

**STIPULATION OF SETTLEMENT AND DISMISSAL**

Eric R. Johnson ("Johnson") and Chase Bank USA, N.A., f/k/a Chase Manhattan Bank USA, N.A. ("Chase USA"), on its own behalf and on behalf of JPMorgan Chase & Co. ("JPMorgan") and all of their predecessors, successors, affiliates and subsidiaries (together collectively "Chase"), altogether the "Parties", hereby enter into the following Stipulation of Settlement and Dismissal (the "Stipulation"):

WHEREAS Johnson commenced an action in the Supreme Court for the State of New York, New York County, on August 23, 2002, against Chase USA and JP Morgan, styled *Eric R. Johnson v. Chase Manhattan Bank, N.A. and Chase Manhattan Corp. n/k/a J.P. Morgan Chase & Co.*, Index No. 603101/02 (the "Johnson Action");

WHEREAS Chase USA and JP Morgan moved to dismiss and compel arbitration of the Johnson Action;

WHEREAS the Supreme Court, New York County, granted Chase USA's and JP Morgan's motion to dismiss the Johnson Action and compel arbitration, which order and decision was affirmed by the New York Supreme Court, Appellate Division;

WHEREAS Chase USA commenced an arbitration in the National Arbitration Forum ("NAF") on December 30, 2004 (the "NAF Arbitration");

WHEREAS Johnson commenced an arbitration before the American Arbitration Association ("AAA") on January 5, 2005 (the "AAA Arbitration");

WHEREAS the Supreme Court, New York County, issued an order in the Johnson Action on April 20, 2005, addressing the pending NAF Arbitration and AAA Arbitration;

WHEREAS on May 23, 2005, Johnson filed a Notice of Appeal in the New York Supreme Court, New York County, appealing the April 20, 2005 order in the Johnson Action to the New York Supreme Court, Appellate Division (the "Johnson Action Notice of Appeal");

WHEREAS Johnson believed and continues to believe that his claims and anticipated counterclaims in the Johnson Action, AAA Arbitration and NAF Arbitration were and are meritorious, and that Chase USA and JP Morgan are liable for damages and equitable relief;

WHEREAS Chase USA and JP Morgan believed and continue to believe that each of Johnson's claims and counterclaims in the Johnson Action, AAA Arbitration and NAF Arbitration are completely without merit or basis;

WHEREAS the Parties and their counsel have engaged in good faith and arm's length negotiations and have concluded that it is desirable that all of the claims and potential counterclaims in the Johnson Action, AAA Arbitration and NAF Arbitration which have, or could have, been asserted be compromised and settled upon the terms set forth herein;

WHEREAS the Parties have consented to stay the NAF Arbitration and AAA Arbitration pending the completion of their settlement negotiations, which stay is intended to remain in effect until each of those arbitrations is dismissed with prejudice;

**IT IS THEREFORE STIPULATED AND AGREED**, by and among the Parties and their undersigned counsel, subject to all the terms and conditions set forth herein, as follows:

1. Chase USA shall pay or cause to be paid to Johnson and his counsel, Whalen & Tusa, P.C., the sum of fifty thousand dollars (\$50,000), due within twelve (12) business days from the date of complete execution of this Stipulation by the Parties hereto (the "Effective Date"), in two checks, both to be sent to Whalen & Tusa, P.C., payable as follows:

- a. \$4,000.00 payable to Eric R. Johnson; and
- b. \$46,000.00 payable to Whalen & Tusa, P.C.

2. Within fifteen (15) days of the Effective Date, based on the good and valuable consideration provided in this Stipulation, Johnson and/or his counsel shall notify the AAA of the withdrawal of his Class Action Arbitration Complaint and all his pending claims in the AAA Arbitration, with prejudice, and attach a fully executed copy of this Stipulation.

3. Within ten (10) days of the Effective Date, based on the good and valuable consideration provided in this Stipulation, Chase USA shall notify the NAF of the withdrawal of its claims in the NAF Arbitration, with prejudice, and attach a fully executed copy of this Stipulation.

4. Within ten (10) days of the Effective Date, Johnson agrees to take all necessary steps to withdraw the Johnson Action Notice of Appeal and thereafter agrees to forebear from initiating any appeal of the New York Court's order, dated April 20, 2005, and further agrees to waive all rights to appeal that order or any other order, decision or judgment issued or rendered in the Johnson Action.

5. For good and sufficient consideration, the adequacy of which is hereby acknowledged, contingent upon execution and completion of all material terms of this

Stipulation and upon reaching the Effective Date, Johnson individually agrees to release with prejudice and forever discharge Chase from any claim, right, action, counterclaim, liability, penalty, and cause of action of every nature and description whatsoever, known or unknown, suspected or unsuspected, including (without limitation) all claims in law or equity, liquidated or unliquidated, which Johnson had, now has or may hereafter have, from the beginning of the world to the Effective Date of this Stipulation arising from or in connection with or in any way related, directly or indirectly, to any of the acts, facts, matters, transactions, events, occurrences, disclosures, statements, representations, omissions, or failures to act set forth, alleged, referred to or otherwise described by him in the Johnson Action, AAA Arbitration and/or NAF Arbitration, except that, nothing contained herein is intended to or shall be construed to release, modify or relate to any claim, right, obligation or other matter arising from any credit relationship between Johnson and Chase now or previously in existence, other than Johnson's pending claim, as alleged in the complaint filed in the Action and/or asserted in claims submitted to the NAF and/or AAA, that Chase misapplied certain credit card payments made by Johnson during the period 2000-2002.

