

UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF GEORGIA
ATLANTA DIVISION

_____)
FEDERAL TRADE COMMISSION,)
)
Plaintiff,)
)
v.) Civil No. 1:01-CV-00606 JTC
)
ASSOCIATES FIRST CAPITAL)
CORPORATION, ASSOCIATES)
CORPORATION OF NORTH AMERICA,)
CITIGROUP INC., and CITIFINANCIAL)
CREDIT COMPANY,)
Delaware corporations,)
)
Defendants.)
_____)

ORDER PRELIMINARILY APPROVING STIPULATED FINAL JUDGMENT AND ORDER

Plaintiff, the Federal Trade Commission ("FTC" or "Commission"), filed a complaint for a permanent injunction and other equitable relief pursuant to Sections 5(a), 13(b), and 16(a) of the Federal Trade Commission Act ("FTC Act"), 15 U.S.C. §§ 45(a), 53(b), and 56(a), Section 108(c) of the Truth in Lending Act ("TILA"), 15 U.S.C. § 1607(c), Section 704(c) of the Equal Credit Opportunity Act ("ECOA"), 15 U.S.C. § 1691c(c), and Section 621(a) of the Fair Credit Reporting Act ("FCRA"), 15 U.S.C. § 1681s(a).

The complaint alleges that Defendants Associates First

Capital Corporation and Associates Corporation of North America (collectively, "The Associates") violated Sections 5(a) of the FTC Act, 15 U.S.C. § 45(a), as amended, the TILA, 15 U.S.C. §§ 1601-1666j, as amended, the TILA's implementing Regulation Z, 12 C.F.R. § 226, as amended, the ECOA's implementing Regulation B, 12 C.F.R. § 202, as amended, and the FCRA, 15 U.S.C. § 1681, as amended. In addition, the complaint alleges that Defendants Citigroup Inc. ("Citigroup") and CitiFinancial Credit Company ("CitiFinancial") are successor corporations to The Associates and are liable for the illegal practices alleged in the complaint.

Defendants deny all allegations in the Plaintiff's complaint, which does not allege any violations with respect to the lending practices of Citigroup or CitiFinancial. Nevertheless, Citigroup, which acquired The Associates in November of 2000, has agreed to address the FTC's concerns with The Associates' lending practices prior to the acquisition by providing monetary redress in the form agreed herein to customers who may have been harmed by The Associates' lending practices.

The Plaintiff and Defendants (the "Parties"), by and through their respective counsel, have agreed to entry of this Order Preliminarily Approving Stipulated Judgment and Order ("Order")

by this Court, without trial or adjudication of any issues of fact or law. The Defendants have not admitted any violation of law, and entry of this Order is not an admission of any law violation.

On the same date that the motion to approve this Order was filed, the Parties filed a joint motion requesting an immediate stay of the proceedings in this Court. If approved, that motion would stay proceedings pending (1) approval of this Order and (2) approval of a proposed nationwide class action settlement in the *Citigroup Loan Cases*, Judicial Council Coordination Proceeding No. 4197 (Superior Court, San Francisco County, California) ("Settlement Agreement"). The Settlement Agreement, appended hereto as Attachment A, was filed in the *Citigroup Loan Cases* contemporaneously with the filing of the motion to approve this Order, and it incorporates by reference the terms of this Order. If approved, the Settlement Agreement and this Order, together, will comprise a global settlement providing for \$240 million in consumer redress throughout the United States and its territories.

The Parties having requested the Court to enter this Order, it is therefore ORDERED, ADJUDGED, AND DECREED as follows:

FINDINGS

1. This Court has jurisdiction over Defendants and the subject matter of this action. Venue in the Northern District of Georgia is proper.

2. The acts and practices of the Defendants alleged in the complaint have been in or affecting commerce, as "commerce" is defined in Section 4 of the FTC Act, 15 U.S.C. § 44.

3. The Parties waive all rights to seek judicial review or otherwise challenge or contest the validity of this Order, and Defendants waive any right that may arise under the Equal Access to Justice Act, 28 U.S.C. § 2412.

4. Entry of this Order is in the public interest.

DEFINITIONS

5. For purposes of this Order, the following definitions shall apply:

a. "Add-on products" means any goods or services, other than credit insurance, sold in connection with a loan, including but not limited to automobile club, travel club, and discount club memberships, debt cancellation agreements, and home and auto security plans.

b. "The Associates" means Associates First Capital

Corporation and Associates Corporation of North America, and their subsidiaries and assigns, as they existed before the merger with Citigroup Inc. on November 30, 2000.

c. "The Associates Parties" means Associates First Capital Corporation, Associates Corporation of North America, Citigroup Inc., and CitiFinancial Credit Company, and their successors and assigns.

d. "California Class Action" means the consolidated amended class action complaint filed in the *Citigroup Loan Cases*, Judicial Council Coordination Proceeding No. 4197 (Superior Court, San Francisco County, California) on February 21, 2002, against The Associates Parties and other related entities seeking, in part, the same relief sought by the FTC in the FTC Action. The Associates Parties have denied wrongdoing or liability arising from the allegations advanced in the California Class Action.

e. "Charged off" describes a loan that has been deemed uncollectible, in whole or in part, and that has been written off as an expense by one or more of The Associates Parties.

f. "Class" means a class of consumers proposed to be certified as a nationwide "opt out" class in the California Class

