obligations imposed on them pursuant to the Deposit Agreement.

72. Plaintiff and members of the putative Classes have sustained monetary damages as a result of each of Defendant's breaches of the covenant of good faith and fair dealing.

**COUNT III**  
**UNJUST ENRICHMENT**  
**(In the Alternative to COUNT I and COUNT II)**  
**(On Behalf of Plaintiff and the Classes)**

73. Plaintiff repeats, realleges, and incorporates by reference each of the foregoing paragraphs as if fully set forth herein.

74. This Count is brought solely in the alternative to Plaintiff's breach of contract and breach of the covenant of good faith and fair dealing claims. Plaintiff acknowledges that her breach of contract claim cannot be tried along with unjust enrichment.

75. To the detriment of Plaintiff and the Classes, Defendant has been, and continues to be, unjustly enriched as a result of its wrongful conduct alleged herein.

76. Plaintiff and the Classes conferred a benefit on Defendant when they paid Defendant the fees that were not disclosed or allowed for in the Account Documents.

77. Defendant unfairly, deceptively, unjustly, and/or unlawfully accepted said benefits, which under the circumstances, would be unjust to allow Defendant to retain.

78. Defendant's unjust enrichment is traceable to, and resulted directly and proximately from, the conduct alleged herein.

79. Plaintiff and the Classes, therefore, seek disgorgement of all wrongfully obtained fees received by Defendant as a result of its inequitable conduct as more fully stated herein.

**COUNT IV**  
**New York General Business Law, N.Y. Gen. Bus. Law § 349 et seq.**  
**(On Behalf of the New York Multiple NSF Class)**

80. Plaintiff repeats, realleges, and incorporates by reference each of the foregoing paragraphs as if fully set forth herein.

81. HSBC's practice of charging more than one NSF Fee on the same item violates New York General Business Law § 349 ("NY GBL § 349").

82. NY GBL § 349 prohibits deceptive acts or practices in the conduct of any business, trade, or commerce, or in the furnishing of any service in the state of New York.

83. As one of the largest banks in the United States with its headquarters and multiple branch locations in New York, HSBC conducted business, trade or commerce in New York State.

84. In the conduct of its business, trade, and commerce, and in furnishing services in New York, HSBC's actions were directed at consumers.

85. In the conduct of its business, trade, and commerce, and in furnishing services in New York, HSBC engaged in deceptive, unfair, and unlawful acts or practices, in violation of NY GBL § 349(a), including but not limited to the following:

- a. HSBC misrepresented material facts, pertaining to the sale and/or furnishing of banking services to the New York Multiple NSF Class by representing and advertising that it would only assess a single \$35 NSF Fee for a single item; and
- b. HSBC omitted, suppressed, and concealed the material fact that it would charge multiple \$35 NSF Fees for a single item.

86. HSBC systematically engaged in these deceptive, misleading, and unlawful acts and practices, to the detriment of Plaintiff and members of the New York Multiple NSF Class.

87. HSBC willfully engaged in such acts and practices, and knew that it violated NY GBL § 349 or showed reckless disregard for whether they violated NY GBL § 349.

88. As a direct and proximate result of HSBC's deceptive trade practices, members of the New York Multiple NSF Class suffered injury and/or damages, including multiple \$35 NSF fees charged on a single item, additional charges due to their improperly reduced balances, and the loss of the benefit of their respective bargains with HSBC.

89. Had Plaintiff known she could be charged more than one NSF fee on a single item, she would have made different payment decisions so as to avoid incurring such fees or moved her funds to a different bank.

90. As a result of HSBC's violations of NY GBL § 349, Plaintiff and members of the putative Classes have paid and will continue to pay excessive fees to HSBC. Accordingly, they have suffered and will continue to suffer actual damages.

91. Accordingly, Plaintiff and New York Multiple NSF Class members are entitled to relief under NY GBL § 349(h), including, but not limited to, actual damages, treble damages, statutory damages, injunctive relief, and/or attorney's fees and costs.



**PRAYER FOR RELIEF**

WHEREFORE, Plaintiff, individually and on behalf of the Classes, demands a jury trial on all claims so triable and judgment as follows:

A. Certifying the proposed Classes pursuant to Federal Rule of Civil Procedure 23, appointing the Plaintiff as representative of the Classes, and appointing counsel for Plaintiff as lead counsel for the Classes;

B. Declaring that HSBC's policies and practices as described herein constitute a breach of contract and a breach of the covenant of good faith and fair dealing or unjust enrichment;

C. Enjoining HSBC from the wrongful conduct as described herein;

D. Awarding restitution of all fees at issue paid to HSBC by Plaintiff and the Classes as a result of the wrongs alleged herein in an amount to be determined at trial;

E. Compelling disgorgement of the ill-gotten gains derived by HSBC from its misconduct;

F. Awarding actual and/or compensatory damages in an amount according to proof;

G. Awarding pre-judgment interest at the maximum rate permitted by applicable law;

H. Reimbursing all costs, expenses, and disbursements accrued by Plaintiff in connection with this action, including reasonable attorneys' fees, costs, and expenses, pursuant to applicable law and any other basis; and

I. Awarding such other relief as this Court deems just and proper.

**DEMAND FOR JURY TRIAL**

Plaintiff and all others similarly situated hereby demand trial by jury on all issues in this Class Action Complaint that are so triable.

Dated: November 8, 2019.

Respectfully submitted,

/s/ John A. Kehoe

John A. Kehoe (JK-4589)  
KEHOE LAW FIRM, P.C.  
41 Madison Avenue, 31st Floor  
New York, NY 10010  
(212) 804-7700  
jkehoe@kehoelawfirm.com

Eric H. Gibbs\*  
David M. Berger\*  
GIBBS LAW GROUP, LLP  
501 14th Street, Suite 1110  
Oakland, CA 94612  
(510) 350-9700  
ehg@classlawgroup.com  
dmb@classlawgroup.com

Jeffrey Kaliel\*  
Sophia Goren Gold\*  
Kaliel PLLC  
1875 Connecticut Avenue NW, 10th Floor  
Washington, DC 20009  
202-350-4783  
jkaliel@kalielllc.com  
sgold@kalielllc.com

\* *pro hac vice* application to be filed

Counsel for Plaintiffs and the Proposed Class

# **EXHIBIT A**



## Addendum to all Consumer Checking Accounts (excluding Basic Banking) Terms & Charges Disclosure

Effective September 9, 2019, the Statement Services section is revised to clarify when Statements are provided.

<b>STATEMENT SERVICES</b>	Statements	<b>Monthly</b>	A periodic statement is provided for each monthly cycle in which a transaction has occurred and at least quarterly if no transactions have occurred.
-------------------------------	------------	----------------	------------------------------------------------------------------------------------------------------------------------------------------------------

All other information within your Terms & Charges Disclosure, including any prior amendments, remains in effect.



## Addendum to HSBC Advance Terms & Charges Disclosure

Effective June 3, 2019, the eligibility criteria for HSBC Advance checking has been expanded to include any HSBC U.S. residential mortgage loan.

**The *Eligibility* section of the HSBC Advance Terms & Charges Disclosure is amended to read as follows:**

<b>ELIGIBILITY</b>	The HSBC Advance account is available to consumers (including any consumer who is a Qualifying Principal as defined below) who have a U.S. personal and qualifying commercial related combined deposit balance in U.S. Dollar accounts and investment balance of at least \$10,000 OR at least \$5,000 with a recurring direct deposit from a third party to an HSBC Advance checking account at least once per calendar month OR any HSBC U.S. residential mortgage loan.
--------------------	----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

**The *Monthly Maintenance Fee* section of the HSBC Advance Terms & Charges Disclosure is amended to read as follows:**

<b>MONTHLY MAINTENANCE FEE</b>	<p><b>Monthly Maintenance Fee \$25</b></p> <p>If your U.S. personal and qualifying commercial related combined deposit balance in U.S. Dollar accounts and investment balance are below the required \$10,000 OR is below the required \$5,000 with a recurring direct deposit from a third party to your HSBC Advance checking account at least once per calendar month OR you do not have any HSBC U.S. residential mortgage loans. For purposes of this disclosure, the month for qualifying deposit accounts is the calendar month prior to the assessment of the Monthly Maintenance Fee. Qualifying investment balances are determined on the last business day of the calendar month prior to the assessment of the Monthly Maintenance Fee. A calendar month is defined as the period of duration from the first date of one month to the last date of the same month, and thus can be 28 (29 during a leap year), 30, or 31 days long. For example, the duration from January 1 to January 31. Please see "QUALIFYING BALANCES" section for more information. Qualifying direct deposits are electronic deposits of regular periodic payments (such as salary, pension, Government Benefits or other monthly income) made into your HSBC Advance checking account from third parties at least once per calendar month.</p> <p>The Monthly Maintenance Fee will be assessed on the second Business Day following the first Friday of the next calendar month unless New Year's Day falls on a Friday, then the assessment is delayed by one week.</p> <p>You will not be assessed a Monthly Maintenance Fee for the calendar month in which you opened your account. In addition, you will have the next 3 months after the account opening month to meet the minimum balance requirement or minimum balance with direct deposit requirement before being assessed a Monthly Maintenance fee.</p>
----------------------------------------	-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

**The *Qualifying Balances* section will be expanded to include the following:**

<b>QUALIFYING BALANCES</b>	Qualifying Mortgage Balances for HSBC Advance Include	Any existing HSBC U.S. residential mortgage loan. If HSBC ceases to own the loan (e.g., third party refinance, loan pay off, foreclosure, portfolio sale), it will no longer qualify. The loan must be for a singular mortgage and not an aggregate of multiple mortgages. Home Equity products are not included.
--------------------------------	-------------------------------------------------------	-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

All other information within your Terms & Charges Disclosure, including any prior amendments, remains in effect.



**HSBC ADVANCE**

The following information was correct as of 11/01/2019

Have questions or need current rate information?

Call us at 866.584.HSBC (4722)

**TERMS & CHARGES DISCLOSURE<sup>1</sup>**

It's important that you understand exactly how your HSBC Advance checking account works. We've created this summary to explain the fees and some key terms of your account.