6. For good and sufficient consideration, the adequacy of which is hereby acknowledged, contingent upon execution and completion of all material terms of this Stipulation and upon reaching the Effective Date, Chase USA and JP Morgan agree to release and forever discharge Johnson from any claim, right, action, counterclaim, liability, penalty, and cause of action of every nature and description whatsoever, known or unknown, suspected or unsuspected, including (without limitation) all claims in law or equity, liquidated or unliquidated, which Chase USA and/or JP Morgan had, now have or

may hereafter have, from the beginning of the world to the Effective Date of this Stipulation arising from or in connection with or in any way related, directly or indirectly, to any of the acts, facts, matters, transactions, events, occurrences, disclosures, statements, representations, omissions, or failures to act set forth, alleged, referred to or otherwise described by either or both of them in the Johnson Action, AAA Arbitration and/or NAF Arbitration except that, nothing contained herein is intended to or shall be construed to release, modify or relate to any claim, right, obligation or other matter arising from any credit relationship between Johnson and Chase now or previously in existence, other than Johnson's pending claim, as alleged in the complaint filed in the Action and/or asserted in claims submitted to the NAF and/or AAA, that Chase misapplied certain credit card payments made by Johnson during the period 2000-2002.

7. Except as expressly provided herein, all parties will bear their own costs, fees and expenses relating to the Johnson Action, AAA Arbitration, NAF Arbitration generally and this Stipulation, including all attorney's fees, taxes and costs related to those arbitrations and lawsuit and this Stipulation.

8. It is understood and agreed that the Stipulation will be contingent upon completion and continued adherence to all material terms of this Stipulation and the reaching of the Effective Date. Accordingly, upon any claim of material breach of this Stipulation, which breach has not been cured, any Party or Parties to this Stipulation may petition the NAF, AAA or any court of competent jurisdiction to nullify this Stipulation along with all the rights and obligations of the Parties set forth herein, and to return the Parties to their respective positions prior to this Stipulation.

9. This Stipulation constitutes the sole and entire agreement among the Parties with respect to the subject matter hereof, and no representations, warranties, inducements, promises, or agreements, oral or otherwise, not embodied or incorporated herein have been made concerning or in connection with this Stipulation. Any and all prior discussions, negotiations, agreements, commitments, and understandings relating thereto are hereby superseded by and merged into this Stipulation.

10. The provisions of this Stipulation may be modified only by written agreement of the Parties. Any failure by any Party or Parties to insist upon the strict performance by any other Party of any of the provisions of this Stipulation shall not be deemed a waiver of any of the provisions hereof, and that Party or Parties notwithstanding that failure, shall have the right thereafter to insist upon the strict performance of any and all of the provisions of this Stipulation to be performed by any other Party or Parties.

11. This Stipulation shall be deemed to have been mutually prepared by the Parties hereto [by his Counsel for Mr. Johnson and agreed to by him] and shall not be construed against any of them solely by reason of authorship.

12. This Stipulation may be executed in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument. Counsel for the Parties shall exchange among themselves original signed counterparts.

13. This Stipulation and all rights and obligations thereunder shall be governed by the procedural and substantive laws and rules of the State of New York without reference to its choice of law rules.

IN WITNESS WHEREOF, this Stipulation has been executed by or on behalf of

the undersigned parties and counsel of record for the plaintiff.

Eric R. Johnson

x Eric Johnson

Date: 07/20/05

Chase Bank USA, N.A.

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

Its: \_\_\_\_\_

Date: \_\_\_\_\_

Whalen & Tusa, P.C.

x [Signature]

Date: 07/22/05

Manuel W. Gottlieb  
JPMorgan Chase Legal Department  
One Chase Manhattan Plaza, 26th floor  
New York, N.Y. 10081

Paul C. Whalen, Esq.  
Joseph S. Tusa, Esq.  
565 Plandome Road  
Manhasset, NY 11030

G. Oliver Koppell & Associates  
G. Oliver Koppell  
99 Park Avenue  
New York, NY 10016

Counsel for Eric R. Johnson

IN WITNESS WHEREOF, this Stipulation has been executed by or on behalf of the undersigned parties and counsel of record for the plaintiff.

Eric R. Johnson

Chase Bank USA, N.A.

x \_\_\_\_\_

By: x John Hennessey

Date: \_\_\_\_\_

Its: Vice President

\_\_\_\_\_

Date: July 11, 2005

Whalen & Tusa, P.C.

Manuel W. Gottlieb  
JPMorgan Chase Legal Department  
One Chase Manhattan Plaza, 26th floor  
New York, N.Y. 10081

x \_\_\_\_\_

Date: \_\_\_\_\_

Paul C. Whalen, Esq.  
Joseph S. Tusa, Esq.  
565 Plandome Road  
Manhasset, NY 11030

G. Oliver Koppell & Associates  
G. Oliver Koppell  
99 Park Avenue  
New York, NY 10016

Counsel for Eric R. Johnson