<b>ELIGIBILITY</b>	The HSBC Advance account is available to consumers (including any consumer who is a Qualifying Principal as defined below) who have a U.S. personal and qualifying commercial related combined deposit balance in U.S. Dollar accounts and investment balance of at least \$10,000 OR at least \$5,000 with a recurring direct deposit from a third party to an HSBC Advance checking account at least once per calendar month.
--------------------	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

<b>RATE INFORMATION</b> (For more details, see HOW INTEREST AND APY WORK section)	<b>Minimum Balance to Obtain APY</b>	<b>Interest Rate</b>	<b>Annual Percentage Yield (APY)</b>
	<b>\$10,000 or more</b>	<b>0.01%</b>	<b>0.01%</b>
	<b>\$3,000 or more but less than \$10,000</b>	<b>0.01%</b>	<b>0.01%</b>
	<b>\$1,000 or more but less than \$3,000</b>	<b>0.01%</b>	<b>0.01%</b>
	<b>\$5 or more but less than \$1,000</b>	<b>0.01%</b>	<b>0.01%</b>
	<b>Less than \$5</b>	<b>No Interest Earned</b>	<b>No APY Earned</b>

Minimum Balance requirements to earn interest are met by maintaining a "Daily Balance" of specified dollar amounts in your relationship checking account.

<b>ADDITIONAL RATE INFORMATION</b>	Method Used to Compute Interest	<b>Daily Balance</b>	This method applies a daily periodic rate to the principal in the account each day.
	Compounding Period	<b>Monthly</b>	
	Interest is Credited	<b>Monthly</b>	

<b>MONTHLY MAINTENANCE FEE</b>	Monthly Maintenance Fee	<b>\$25</b>	
	If your U.S. personal and qualifying commercial related combined deposit balance in U.S. Dollar accounts and investment balance are below the required \$10,000 OR is below the required \$5,000 with a recurring direct deposit from a third party to your HSBC Advance checking account. For purposes of this disclosure, the month for qualifying deposit accounts is the calendar month prior to the assessment of the Monthly Maintenance Fee. Qualifying investment balances are determined on the last Business Day of the calendar month prior to the assessment of the Monthly Maintenance Fee. A calendar month is defined as the period of duration from the first date of one month to the last date of the same month, and thus can be 28 (29 during a leap year), 30, or 31 days long. For example, the duration from January 1 to January 31. Please see "QUALIFYING BALANCES" section for more information. Qualifying direct deposits are electronic deposits of regular periodic payments (such as salary, pension, Government Benefits or other monthly income) made into your HSBC Advance checking account from third parties at least once per calendar month.		
	The Monthly Maintenance Fee will be assessed on the second Business Day following the first Friday of the next calendar month. If New Year's Day falls on a Friday, the assessment is delayed by one week.		
	You will not be assessed a Monthly Maintenance Fee for the calendar month in which you opened your account. In addition, you will have the next 3 months after the account opening month to meet the minimum balance requirement or minimum balance with direct deposit requirement before being assessed a Monthly Maintenance Fee.		
	Excess Withdrawal Fee	<b>\$0</b>	

<b>ACCOUNT FUNDING INFORMATION</b>	Minimum Deposit to Open	<b>\$0</b>	When account opened by a Bank representative.
	Minimum Deposit to Open Online	<b>\$1</b>	Including computer self-serve account openings in a branch.
	Maximum Daily Online Limit	<b>\$350,000</b>	Maximum when funding the account or making additional daily deposits/withdrawals with an electronic transfer to or from another financial institution.

**HSBC ADVANCE****TERMS & CHARGES DISCLOSURE<sup>1</sup>**

<b>AUTOMATED TELLER MACHINE (ATM) AND OTHER ELECTRONIC FUND TRANSFER (EFT) FACILITY CHARGES<sup>2</sup></b>	U.S. HSBC ATM Fees <sup>3</sup>	<b>\$0</b>	For using an HSBC Bank USA, N.A. ATM to complete any transaction in the U.S.
	Other ATM Fees <sup>3</sup>	<b>\$0</b>	For each withdrawal, balance inquiry or transfer using a non-HSBC ATM. (You may also be charged additional fees by the ATM operator or network used including a fee by another HSBC entity operating ATMs outside the U.S.)
	Currency Conversion on Foreign Transactions <sup>4</sup>	<b>Varies</b>	When transacting in a foreign country, even in U.S. dollars, a conversion rate will be applied to determine the transaction amount on the posting date which may be different from your transaction date.
	Foreign Transaction Fee <sup>5</sup>	<b>3%</b>	The percentage of the transaction amount after conversion to U.S. dollars.

**Fees for when you don't have enough money, or enough available money in your account to pay the transaction.**

<b>OVERDRAFT AND RETURNED ITEMS FEES</b>	Insufficient Funds (NSF)	<b>\$35</b>	For each withdrawal, check, electronic funds transfer or other item that overdraws your account. A fee is charged whether we pay or return the item. Example: When a check is presented for payment from your account and you don't have enough money to cover the check, we return or pay it and charge a fee. However, if your ledger balance at the end of the Business Day is overdrawn by \$10 or less, there is no fee.
	Unavailable Funds (UNA)	<b>\$35</b>	For each withdrawal, check, electronic funds transfer or other item that is drawn against unavailable funds. A fee is charged whether we pay or return the item. Example: When a check is presented for payment from your account and the money in your account is not available for use, we will return or pay it and charge a fee. However, if your available balance at the end of the Business Day is overdrawn by \$10 or less, there is no fee.  Please see "HOW DEPOSITS AND WITHDRAWALS WORK" section to learn more about funds availability.
	Maximum Number of Overdraft Fees	HSBC will only charge you a maximum of 3 combined NSF or UNA fees per day.	
	Overdraft Fees resulting from ATM and everyday debit card transactions	<b>\$0</b>	We do not authorize and pay overdrafts for ATM and everyday debit card transactions unless you are using an overdraft protection plan to cover these transactions. An overdraft protection plan with available funds is necessary to have these transactions paid.
	Overdraft Transaction Fee on linked Select Credit	<b>See Select Credit Summary of Terms</b>	For complete terms and conditions, see the HSBC Select Credit Account Summary of Terms for information on overdraft pricing.
	Overdraft Transaction Fee on linked HSBC Credit Cards	<b>See applicable Credit Card Summary of Terms</b>	Overdraft Transaction Fees vary by Credit Card. Therefore, please refer to the applicable HSBC Credit Card Summary of Terms for information on overdraft pricing.
	Extended Overdraft Fee	<b>\$0</b>	HSBC does not charge extended overdraft fees.

**HSBC ADVANCE****TERMS & CHARGES DISCLOSURE<sup>1</sup>**

<b>STATEMENT SERVICES</b>	Statements	<b>Monthly</b>	A record of your transactions is mailed or made available periodically.
	Recordcheck® Service	<b>No Cost</b>	The Bank will keep a record of your cancelled checks instead of providing image copies of the front and back of cancelled checks with your statement. If you need a copy of a cancelled check, the Bank will mail it to you. A reconstruction fee may apply if you request a total reconstruction (copies of all checks and/or statements) for one or more statements.
	Monthly Image Cancelled Check Return Fee	<b>\$3</b>	Per month for Image of Cancelled Check Return Service, which is charged if there are cancelled check images displayed on the statement. This fee is waived if the account is enrolled in eStatements through HSBC Personal Internet Banking. This fee is waived if your account was opened and maintained by a branch in the State of Washington.
	Copy of Item or Statement	<b>\$5</b>	For each item or statement.
	Statement Reconstruction	<b>\$40</b>	Per hour plus copy fees. A total reconstruction provides copies of all checks and/or statements for one or more statements.
	Interested Party Statement	<b>\$5</b>	For each statement sent to a third party at the customer's request.
<b>OTHER ACCOUNT RELATED FEES</b>	Account Closing	<b>\$25</b>	If your account is closed within 180 days of opening.
	Balance Verification Letter	<b>\$20</b>	For each original letter provided verifying your deposit account(s) with us.
		<b>\$5</b>	For each additional copy.
	Chargeback	<b>\$10</b>	For each check or other item that you deposit that is returned to us unpaid.
	Checkbook Supplies	<b>Varies</b>	Charges for personal checks, deposit slips or other banking supplies varies based on items ordered.
	Legal Papers	<b>\$100</b>	For each court order, restraining notice, levy or other legal paper that requires us to put a hold on your account or to pay out money from your account to someone else.
	Reconcilement	<b>\$50</b>	Per hour if you cannot balance your statement and do not bring it to our attention before you received your next statement, we may charge you an hourly fee to locate the error.
	Stop Payment	<b>\$30</b>	For each stop payment order placed.



**HSBC ADVANCE****TERMS & CHARGES DISCLOSURE<sup>1</sup>**

<b>OTHER MISCELLANEOUS SERVICE FEES</b> subject to change without notice	Canadian Check Processed	<b>\$2</b>	Each
	Domestic Collection	<b>\$25</b>	For collection of a check drawn against a U.S. institution instead of depositing it to your HSBC account, or when you authorize another institution to close your HSBC account. This fee is \$15 if your account was opened and maintained by a branch in the State of California, Washington or Oregon.
	Funds (Wire) Transfer-In <sup>6</sup>	<b>\$12</b>	Per incoming transfer.
	Funds (Wire) Transfer-Out - Domestic and International	For applicable transfer fees, please refer to the Pre-Payment and Receipt Disclosures received at the time of your wire transaction.	
	Cashier's Check - DFT (Commission USD <sup>6</sup> )	<b>\$10</b>	For each U.S. Dollar Draft or Cashier's Check purchased in U.S. dollars.
	Protest Letter	<b>\$20</b>	Each. This fee is waived if your account was opened and maintained by a branch in the State of California.
	Special Statement	<b>\$6</b>	For each request generated outside the normal statement cycle.
<b>QUALIFYING BALANCES</b>	Personal Related Combined Deposit (in U.S. Dollar accounts) and Investment Balances	Personal accounts with qualified personal balances will be related to your HSBC Advance checking account upon your request. Related personal accounts that close during the calendar month will not be included in the related combined balance for that calendar month.	
	Qualified Personal Balances for HSBC Advance Include	<ul style="list-style-type: none"> <li>• Average ledger balance in your HSBC Bank USA, N.A. personal checking, savings, Trust and/or Certificate of Deposit U.S. Dollar accounts for the calendar month.</li> <li>• The current U.S. Dollar market value of assets held in your HSBC Securities (USA) Inc. brokerage account.+</li> <li>• Current contract value of annuities owned by you and purchased through HSBC Securities (USA) Inc. and for which an agent of HSBC Securities (USA) Inc. is the agent of record.+</li> </ul>	
	Qualifying Principal	Must be a consumer and includes – the owner of a sole proprietorship; the general or majority partner in a limited partnership; majority shareholder of a closely held corporation; or a majority partner in a general partnership. A change in your status as a qualifying principal must be reported to HSBC.	
	Commercial Related Combined Deposit (in U.S. Dollar accounts) and Investment Balances	Commercial accounts with qualified commercial balances will be related to a qualifying principal's HSBC Advance checking account upon request. Related commercial accounts that close during the calendar month will not be included in the related combined commercial balance for that calendar month.	
	Qualified Commercial Balances for HSBC Advance Include	<ul style="list-style-type: none"> <li>• Average ledger balance in any HSBC Bank USA, N.A. commercial checking, savings, Trust and/or Certificate of Deposit U.S. Dollar accounts for the calendar month.</li> <li>• The current U.S. Dollar market value of assets held in your HSBC Securities (USA) Inc. brokerage account.+</li> <li>• Current contract value of eligible commercial annuities owned and purchased through HSBC Securities (USA) Inc. and for which an agent of HSBC Securities (USA) Inc. is the agent of record.+</li> <li>• Fiduciary accounts are not eligible as a qualified commercial balance, e.g., IOLA, Rent Security, etc.</li> </ul>	

+ Investment and certain insurance products, including annuities, are offered by HSBC Securities (USA) Inc. (HSI), member NYSE/FINRA/SIPC. In California, HSI conducts insurance business as HSBC Securities Insurance Services. License #: **OE67746**. HSI is an affiliate of HSBC Bank USA, N.A. Whole life, universal life, term life, and other types of insurance are provided by unaffiliated third parties and offered through HSBC Insurance Agency (USA) Inc., a wholly owned subsidiary of HSBC Bank USA, N.A. Products and services may vary by state and are not available in all states. California license #: **OD36843**.

**Investments, Annuity and Insurance Products: Are not a deposit or other obligation of the bank or any of its affiliates; Not FDIC insured or insured by any federal government agency of the United States; Not guaranteed by the bank or any of its affiliates; and subject to investment risk, including possible loss of principal invested.**

**All decisions regarding the tax implications of your investment(s) should be made in connection with your independent tax advisor.**

## HSBC ADVANCE

TERMS & CHARGES DISCLOSURE<sup>1</sup>

<b>HOW INTEREST AND APY WORK</b>	Interest Rate Changes	Your interest rate and APY may change. We may change the interest rate, solely at our discretion, at any time.
	Annual Percentage Yield	Is based on principal and interest left on deposit for a full 365 day year with interest compounded at the same interest rate. Withdrawal of interest will result in a lower Annual Percentage Yield than stated.
	Accrued Interest	Interest begins to accrue on the Business Day you deposit noncash items (e.g., checks). If you close your account before interest is credited, you will receive the accrued interest.
<b>HOW DEPOSITS AND WITHDRAWALS WORK</b>	The Order in Which Deposits and Withdrawals Are Processed	<p>We post transactions to your account throughout the day in the order that we receive them.</p> <p>For your benefit to minimize NSF/UNA fees that you could be charged, we take the following action at the end of the day. Once all items have posted to your account, we start with the ledger balance at the beginning of the day and sort all posted transactions in the following order to determine your end of day ledger balance:</p> <ol style="list-style-type: none"> <li>1. Add deposits and credits.</li> <li>2. Subtract fees resulting from prior day activities which were not charged on the current day (e.g., Chargeback Fee).</li> <li>3. Subtract outgoing wire transfers.</li> <li>4. Subtract account withdrawals performed at the branch from lowest to highest dollar amount.</li> <li>5. Subtract transactions that were authorized based on your available balance at the time you performed the transactions. Transactions will be sorted in lowest to highest dollar amount, regardless of the date the transaction was performed. Transactions include everyday debit card transactions, ATM withdrawals, and online transactions.</li> <li>6. Subtract all other items in lowest to highest dollar amount.</li> <li>7. Subtract fees resulting from current day activities (e.g., Stop Payment Fee).</li> </ol> <p>After determining your end of day ledger balance, we subtract the amount of any deposit not currently available (refer to the Funds Availability section for more information) and subtract holds (e.g., debit card authorizations) from the end of day ledger balance to determine your available balance, and whether or not an overdraft fee is assessed.</p>
	When Your Deposits Are Available (Funds Availability <sup>7</sup> )	<ul style="list-style-type: none"> <li>• <b>Cash deposit with teller or at ATM:</b> Same calendar day the Bank receives the deposit.</li> <li>• <b>Funds transfers between HSBC Bank USA, N.A. accounts in the same name and Global Transfers:</b> Same calendar day the Bank received the deposit.</li> <li>• <b>Electronic direct deposit/Wire transfer:</b> Same Business Day the Bank receives the deposit.</li> <li>• <b>Check deposit with teller or at ATM:</b> <ul style="list-style-type: none"> <li>– The first \$200 from a deposit of one or more non HSBC checks will always be made available on the first Business Day after the day of your deposit. The remainder of your deposit will be available no later than the second Business Day after the day of your deposit.</li> <li>– In some situations, we may notify you after your deposit is made that your funds will generally be available by the sixth Business Day after the day of your deposit.</li> </ul> </li> </ul> <p>A "Business Day" is every day except Saturday, Sunday and Federal holidays.</p>

## HSBC ADVANCE

### TERMS & CHARGES DISCLOSURE<sup>1</sup>

- 1 - BANK RULES -This document is part of the Rules For Consumer Deposit Accounts (the "Rules"). In case of inconsistency between this document and the Rules, this document governs all inconsistencies except for those in "HOW DEPOSITS AND WITHDRAWALS WORK" which shall be governed by the Rules.
- 2 - Cards referenced are issued by HSBC Bank USA, National Association ("HSBC Bank USA, N.A.").
- 3 - Electronic Fund Transfer (EFT) Facility Service Charges apply to your account when using your Debit Mastercard® card or ATM card. Mastercard is a registered trademark, and the circles design is a trademark of Mastercard International Incorporated.
- 4 - Currency Conversion on Foreign Transactions  
If you effect a transaction on your HSBC Bank Consumer Checking or Savings account at an EFT facility with your Debit Mastercard® card or ATM card in a currency other than U.S. dollars or effect a transaction in U.S. dollars outside the United States, Mastercard International Incorporated ("Card Association") will convert the transaction into a U.S. dollar amount. A currency conversion will occur even if the transaction is made in U.S. dollars. Card Association will act in accordance with the operating regulations or foreign currency conversion procedures then in effect. Currently the currency conversion rate used to determine the transaction amount in U.S. dollars for such transactions is either a government-mandated rate or a wholesale rate determined by Card Association for the processing cycle in which the transaction is processed. The currency conversion rate used by Card Association on the processing date may differ from the rate that would have been used on the transaction date or cardholder statement posting date.
- 5 - Foreign Transaction Fee\*  
If you effect a transaction on your HSBC Bank Consumer Checking or Savings account at an EFT facility with your Debit Mastercard® card or ATM card outside the United States, the transaction amount may be further increased by a percentage established from time to time by us.  
\* This Foreign Transaction Fee does not apply to transactions using your HSBC Jade World Debit Mastercard® card or HSBC Premier World Debit Mastercard® card.
- 6 - For owners of HSBC Premier checking products in the U.S., there is no charge.
- 7 - For complete details, please consult the Rules For Consumer Deposit Accounts which includes the Funds Availability Policy and Transaction Processing Times.

**WANT MORE INFO? SEE THE RULES FOR CONSUMER DEPOSIT ACCOUNTS**

# **EXHIBIT B**

**Rules For**

# **Consumer Deposit Accounts**



**HSBC**

# Table of Contents

<b>Our Agreement</b>	<b>1</b>
<b>Definitions</b>	<b>2</b>
<b>Checking Accounts</b>	<b>2</b>
<b>Savings Accounts</b>	<b>8</b>
<b>Certificates Of Deposit</b>	<b>8</b>
<b>Special Deposit Accounts</b>	<b>9</b>
<b>Deposits</b>	<b>9</b>
<b>Funds Availability</b>	<b>11</b>
<b>Withdrawals</b>	<b>15</b>
<b>Funds Transfers</b>	<b>16</b>
<b>Interest</b>	<b>19</b>
<b>Joint Accounts</b>	<b>20</b>
<b>Relationship Between Joint Depositors</b>	<b>21</b>
<b>Your Agreement With The Bank</b>	<b>21</b>
<b>More About Your Account</b>	<b>22</b>

---

# Our Agreement

---

These Rules For Consumer Deposit Accounts (the "Rules") are part of the Agreement between you and HSBC Bank USA, National Association (the "Bank" or "HSBC"), and contain some of the terms and conditions for consumer deposit accounts. **This agreement does not apply to commercial accounts.** The Bank offers a variety of products and services, including checking, savings, money market, certificates of deposit (CDs), and electronic banking services. Any *Terms and Charges Disclosure* applicable to your account is also a part of the Agreement. By signing a contract to open any deposit account or by using a Bank product or service, you agree that these Rules, as amended from time to time, shall apply to all your deposit accounts. If there is a conflict between these Rules and something one of our employees says, the Bank will follow these Rules. These Bank Rules supersede and replace all prior Bank Rules.

---

## Governing laws and regulations

These Rules shall be governed by and interpreted according to federal law, and by applicable state law, clearing house rules, ACH rules and general commercial bank practices applicable to the services provided, to the extent not superseded by federal law. The applicable state law (to the extent not superseded by federal law) shall be the law of the state where the deposit account is opened, if opened in person. For deposit accounts opened by telephone, or Internet, applicable New York law will govern to the extent not superseded by federal law. If these Rules conflict at any time with the applicable federal or state law or regulation, the Rules will be considered changed to the extent necessary to comply. The Bank's failure to enforce these Rules or waiver of any of the provisions of these Rules in any instance will not prevent the Bank enforcing these Rules at any other time.

---

## Important information about procedures for opening a new account

To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person that opens an account.

What this means to you: If you open a personal account, we will ask for your name, address, taxpayer identification number, date of birth, and other information that will allow us to identify you. Additionally, we will take certain steps to verify your identity, such as asking for your driver's license or other identifying documents or checking other sources.

Be assured that we recognize the importance of protecting your privacy and safeguarding the confidentiality of the information you provide to us.

---

## Definitions

---

**Available Balance** – The total funds available for use (withdrawal). This excludes funds from check deposits not yet made available and other credits not yet posted to this account.

**Ledger Balance** – The total of all items posted to your account including those not yet made available for use.

---

## Checking Accounts

---

### Types

The Bank offers interest bearing and non-interest bearing accounts to eligible consumers. See *Terms and Charges Disclosure* for details.

---

### Internal accounting of balances

Your checking account may consist of two “sub-accounts” on the books of the Bank. In that event, one sub-account will be a checking account and the other a savings account. The two will be treated as a single account for customer use, and will not affect your Bank statement, your ledger balance or the interest, fees, and features of your account. For interest bearing checking accounts, we will pay the same rate of interest on balances in both sub-accounts.

All deposits and other credits will be posted to, and checks and debits will be deducted from, the checking sub-account. Whenever the checking sub-account balance exceeds a “threshold amount” (which we may establish and change at our discretion), we may transfer funds above that amount to the savings sub-account. As these funds are needed to pay items presented against your checking account, the appropriate amount will be transferred back to the checking sub-account, up to six times per statement period. If the sixth transfer is needed, the entire balance of the savings sub-account will be transferred into the checking sub-account. This process may be repeated each month.

Although the Bank has no present intention to exercise this right, federal regulations require the Bank to reserve the right to require at least seven days written notice prior to withdrawal or transfer of any funds in a savings account.

---

### Writing checks

The Bank may require you to use the Bank’s checks. Depending on style and number of checks you order and what kind of checking account you have, the Bank may charge a fee to your account for your checks.

---

### Signatures on checks or drafts

The Bank may, in its discretion, return unpaid a check or draft that does not bear a signature reflected on the Bank’s records unless you have notified the Bank in



advance you want the check or draft to be paid.

---

## **Convenience check cashing fee**

You agree that the Bank may impose a fee on the payee or other holder of a check or other item drawn against your account that is presented for payment over the counter at the Bank

---

## **Remotely created checks**

If you authorize a third party (other than a "telemarketer" or a person engaged in "telemarketing," as those terms are defined in the Federal Trade Commission Telemarketing Sales Rule [16 CFR Part 310]) to create a "remotely created check" (as defined in Regulation CC [12 CFR Part 229]) drawn on your account, the Bank may pay it, although it does not bear your signature. While the Bank is authorized to honor such remotely created checks, the Bank is not required to do so and may refuse to honor any such remotely created checks at its discretion. The Bank may return such remotely created checks even if it has honored similar remotely created checks in the past. You agree that the Bank is not liable to you for any losses that may result from either honoring or dishonoring any such remotely created checks drawn on your account. You are responsible for reviewing your statement in a timely fashion and reporting promptly to HSBC any claims of unauthorized remotely created checks.

---

## **Overdrafts and overdraft fees**

An overdraft occurs when you do not have enough money (available balance) in your account to cover a transaction, but we pay it anyway. Your available balance is the amount of funds you have available in your checking account to spend without overdrawing your account. It includes all cleared and pending transactions (e.g., holds for debit card transactions that you have authorized that have not been presented to HSBC for payment). Keep in mind that any non-preauthorized transactions (e.g., checks) you initiated but have not yet been presented to HSBC for payment need to be subtracted from your available balance for you to know the exact amount of money you have to spend or withdraw. The available balance does not include the amount of deposits not currently available (Refer to the Funds Availability section for more information).

We can cover your overdrafts through our standard overdraft practices or through an overdraft protection plan. Through our standard overdraft practices, we authorize and pay overdrafts for checks and overdrafts for preauthorized automatic bill payments. We do not authorize and pay overdrafts for Automated Teller Machine (ATM) and everyday debit card transactions for consumer checking accounts other than HSBC Premier unless you are using an overdraft protection plan to cover these transactions. For HSBC Premier accounts using an overdraft protection plan, overdraft decisioning for

ATM and everyday debit card transactions will be solely determined by such plan. Under our standard overdraft practices, we will charge you the associated Insufficient Funds (NSF) or Unavailable Funds (UNA) fees listed on our *Terms and Charges Disclosure* when an overdraft occurs. For HSBC Premier checking accounts, checks, pre-authorized debits, ATM and everyday debit card transactions that result in an overdraft are not charged NSF or UNA fees. We pay overdrafts at our discretion, which means we do not guarantee that we will always authorize and pay any type of transaction for any type of account. Any resulting negative balance regardless of cause must be repaid promptly. If we do not authorize and pay an overdraft, your transaction will be declined.

If you have a consumer deposit account, you can use the available balance on your qualifying credit account with the Bank to fund any overdraft amount automatically. The overdraft protection plan is subject to application and credit approval.

Your account may be debited on the day an item is presented, or at such earlier time as notification is received by the Bank by electronic or other means, that an item drawn on your account has been deposited for collection in another financial institution. You understand that the Bank reserves the right to pay items into overdraft, to impose overdraft fees as permitted by law, and to apply any later deposits (including direct deposits of social security or other government benefits) to those overdrafts or overdraft fees, by way of setoff. An "item" includes checks, substitute checks, remotely created checks, withdrawal slips or other in-person transfers or withdrawals, service charges, electronic items or transactions, including withdrawals made from an Automated Teller Machine, everyday or recurring debit card transactions, pre-authorized payments or transfers, ACH transactions, telephone initiated transfers, online banking transfers or bill payment instructions, and any other instruments or instructions for the payment, transfer or withdrawal of funds including an image or photocopy of any of these. A determination of your ledger balance for purposes of making a decision to dishonor an item for insufficiency of available funds may be made at any time between the receipt of such presentment or notice and the time of return of the item, and no more than one such determination need be made.

---

## **Excessive Overdrafts**

We will monitor your checking account for excessive overdraft use and we may take appropriate action to prevent excessive overdrafts from continuing. A notification will be provided if we deem that your account activity has the potential for us to take action for excessive overdraft usage.

## Payment of your items for your account

We post transactions to your account throughout the day in the order that we receive them.

For your benefit to minimize NSF/UNA fees that you could be charged, we take the following action at the end of the day. Once all items have posted to your account, we start with the ledger balance at the beginning of the day and sort all posted transactions in the following order to determine your end of day ledger balance:

1. Add deposits and credits.
2. Subtract fees resulting from prior day activities which were not charged on the current day (e.g., Chargeback Fee).
3. Subtract outgoing wire transfers.
4. Subtract account withdrawals performed at the branch from lowest to highest dollar amount.
5. Subtract transactions that were authorized based on your available balance at the time you performed the transactions. Transactions will be sorted in lowest to highest dollar amount, regardless of the date the transaction was performed. Transactions include everyday debit card transactions, ATM withdrawals, and online transactions.
6. Subtract all other items in lowest to highest dollar amount.
7. Subtract fees resulting from current day activities (e.g., Stop Payment Fee).

After determining your end of day ledger balance, we subtract the amount of any deposit not currently available (refer to the Funds Availability section for more information) and subtract holds (e.g., debit card authorizations) from the end of day ledger balance to determine your available balance, and whether or not an overdraft fee is assessed.

---

## Stopping payment

You can ask the Bank to stop payment on a check drawn on your account in person, by mail, by phone, or by using the Bank's internet banking product and secure Bank e-mail. The Bank needs a reasonable amount of time to apply the stop payment request to your account and to verify that the check has not already been paid. You (or an authorized signer on your account) must give the Bank the account number, payee, date, exact amount of the check, and the correct check number. Without completely accurate information on the amount of the check and the check number, the Bank cannot ensure a stop payment will occur. Your stop payment request takes effect when the Bank records it on your account. If you phone in your stop payment, you must confirm it in writing within 14 days. Your written stop payment request is good only for six months unless you renew it in writing. Special procedures apply to a stop payment

for a funds transfer. Please refer to the "Amendment and Cancellation" paragraph in the "Funds Transfers" section of these Rules. The Bank may charge you the fee shown on your *Terms and Charges Disclosure* for each stop payment request.

---

## **Post-dated checks**

The Bank may pay a check before the date written on it and charge your account without being liable to you. The Bank can also refuse to pay a post-dated check before its date. The Bank may dishonor and return unpaid other items drawn, accepted or made by you as a consequence of the Bank having certified or paid a post-dated item.

---

## **Checks more than six months old**

The Bank is not required to pay a check six months after its date. The Bank may pay it, however, and not be liable to you.

---

## **Interest bearing checking**

The Bank's interest bearing checking accounts are really savings accounts against which you can write checks. The Bank has the right to ask you for seven days advance notice of withdrawal. If the Bank does, the Bank will not be liable to you for dishonoring your checks during the seven-day notice period.

---

## **Recordcheck<sup>®</sup> service**

The Bank will keep a record of your cancelled checks instead of providing image copies of the front and back of cancelled checks with your statement. If you need a copy of a cancelled check, the Bank will mail it to you. A reconstruction fee may apply if you request a total reconstruction (copies of all checks and/or statements) for one or more statements. The Bank will hold copies of your checks for six years (seven years for accounts at our Washington State branches). Copies of your checks are available during the foregoing period in accordance with the *Terms and Charges Disclosure*.

---

## **Image statement service**

By choosing this service that provides image copies of the front and back of cancelled items with your statement, you have instructed the Bank to hold copies of the cancelled items for you in accordance with the applicable terms of service. If you need a copy of a cancelled check, the Bank will mail it to you. A reconstruction fee may apply if you request a total reconstruction (copies of all checks and/or statements) for one or more statements. The Bank will hold copies of your checks for six years (seven years for accounts at our Washington State branches). Copies of your checks are available during the foregoing period in accordance with the *Terms and Charges Disclosure*.

## **Important information about consumer checking accounts receiving paid checks with statements – substitute checks and your rights.**

**What is a substitute check?** To make check processing faster, federal law permits banks to replace original checks with “substitute checks.”

These checks are similar in size to original checks with a slightly reduced image of the front and back of the original check. The front of a substitute check states: “This is a legal copy of your check. You can use it the same way you would use the original check.” You may use a substitute check as proof of payment just like the original check.

Some or all of the checks that you receive back from us may be substitute checks. This notice describes rights you may have when you receive substitute checks from us. The rights in this notice do not apply to original checks or to electronic debits to your account. However, you have rights under other law with respect to those transactions.

**What are my rights regarding substitute checks?** In certain cases, federal law provides a special procedure that allows you to request a refund for losses you suffer if a substitute check is posted to your consumer checking account (for example, if you think that we withdrew the wrong amount from your account or that we withdrew money from your account more than once for the same check). The losses you may attempt to recover under this procedure may include the amount that was withdrawn from your consumer checking account and fees that were charged as a result of the withdrawal (for example, bounced check fees). The amount of your refund under this procedure is limited to the amount of your loss or the amount of the substitute check, whichever is less. You also are entitled to interest on the amount of your refund if your account is an interest bearing consumer account. If your loss exceeds the amount of the substitute check, you may be able to recover additional amounts under other law.

If you use this procedure, you may receive up to \$2,500 of your refund (plus interest if your account earns interest) within 10 Business Days after we received your claim and the remainder of your refund (plus interest if your account earns interest) not later than 45 calendar days after we received your claim.

We may reverse the refund (including any interest on the refund) if we later are able to demonstrate that the substitute check was correctly posted to your account.

**How do I make a claim for a refund?** If you believe that you have suffered a loss relating to a substitute check that you received and that was posted to your consumer checking account, please contact us at 1-800-975-HSBC (4722). You must contact us within 40 calendar days of the date that we mailed, or made available to you, the

substitute check in question or the account statement showing that the substitute check was posted to your consumer checking account, whichever is later. We will extend this time period if you were not able to make a timely claim because of extraordinary circumstances.

Your claim must include –

- A description of why you have suffered a loss (for example, you think the amount withdrawn was incorrect);
  - An estimate of the amount of your loss;
  - An explanation of why the substitute check you received is insufficient to confirm that you suffered a loss; and
  - A copy of the substitute check and/or the following information to help us identify the substitute check: identifying information, for example the check number, the name of the person to whom you wrote the check, the amount of the check.
- 

## **Substitute check deposit or encashment limitations**

The Bank is not obligated to accept unwarranted substitute checks for deposit or to cash a substitute check over the counter.

---

## **Savings Accounts**

---

### **Types**

The Bank offers a variety of savings accounts that earn a preferred rate of interest as well as regular savings accounts. See your *Terms and Charges Disclosure* for details.

---

### **Payment of your items for your account**

We post transactions to your account throughout the day in the order that we receive them. We subtract the amount of any deposit not currently available (refer to the Funds Availability section for more information) and subtract holds from your ledger balance to determine your available balance.

---

### **Notice of withdrawal**

The Bank has the right to ask you for seven days advance notice of withdrawal.

---

### **Not transferable**

Savings accounts are not transferable except on the Bank's books.

---

## **Certificates of Deposit**

---

### **Types**

The Bank offers Certificates of Deposit in various products and for various maturities. See your *Terms and*

*Charges Disclosure* for details.

---

## **Automatic renewal**

If your account is set up to automatically renew, it will renew at the interest rate and Annual Percentage Yield (APY) in effect at maturity either based on the most recent renewal instructions provided to the Bank, or for the same term at which the account was opened, unless you tell us otherwise before the end of the grace period. If you do not want the Bank to renew your CD, notify the Bank before the maturity date. The Bank can refuse to renew your CD. If this happens, the Bank will send a notice before the maturity date.

---

## **Early withdrawal penalty**

If you withdraw principal from your CD before the maturity date, you may be charged a penalty shown on your *Terms and Charges Disclosure*. The penalty may reduce principal if there is insufficient interest available.

In the past, the Bank has usually permitted CDs to be cashed in before the maturity date, but the Bank reserves the right not to do so in the future. For consumer accounts, the Bank may not assess a penalty if an owner of the account dies or is declared legally incompetent, but the Bank will require proof of death or incompetency before a withdrawal is allowed.

---

## **Not transferable**

Certificates of Deposit are not transferable except on the Bank's books.

---

## **Special Deposit Accounts**

The Bank offers a number of special purpose accounts, as well as trust, custodial, and fiduciary accounts. A Bank representative can provide details.

---

## **Deposits**

### **How to deposit**

You can make deposits in person or by mail. If you are a consumer, you can also use your HSBC Debit MasterCard® card or ATM card to make deposits at HSBC Automated Teller Machines (ATMs) and certain other electronic facilities. The Bank is not obligated to accept unwarranted substitute checks for deposit. For more information about electronic banking, refer to the Bank's electronic banking services disclosures for the services you are using. Note: HSBC no longer accepts traveler's checks for deposit.

---

### **Direct deposit**

You can arrange to have funds, such as your Social Security or other Federal payment(s) and your paychecks,

directly deposited into your checking or savings account.

## Endorsing checks

Be sure to endorse all checks and other items exactly as they are made out. The Bank has the right to endorse items you deposit to your account. The Bank will chargeback to your account any item that is returned for any reason, including endorsement irregularity or forgery.

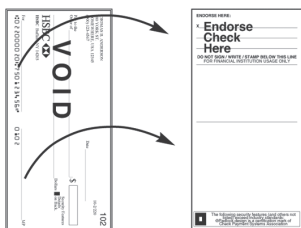
## Third party endorsements

We may require that checks and other items you want to deposit or cash be endorsed by all parties to whom the items are payable. We may require verification of any endorsement through either an endorsement guarantee or personal identification.

If you deposit items which bear the endorsement of more than one person or of persons who are not signers on the account, we may refuse the item or may require you to have their endorsement guaranteed before we accept an item. We may accept for deposit checks payable to any signer on your account when endorsed by any other signer.

## Responsibility for the back of a check

The diagram below shows where you should place your endorsement on the back of your check. The endorsement area is limited to the area 1<sup>1/2</sup>" from the trailing edge of the check, which is at the top in the diagram.



You are responsible for any loss resulting from your improper endorsement of a check if it causes a bank endorsement to be illegible.

## Final payment of items

The Bank chooses the method of obtaining final payment of a deposited check, draft, note, acceptance or other instrument ("item") and may use other banks in the process. The Bank is not responsible for actions taken by other banks, nor for the loss or destruction of any item in the possession of other banks or in transit. Any bank may refuse to honor a deposited item or may honor one refused by another bank.

## Verifying deposits

The Bank will verify that the figure on your deposit



ticket agrees with the amount of your deposit. If there is a discrepancy, the Bank will adjust your account for the amount of the difference.

---

## **Return of deposited item (chargeback)**

If you deposit an item to your account and it is returned unpaid, returned as an administrative return, or is lost or destroyed, the Bank will charge the amount of the item back to your account. The Bank may charge your account the fee shown on your *Terms and Charges Disclosure*.

---

## **Certificates of deposit**

Your *Terms and Charges Disclosure* explains when and how deposits may be made to your certificate of deposit.

---

## **Funds Availability**

This disclosure applies to the Bank's consumer checking and savings accounts. The Bank's policy is to delay the availability of funds from your check deposits. During the delay, you may not withdraw the funds in cash and the Bank may choose not to use the funds to pay checks you have written or other withdrawals or transfers you have authorized.

---

## **Determining the availability of a deposit**

The length of delay is counted in Business Days from the day of your deposit. Every day is a Business Day except Saturdays, Sundays, and federal holidays. If you make a deposit at a branch in person on a Business Day the Bank is open, the Bank will consider that day to be the day of your deposit.

If you make a deposit before 10pm ET at any HSBC ATM on a Business Day that the Bank is open, the Bank will consider that day to be the day of your deposit. However, if you make a deposit after 10pm ET at an HSBC ATM on a Business Day that the Bank is open or you make a deposit on a day the Bank is not open, the Bank will consider that deposit to be made on the next Business Day the Bank is open. The length of the delay varies depending on the type of deposit and is explained below.

---

## **Same day availability**

Funds from the following deposits will be available to you on the same Calendar Day\* the Bank receives the deposit:

- Cash (deposited in person with one of our tellers or at an ATM).
- Funds transfers between HSBC Bank USA, N.A. accounts in the same name and Global Transfers.

\* Every day is a Calendar Day. If the Bank receives the deposit after 12am (Midnight) ET, the deposit will be considered received the next Calendar Day.

Funds from the following deposits are available to you on the same Business Day the Bank receives the deposit:

- Electronic direct deposits.

- Wire transfers.
- 

## **Next day availability**

Funds from the following deposits are available to you on the first Business Day after the day of your deposit:

- U.S. Treasury checks that are payable to you.
- Federal Reserve Bank checks, Federal Home Loan Bank checks, and postal money orders, if these items are payable to you.
- Checks drawn on HSBC Bank USA, N.A.

If you make the deposit in person to one of our employees using a special deposit slip available on request at any branch, funds from the following deposits are also available on the first Business Day after the day of your deposit:

- State and local government checks that are payable to you.
- Cashier's, certified, and teller's checks payable to you.

If you do not make your deposit in person to one of our employees (for example, if you mail the deposit), funds from these deposits will be available on the second Business Day after the day the Bank receives your deposit.

---

## **Other check deposits**

Check deposits other than those identified in this disclosure are considered "Other Check Deposits." The first \$200 of your "Other Check Deposits" will be available on the first Business Day after the day of your deposit. The remaining balance of your "Other Check Deposits" will be available on the second Business Day after the day of your deposit.

---

## **Longer delays may apply**

Funds you deposit by check may be delayed for a longer period under the following circumstances:

- The Bank believes a check you deposit will not be paid.
- You deposit checks totaling more than \$5,000 on any one day.
- You redeposit a check that has been returned unpaid.
- You have overdrawn your account repeatedly in the last six months.
- There is an emergency, such as a failure of communications or computer equipment.

The Bank will notify you if the Bank delays your ability to withdraw funds for any of these reasons, and the Bank will tell you when the funds will be available. They will generally be available no later than the sixth Business Day after the day of your deposit.

---

## **Special rules for new accounts**

If you are a new customer, the following special rules may apply during the first 30 days your account is open:

- Funds from electronic direct deposits and funds (wire) transfers to your account will be available on the day the Bank receives the deposit.
- Funds from the first \$5,000 of a day's total deposits of U.S. Treasury checks will be available on the first Business Day after the day of your deposit. The excess over \$5,000 will be available to you no later than the ninth Business Day after the day of your deposit.
- Funds from deposits of cash and the first \$5,000 of a day's total deposits of cashier's, certified, teller's, and federal, state and local government checks will be available on the first Business Day after the day of your deposit if the deposit meets certain conditions. For example, the checks must be payable to you (and you may have to use a special deposit slip). The excess over \$5,000 will be available to you no later than the ninth Business Day after the day of your deposit. If your deposit of these checks is not made in person to an employee of the Bank, the first \$5,000 will not be available until the second Business Day after the day of your deposit.

Funds from all other check deposits will be available to you no later than the ninth Business Day following the date of your deposit.

## Transaction Processing Times

The cut-off time for the following transaction types is 10pm ET. This cut-off time impacts the Business Day on which these transactions will be effective and reflect in your ledger balance.

Transaction Type Performed	Where Transaction is Performed
Deposit and Withdrawals	Proprietary HSBC ATMs
Mobile Check Deposits	HSBC Mobile Banking App
Internal Transfers	Telephone Initiated Transfers (automated or staff assisted) Proprietary HSBC ATMs HSBC Mobile Banking App Personal Internet Banking

Except as shown in the chart above, all checks received on a given Business Day up through 11pm PT will be posted for the same Business Day.

## Holds on other funds (check cashing)

If the Bank cashes a check for you that is drawn on another bank, the Bank may withhold the availability of a corresponding amount of funds that are already in your

account. Those funds will be made available to you at the time funds from the check the Bank cashed would have been available if you had deposited it.

---

## **Holds on other funds (other account)**

If the Bank accepts for deposit a check that is drawn on another bank, the Bank may make funds from the deposit available for withdrawal immediately but delay your ability to withdraw a corresponding amount of funds that you have on deposit in another account with the Bank. The funds in the other account would then not be available until the time periods that are described in this disclosure for the type of check you deposited.

---

## **Foreign checks**

The Bank may refuse to accept or delay availability on checks drawn on banks outside the United States (including checks drawn upon foreign HSBC affiliates) and on checks drawn in foreign currencies, convert the foreign check to USD and deposit as cash or handle such checks on a collection basis. Regardless of whether your foreign check is converted or processed on a collection basis you understand and agree that you bear all exchange risk in the event of a returned item. If you want to avoid the exchange risk of a returned item, you can request that the item be processed on a collection basis for the applicable fee. If a check drawn on a bank outside of the United States uses a dollar sign ("\$\$") but does not indicate the check is drawn in U.S. Dollars, it will be processed as a check drawn in the currency of the country where the bank is located, e.g., a check drawn on a Canadian bank. You will bear the costs associated with any adjustments that must be made if the check should have indicated it was drawn in U.S. Dollars including exchange rate adjustments and fees assessed against the Bank by third parties related to the adjustment. You can avoid this risk by making sure that the issuer of the item clearly identifies checks payable in U.S. Dollars.

---

## **Cash withdrawal limitation**

We place certain limitations on withdrawals in cash. In general, \$200 of a deposit is available for withdrawal in cash on the first Business Day after the day of deposit. Any remaining funds will be available for withdrawal in cash on the following Business Day.

---

## **Chargeback right**

The Bank's funds availability policy does not affect your obligation to repay the Bank for checks that you deposit which are returned unpaid, nor does it limit the Bank's right to charge back your account or to obtain reimbursement for any check that is not finally paid for any reason.

---

# Withdrawals

---

## How to withdraw

You can withdraw from your checking account by presenting a signed check payable to yourself or to "cash." You can also withdraw from your checking or savings account in person or by mail with a signed withdrawal order. In addition you can withdraw interest credited, during the current term or at maturity, on CDs in person, by mail or through other electronic facilities. You can withdraw or transfer funds at our HSBC ATMs and other electronic facilities on your checking or savings account.

A withdrawal is deemed to be made when recorded on the books of the Bank which is not necessarily the date that the account holder initiated the transaction.

---

## Authorized individuals

The Bank is authorized to rely upon any document provided by you to the Bank which indicates the person(s) authorized to act on your behalf.

---

## Reasons the Bank may refuse your withdrawal request

The Bank may refuse to allow a withdrawal from any account in certain cases including, but not limited to, the following cases:

- The Bank decides to require seven (7) days advance written notice and the Bank has not received that notice.
- The withdrawal would consist of money deposited in the form of a check or money order that is not available for withdrawal.
- Another owner of a joint account or CD tells the Bank in writing not to allow a withdrawal.
- A court orders the Bank not to allow a withdrawal.
- The withdrawal would consist of money the Bank has taken to pay an overdue debt to the Bank.
- The withdrawal would consist of money the Bank has been ordered to pay or hold for someone else.
- An account or CD owner dies, and the Bank has not received all documents required by law.
- The Bank has not received any documents or identification required for access to the account.
- The account or CD is pledged as collateral.
- The account or CD has not matured.
- Endorsement irregularity or possible forgery.
- There is a dispute regarding the authority of an authorized person to transact business on the account.

---

## **Transfer limits (savings, including Money Market Accounts)**

Only six preauthorized, automatic, computer or telephone transfers can be made from your savings account to another account in any calendar month. If permitted by your account, checks, drafts, debit card transactions, or similar orders made payable to a third party are included in this limit of six. If you exceed this limit, the Bank may be required to close your account or convert your account to a checking account.

---

## **Funds Transfers**

---

You may transfer funds from your account or receive funds into your account by funds transfer. Service fees may apply to your funds transfers and there are limitations on transfers from certain types of accounts. Consumers in the United States who electronically transfer funds to consumers or business recipients in foreign countries are sending a remittance transfer, which has the meaning given in Subpart B of Regulation E (12 CFR § 1005.30, et seq.). If your fund transfer is a remittance transfer, additional rules apply which will be provided in the disclosures the Bank will give you when you use that service.

---

## **Automated clearing house**

You agree that any rules or regulations of any automated clearing house ('ACH') used shall be fully applicable to and binding upon you and that transfers may not be initiated that violate the laws of the United States.

---

## **Authorization to pay**

Your instruction to transfer funds from your account to a third party is a Payment Order. The Bank is authorized, at its option, to charge your account in the amount of any Payment Order and to execute a Payment Order, even if the Payment Order conflicts with any other instructions received by the Bank from you or results in an overdraft or payment to or for the benefit of a person authorized by you to sign checks or transfer funds for you. If there are not sufficient available funds in your account, the Bank may, without prior notice or demand, charge any account maintained by you with the Bank or setoff against any amount the Bank owes you in order to obtain payment of your obligations.

---

## **Security procedures**

The following Security Procedures are offered by the Bank to each customer for the purpose of verifying the authenticity of a Payment Order or a communication amending or cancelling a Payment Order. The Security Procedures are not used to detect an error in the transmission or content of the Payment Order.

---

## **Level One Security Procedures**

**Internet Banking:** The Internet Banking security

procedures include encryption, a password and a security device or key that allows the Customer to transfer funds and conduct banking transactions as more specifically described in the Terms and Conditions for Internet Banking and the Security Statement available online at [www.us.hsbc.com/1/2/home/personal-banking/pib/pib-tc](http://www.us.hsbc.com/1/2/home/personal-banking/pib/pib-tc).

**Authenticated SWIFT:** The security procedure for authenticating Payment Orders sent through SWIFT is explained in the SWIFT Handbook. Authenticator keys are provided to the Customer by the Bank.

---

## **Level Two Security Procedures**

The Level Two Security Procedures may involve the use of a call-back procedure by the Bank and/or the use of an identification code by the Customer (or their authorized users).

---

## **Acceptance of security procedures**

By using any of the Level One Security Procedures, you have accepted that security procedure as described above or as modified from time to time by the Bank. The Level One Security Procedure will be used for the purpose of verifying that a Payment Order or a communication amending or cancelling a Payment Order was issued by you. If the Bank accepts a Payment Order by means other than through Internet Banking, or authenticated SWIFT, and you communicate a Payment Order to the Bank in writing, or use the telephone to transmit a Payment Order orally or by fax, you have rejected the Level One Security Procedures offered by the Bank and have chosen Level Two Security Procedures generally described previously, as such procedure may be modified from time to time by the Bank. This Security Procedure will be used for the purpose of verifying a Payment Order or a communication amending or cancelling a Payment Order issued by you. You acknowledge that the Level Two Security Procedure may be deemed commercially reasonable pursuant to Section 4A-202(c) of the Uniform Commercial Code unless remittance transfer rules apply. Whenever a Level Two Security Procedure is used, you agree to be bound by any Payment Order, whether or not authorized, issued in your name and accepted by the Bank in compliance with such procedure unless remittance transfer rules apply.

---

## **Confidentiality of security procedures**

You and the Bank agree to keep the Security Procedures confidential and shall not reveal them to any person other than authorized users having "a need to know."

---

## **Authorized users**

Unless otherwise specified by you in writing, the individuals authorized by you to sign checks on your account are also authorized to issue Payment Orders, cancel and amend Payment Orders, and designate the persons and telephone numbers for use with the

security procedure you have chosen.

---

## **Funds transfer fees**

Except as otherwise agreed in writing, the Bank may charge your account for the fees and charges for processing Payment Orders and issuing advices relating to Payment Orders, advised to you at the time of the Payment Order, or listed in the *Terms and Charges Disclosure* as the fee for Funds Transfer, or as set forth in any other applicable rules, disclosures, receipts, or terms.

---

## **Acceptance of a payment order**

A Payment Order must be received by the Bank's "cut-off time" on a Business Day for action on the date of receipt. Instructions received for value on a non-Business Day will be processed on the next Business Day. A Payment Order is not accepted until the Bank executes it. The Bank reserves the right to reject or delay the execution of a Payment Order under certain circumstances including, but not limited to, the following: (a) if the instructions are incomplete or ambiguous; (b) if there is an insufficient balance of available funds in the account; (c) if any party in the payment order is under restraint or under a regulatory sanction; (d) if a routing system is down and no suitable alternative system is available; or (e) if the Bank believes that the Payment Order may have not in fact been authorized by you.

---

## **Method of execution**

If a Payment Order does not indicate it requires expeditious processing via wire or phone, the Bank may transmit the Payment Order by mail or by any other reasonable means.

---

## **Value dated payment orders**

Payment Orders may be executed by the Bank on the date of receipt, if received prior to the Bank's "cut-off time," unless a future value date is stated in the Customer instruction.

---

## **Amendment and cancellation**

Instructions requesting cancellation or amendment of a Payment Order must be transmitted to the Bank using the same level of Security Procedure as used for the original Payment Order unless consumer regulatory restrictions apply. The Bank will honor all requests received by the Bank's "cut-off time" on the Business Day prior to the value date. The Bank shall use reasonable efforts to act on a request received after the Bank's "cut-off time" on the Business Day prior to the value date, unless agreed otherwise in writing.

---

## **Reliance on identifying number**

If a Payment Order identifies an intermediary bank, the



beneficiary's bank or the beneficiary by name and an account or other identifying number, the Bank may act solely on the basis of such number unless remittance transfer rules apply.

---

## **Risk of loss on remittance transfers**

If your transfer is a remittance transfer and your Payment Order includes an incorrect account number or recipient institution identifier, you could lose the transfer amount.

---

## **Routing of a payment order**

You are responsible for full routing instructions. You agree that in executing any Payment Order the Bank may make use of any correspondents, intermediary banks, agents, sub-agents, funds transfer and communications systems that the Bank deems reasonable under the circumstances. If a Payment Order designates an intermediary bank and/or funds transfer system, you agree that, where appropriate, the Bank may select a different intermediary bank and/or funds transfer system on your behalf and the Bank shall have no liability with respect to such selection unless consumer regulatory restrictions apply. To the fullest extent permitted by law, correspondents, agents, sub-agents, systems or intermediary banks shall be deemed to be your agents and the Bank shall not be under any liability for any errors, negligence, suspension or default of any of them, all such risks being borne by you unless consumer regulatory restrictions apply.

---

## **Notice of receipt of ACH payments**

Under the operating rules of the National Automated Clearing House Association that are applicable to ACH transactions involving your account, the Bank is not required to give next day notice to you of receipt of an ACH item, and the Bank will not do so. However, the Bank will continue to notify you of the receipt of payments in the periodic statements the Bank provides to you.

---

## **Provisional credit**

Credit given by the Bank to you with respect to an ACH credit entry is provisional until the Bank receives final settlement for such entry through a Federal Reserve Bank. If the Bank does not receive such final settlement, you are hereby notified and agree that the Bank is entitled to a refund of the amount credited to you in connection with such entry, and the party making payment to you shall not be deemed to have paid you the amount of such entry.

---

## **Interest**

---

### **Rates**

Interest rates, compounding periods, balance computation methods, and minimum balance

requirements are explained in the *Terms and Charges Disclosures*.

---

## Changes

The Bank may change the interest rate on deposit accounts, solely at the Bank's discretion, at any time. The Bank will not change the rate on a fixed-rate CD during its term. We will not notify you of rate changes for variable rate accounts. Current rates are available at your branch. The Bank may change the way the Bank calculates interest on 30 days advance notice.

---

## When your deposit begins to earn interest

Cash Deposits before the "cut-off time" at your branch (or at an HSBC ATM or electronic banking facility) begins earning interest the same day. Cash Deposits after the "cut-off time" or on a Saturday, Sunday or Federal holiday, begins earning interest the next Business Day. NOTE:

1. Branch "cut-off time" is when it closes
  2. For ATMs that accept deposits, the "cut-off time" is 10pm ET
- 

## How interest is paid

The Bank credits interest to your deposit account monthly, quarterly, semi-annually, annually or at maturity, depending on what kind of deposit account you have. Credited interest will show on your statement. Interest on checking, savings and CDs can be credited to another HSBC checking or savings account you specify.

---

## Interest on certificates of deposit

A CD does not earn interest after the maturity date. However, you will earn interest from the original maturity date on the renewed principal amount if you renew your CD within the grace period as defined in the *Terms and Charges Disclosure* and the renewal date is back dated to the original maturity date.

---

## Annual interest earned

If required by IRS regulations based on the interest earned on your deposit accounts on an annual basis, a combined year-end statement will be sent to you by the Bank.

---

## Joint Accounts

This is a summary of some of the important legal rules governing your joint account. The law regarding joint deposits is very complicated, and this summary does not try to answer all the questions that could arise. The rules stated in this summary apply to accounts and CDs in the names of two or more persons or the survivor of them.

They do not apply to trust accounts, custodial accounts, "Totten Trust" accounts or any other account that is not a joint account with the right of survivorship.

---

## **Relationship Between Joint Depositors**

---

### **Joint ownership of account**

All funds deposited in a joint account, including any interest earned, become the property of all joint tenants. Even if only one depositor puts in all the money or puts in more than the other(s), all money on deposit will be owned jointly.

---

### **Right of survivorship**

The Bank will assume that when you open a joint account you intend to create a right of survivorship, unless you establish the account under the Bank's procedures for Tenants in Common. A right to survivorship means that if one joint depositor dies, the money in the account belongs entirely to the surviving depositor(s).

---

### **Tenants in common**

A joint account may be held as Tenants in Common if when the account is opened the joint owners enter into the Bank's agreement for accounts held as Tenants in Common and designate the percentage of the funds to be paid to the survivor(s) on the death of a joint owner. Until the Bank receives notice of the death of a tenant, all funds in the account may be treated as the property of each of the tenants in common without any limitation.

---

## **Your Agreement with the Bank**

---

### **Withdrawals from account**

While all the joint depositors named on the account are living, the Bank will honor checks, other Payment Orders and withdrawal requests made by any one of them, unless the Bank receives a written, signed notice from another joint depositor telling us not to.

If the Bank receives such a notice, the Bank may require the signatures of all the joint depositors before the Bank allows any further withdrawals (of principal or interest) to be made from the account.

---

### **The Bank's obligation satisfied by payment**

If the Bank honors a check, other Payment Order or withdrawal request made by a joint depositor before the Bank receives written notice from another joint depositor telling the Bank not to, the Bank has satisfied its obligation with respect to all money the Bank paid or delivered and is not liable to other joint depositors.

(Although the joint depositors may be liable to each other for withdrawing more than their shares of the account, the Bank is not responsible for making sure a depositor does not withdraw more than his or her share.)

---

## **Debts owed the Bank and legal process**

If one joint depositor owes the Bank money and the debt becomes due, the Bank can use any money in the joint account to pay the debt. Further, if a depositor has an account, in that depositor's name solely, and that depositor owes the Bank money, you agree that any money held in a joint account with that depositor and you may also be used to pay the debt.

If one joint depositor has a judgment or other debt against him or her, the Bank may be required by legal process to pay out money from the joint account to satisfy that judgment or debt. The Bank is not responsible for determining or otherwise claiming funds in your account are exempt from the reach of a third party, unless otherwise expressly required by applicable law.

If one joint depositor overdraws the joint account, you agree that the Bank may use any funds in any other accounts of either joint depositor to pay the debt.

---

## **More About Your Account**

---

### **Standard of care**

You agree the standard of ordinary care and good faith which the Bank will use in handling your account is to be measured against the practice of other commercial banks similar to HSBC in size.

---

### **Balance information**

Balances may change frequently throughout a Business Day. You hereby waive any claim against the Bank based on representations made by the Bank, either orally or in writing, to you, or your authorized person, or to any other party, regarding balance information.

---

### **Fees**

You agree to pay and to have your account charged for all maintenance fees and service fees incurred by you including, but not limited to, all usual and customary fees that the Bank may, from time to time, charge for any products and services provided.

---

### **Reimbursement of Bank in the event of a dispute**

You agree to be liable to the Bank for any losses, costs, or expenses the Bank incurs as a result of any dispute involving your account. You authorize the Bank to deduct any such losses, costs, or expenses from your account without prior notice to you. This obligation

includes disputes between you and the Bank involving the account and situations where the Bank becomes involved in disputes between you and an authorized person, another joint owner, or a third party claiming an interest in the account.

---

## **Lien and setoff**

You give the Bank a continuing lien on any account or other personal property of yours which is in the possession or control of either the Bank or any of the Bank's affiliates, including, but not limited to, Bank deposits and securities. This lien shall be in the amount of any and all liabilities and obligations that you may owe to the Bank or any of the Bank's affiliates whether such liabilities and obligations exist now or are incurred in the future. You agree that the Bank and its affiliates may setoff against your accounts and may sell your personal property which is not an account, by public or private sale at its discretion, and use the funds in such account or the proceeds of such sale to satisfy such liabilities or obligations whether or not such liabilities or obligations are then in default or subject to a contingency to the fullest extent permitted by applicable law.

---

## **Periodic statements and advices**

Upon receipt of your monthly or periodic statement (which may include a record of transactions and images of cancelled items) or advices, you shall exercise reasonable care and promptness in examining the statement or advice. By using a product or service that does not return copies of cancelled items, you agree that the Bank will hold copies of the cancelled items for you in accordance with the applicable terms of service. You acknowledge that copies of cancelled items held for you are available at the same time as your statement is first mailed, or made available to you, by the Bank. You agree that you cannot make any claim against the Bank arising from your account unless you promptly review your statement, and notify the Bank of any errors, forgeries, or alterations within one hundred eighty (180) days from the date the Bank first mailed, or made available to you, your statement or advice. However, if the error involves an electronic service, refer to the Bank's electronic banking services disclosures for the services you are using. If you cannot balance your statement and do not bring it to the Bank's attention before you receive your next statement, the Bank may charge you an hourly reconciliation fee to locate the error.

The Bank may stop sending account statements if you have not given the Bank your current address. If the post office returns as "undeliverable" any statement that the Bank sent you, and if you do not provide the Bank with a correct mailing address, the Bank will retain only images of the statements and enclosures, not the original items, for six years. Copies of your statement are available by request during this six year period in accordance with the

## **Change of address**

You (or an authorized person) must notify the Bank promptly of any change of your address. The Bank may require written notice or written confirmation of this change. All statements and advices will be sent to you by ordinary mail at the address last recorded by the Bank.

---

## **Dormancy and abandoned property**

When an account is inactive the Bank follows special procedures. An account is considered inactive when there is no customer-initiated activity AND the Bank does not receive anything in writing from you that indicates that you knew your account exists for at least one (1) year. When an account subsequently remains inactive the Bank may try to contact you to reactivate the account before your account is classified as dormant. If your account is considered dormant, the Bank may prohibit access to your account until you contact the Bank in person or in writing.

If your account remains inactive and unclaimed by you for the time period required by law, it may then be deemed abandoned. If your account is considered abandoned, the Bank may cease to pay interest on the account, may close the account, and, if required, turn the funds over to the appropriate state abandoned property administrator.

The Bank is required to comply with the abandoned property laws of the state of the depositor's last known address on the Bank's records. If the address is outside of the United States, Virginia law will govern.

Consecutive inactivity periods for determining actual requirements to turn funds over to a state vary by the abandoned property laws of the individual states, and by type of account. There are specific abandoned property laws regarding measurement of inactivity for Certificate of Deposit accounts including rules addressing accounts that automatically renew.

We encourage you to make sure your accounts remain active so you have full use of your accounts and avoid the potential of having your funds transferred to the state as abandoned property. At any time after the funds in the abandoned account have been turned over to the appropriate state, the depositor (or other person entitled to the funds) may reclaim this money from the state abandoned property administrator.

---

## **Taxpayer identification number**

Federal regulations require the Bank to record your taxpayer identification number (Social Security Number). If you do not give the Bank your number on or shortly after the day you opened your account, federal law requires the Bank to withhold a portion of the amount of interest paid on your account each time interest is credited.

---

## Currency transaction reporting

Federal regulations require the Bank to disclose certain transactions involving your account. The Bank may request information from you and disclose information about your account whenever the Bank believes it is necessary or appropriate to comply with those federal regulations. Until you provide sufficient information, the Bank may hold your account or refuse any transaction.

---

## Power of attorney

If the Bank receives a power of attorney authorization in a form the Bank determines complies with applicable state law, the Bank may allow the person who you choose ("your agent") to disburse the funds in your account without notifying you. The Bank may refuse to act on your agent's instructions if the Bank, in its sole discretion, deems them to be contrary to the express terms of the power of attorney on file. The Bank may at any time require your agent to attest that the power of attorney is still in full force and effect and to indemnify the Bank for relying in good faith thereon. The Bank is not required to seek the consent of the other persons named on your joint account before acting your agent's instructions.

The Bank does not have to accept an out-of-state power of attorney or a power of attorney which does not comply with applicable state law.

---

## Account closing

You can close your account at any time by notifying the Bank during normal business hours. The Bank also has the right to close your account at any time for any reason or no reason. If your account is closed, you remain responsible for any transactions you previously arranged for, including those that arrive after your account is closed and any which the Bank returns unpaid. If the Bank exercises its right to close your account, the Bank will send your final collected ledger balance, if applicable, and a final statement or notice to your most recent address as reflected in the Bank's records. The Bank may return unpaid any items presented on your account after it is closed.

The Bank may charge you a fee shown on the *Terms and Charges Disclosure*.

---

## Service

The Bank may terminate any service at any time without notice. If you wish to terminate a service, you shall give the Bank prior written notice of your intention to terminate. Termination by you shall become effective no sooner than five (5) Business Days after the Bank's receipt of the termination notice. The Bank may complete all requests and instructions accepted on the day termination is to become effective.

## Legal proceedings

Unless the Bank receives an order from a court of competent jurisdiction that directs the Bank not to act, the Bank will comply with legal proceedings in any jurisdiction in which the Bank has offices even if the legal proceeding occurs in a jurisdiction where you are not located.

You agree that if you and/or your account become involved in legal proceedings and the Bank receives a legal document or other notice that the Bank believes requires it to supply information on your account, to restrict your account or to pay money from your account, the Bank is authorized to do so regardless of whether you appeared in those proceedings and regardless of whether those proceedings occurred within the jurisdiction where you and/or your account are located.

If this occurs, use of your account or services that access your account may become restricted and the Bank may charge you the fee shown on your *Terms and Charges Disclosure*.

---

## Limitation of claims

You agree to make any claim or bring any legal action relating to the Bank's handling of your account, in writing, within one (1) year of the date the problem occurred, unless these Rules or applicable law or regulation require earlier action by you. You agree that if the problem involves a series of events, such as a number of forgeries over a period of time, then the date the first event occurred shall be the date by which the period to make any claim or bring any legal action shall begin to run.

---

## Limitation of liability

THE BANK ASSUMES NO LIABILITY FOR SPECIAL, INCIDENTAL, CONSEQUENTIAL, PUNITIVE OR INDIRECT LOSS OR DAMAGE TO YOU INCLUDING LOST PROFITS WHETHER OR NOT THE BANK HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGE. The foregoing limitation of liability will not apply where expressly prohibited by laws or regulations governing your account. You agree the Bank shall be liable only for damages which are the direct result of the Bank's misconduct. If the Bank's conduct results in an inappropriate delay of transfer or withdrawal, the Bank's liability, as liquidated damages and not as a penalty, shall be an amount equal to the interest, at the Federal Funds rate, payable on the amount of the funds which were directed by you to be transferred in the Payment Order for the period of delay.

---

## Cooperation with investigation

You agree, in the event of any claim arising from your account to cooperate and assist both the Bank and any law enforcement authorities in connection with any investigation and prosecution of any suspected wrongdoer. You understand and agree that failure to



cooperate may result, in the Bank's sole discretion, in the Bank dishonoring any claim which you have made.

---

## **Indemnity against actions of authorized persons**

In order to induce the Bank to honor requests for services, including but not limited to those enumerated above, you hereby agree to indemnify and hold the Bank, its successors, assigns, correspondents, directors, officers, employees and agents harmless for all losses, costs, damages, expenses (including attorney's fees) and liability for any claim or demand occasioned by or action brought by virtue of any misconduct, negligence, action or omission on the part of any individual who has been listed as a person authorized to act on your behalf in any document provided by you to the Bank.

---

## **Force majeure**

The Bank shall not be liable for any loss or damage to you caused by the Bank's failure to provide any service requested by you resulting from an act of God, fire, catastrophe, electrical, mechanical or computer failure, telecommunications failure or failure of any agent or correspondent or any other cause beyond the Bank's control, provided it exercises such diligence as the circumstances may require.

---

## **Notices**

Any notice we send you will take effect when it is personally delivered to you or mailed to the last address we have for you in our records. A notice from you will be considered received when received at the Bank's Customer Service Department and will take effect following the expiration of any notice period that may be specified in the Deposit Account Agreement.

---

## **Changes to the rules**

The Bank can change these Rules or impose other restrictions on your account, as the Bank deems necessary or appropriate, in the course of its business at any time.

Before the change goes into effect you will be notified either by:

- mail (to the last address we have for you in our records),
- electronically (if we have agreed on this method),
- a notice on our website ([us.hsbc.com](https://us.hsbc.com)), or
- a posting in your branch.

If notice is sent to you, use of ordinary mail or in-branch notification shall be sufficient. If we have agreed to electronic notice, use of the agreed method of notice or notice on our website shall be sufficient. Changes to these Rules which are required by law may be implemented immediately or as required by law.

---

## **Severability**

If any provision(s) of these Rules shall be held to be illegal or unenforceable, the validity of the remaining portions of these Rules shall not be affected.

---

## **Waiver**

No waiver of any term, provision, or condition of this Agreement, whether by conduct or otherwise, in any one or more instances, will be deemed, or shall constitute, a waiver of any other provision hereof, whether or not similar, nor will such waiver constitute a continuing waiver, and no waiver shall be binding unless executed in writing by the party making the waiver.

---

## **Quality control**

You agree that our supervisory personnel may listen to and record telephone calls between you and our representatives in order to evaluate the quality of our service to you and to other customers.

---

## **Other terms and conditions**

Other terms and conditions, not stated herein, may apply to your account. All such other terms and conditions remain in full force and effect and continue to govern your account except as stated in these Rules.

---

## **Bank Secrecy Act – regulatory reporting requirements**

As part of the Bank Secrecy Act recordkeeping requirements, the Bank is responsible for obtaining, verifying and recording customer information for certain transactions and report this information to U.S. Government agencies. The information obtained includes, but is not limited to:

- Name and home address (photo identification required) for an individual or Business name and business address
- Social Security or taxpayer identification number
- Date of birth for an individual
- Occupation
- Information for anyone on whose behalf you are conducting transactions

The above information may be required when conducting certain cash transactions, including, but not limited to:

### **Currency Transaction Reports**

If you make cash withdrawals, cash deposits, currency exchanges or other payments or transfers with cash, exceeding \$10,000, the Bank is required to complete a Currency Transaction Report.

### **Monetary Instrument Reports**

The Bank reserves the right to obtain identification and additional information from customers who purchase U.S. Dollar Drafts or Cashier's Checks in U.S. dollars for

any amount.

### **Structuring Transactions**

Any person who conducts or assists in transactions designed to evade U.S. Government reporting requirements, which may include splitting transactions into smaller amounts, can be subject to criminal penalties, including fines, imprisonment or both.

The Bank complies with recording and recordkeeping requirements under the Bank Secrecy Act including monitoring accounts on a periodic basis for compliance.

The Bank reserves the right to close any account that attempts to avoid these requirements.

## **Tax compliance**

You are solely responsible for understanding and complying with your tax and other filing obligations with respect to your U.S. and non-U.S. accounts in all countries in which those obligations may arise.

You should consult a tax adviser for more information.

You acknowledge and agree that, in order to comply with United States tax laws, the Bank may (i) disclose information about you and your account (including transactional information) to the United States Internal Revenue Service ("IRS"); (ii) request certain documentation (including IRS Forms W-8 or W-9) and additional information from you with respect to your account; (iii) withhold U.S. tax from your account or from payments made to you or your account; and (iv) close your account if you have not provided requested documentation or information.

## **Prohibited transactions**

The **Unlawful Internet Gambling Enforcement Act of 2006 (UIGEA)** prohibits any person engaged in the business of betting or wagering from knowingly accepting any payment in connection with the participation of another person in unlawful Internet gambling (a "restricted transaction"). You acknowledge and agree that you are prohibited from processing a restricted transaction through your account or banking relationship with HSBC. Your participation, or attempted participation, in any restricted transaction through your account or banking relationship with HSBC may result in the termination of your banking relationship with HSBC and/or the closure of your account.

## **Waiver of trial by jury**

YOU AND THE BANK AGREE TO WAIVE THE RIGHT TO TRIAL BEFORE A JURY IN ANY ACTION FOR ANY CLAIMS THAT MAY ARISE FROM OR RELATE TO YOUR DEPOSIT ACCOUNT INCLUDING, BUT NOT LIMITED TO, CONTRACT, NEGLIGENCE, USE, ATTORNEYS-IN-FACT, RESTRAINT AND EXECUTION.



# ClassAction.org

This complaint is part of ClassAction.org's searchable class action lawsuit database and can be found in this post: [HSBC Bank Illegally Charged Multiple Insufficient Funds Fees on Single Transactions, Class Action Claims](#)

---