Action that consists of consumers in the United States and its territories who purchased single premium credit insurance in connection with a real estate-secured or personal loan originated by The Associates between December 1, 1995 and November 30, 2000. The Class does not include the following individuals otherwise falling within the above definition: (i) consumers who purchased a credit insurance product but then cancelled it and obtained a full premium refund; and (ii) consumers who have released, individually or as part of a class, any and all claims related to credit insurance purchased in connection with loans originated by The Associates, including but not limited to such releases in connection with the North Carolina Attorney General's settlement with The Associates (publicly announced on September 6, 2001), *Darden v. Ford Consumer Finance, Inc.*, No. E-62360 (Superior Court, Fulton County, Georgia), and *Wood v. Associates*, No. CV-97-1-3977-35 (Superior Court, Cobb County, Georgia).

g. "Class Member" or "Member of the Class" means a borrower (or co-borrowers) who falls within the definition of the Class, described in sub-paragraph "f" above, who does not validly and timely request exclusion from the Class.

h. "Class Action Notice" means the Notice of Proposed Class Action Settlement agreed upon by the Coordinated Plaintiffs

and The Associates Parties, to be submitted to and approved by the Superior Court of the State of California.

i. "Closed Loan" means any loan covered by the Redress Program that is not an Open Loan or a Sold Loan. Whether a loan is a Closed Loan for redress purposes shall be determined by the Redress Program Administrator at the time that redress is to be distributed to Class Members, from updated loan data provided pursuant to Section XIII below.

j. "Coordinated Plaintiffs" means the FTC and the Class Members individually and on behalf of the Class.

k. "Credit insurance" means credit life insurance, accident and health insurance, involuntary unemployment insurance, or personal property insurance.

l. "FTC Action" means the matter filed on March 6, 2001 by the FTC in the United States District Court for the Northern District of Georgia (Atlanta Division) (Civil No. 1:01-CV-00606 JTC).

m. "Open Loan" means a loan covered by the Redress Program that has not been paid off, refinanced, charged off, or discharged in bankruptcy, and that is not a Sold Loan. Whether a loan is an Open Loan for redress purposes shall be determined by the Redress Program Administrator at the time that redress is to

be distributed to Class Members, from updated loan data provided pursuant to Section XII below.

n. "Redress Program" means a program to be established and administered by the FTC for the purpose of providing consumer redress to Class Members.

o. "Redress Program Administrator" means the FTC or such agents or trustees that the FTC in its sole discretion, after consultation with The Associates Parties, will appoint to establish, maintain, and administer the Redress Program, or such other entity as appointed by the Court at the request of the FTC.

p. "Sold Loan" means any loan covered by the Redress Program that has been purchased from The Associates Parties by another financial institution. Whether a loan is a "Sold Loan" for redress purposes shall be determined by the Redress Program Administrator at the time that redress is to be distributed to Class Members, from updated loan data provided pursuant to Section XII below.

EFFECTIVE DATE AND CONDITIONS

I.

IT IS FURTHER ORDERED that except as provided in Section II below, this Order shall become effective five (5) calendar days after all of the following events have occurred:

1. Entry of this Order by the United States District Court for the Northern District of Georgia;

2. Entry of an Order of the Superior Court of the State of California preliminarily approving the settlement and certifying the proposed Class, and approving the form, content, and method of dissemination of the Class Action Notice; and

3. Entry of an Order of the Superior Court of the State of California, after a notice to Members of the Class and all other persons the Court determines are entitled to notice, and after conducting the fairness hearing, approving a nationwide class action settlement.

II.

IT IS FURTHER ORDERED that if this Order does not become effective within ten (10) months of the filing of the motion to approve this Order, the FTC may, at any time thereafter, until the date this Order becomes effective, at its sole discretion and upon written notice to The Associates Parties, terminate this Order in its entirety, thereby terminating any stay of proceedings in the FTC Action. In such event, this Order shall be null and void and of no force and effect. In addition, the Parties shall be returned to their respective positions as of the date of this Order, and this Order shall not be deemed to

prejudice in any way the positions of the FTC and The Associates Parties, including but not limited to their positions with respect to the allegations in the FTC Action nor shall the Order be deemed to entitle any Party to the recovery of costs and expenses incurred to implement this Order.

III.

IT IS FURTHER ORDERED that beginning with the expiration of the ten (10) month period described in Section II above, if the Order has not become effective, interest, as computed pursuant to 28 U.S.C. § 1961(a), shall accrue on the entire Redress Sum of \$215 million until the date this Order becomes effective. No interest shall accrue or be payable if the FTC terminates the Order pursuant to Section II above.

APPEALS

IV.

IT IS FURTHER ORDERED that except as provided in Section V below, the effective date of this Order and provision of redress by The Associates Parties shall not be delayed or affected in any manner by: (i) any appeal of any Order of the Superior Court of the State of California or of any other court; or (ii) any unresolved dispute over fees to be paid to attorneys for the California Class or to any other attorneys. If the Redress

Program is stayed by court order pending any appeal, however, interest shall accrue as computed pursuant to 28 U.S.C. § 1961(a) on the entire Redress Sum of \$215 million from the effective date of this Order until such stay is lifted.

V.

IT IS FURTHER ORDERED that if before the expiration of the ten (10) month period described in Section II above: (i) this Order becomes effective, and (ii) an appeal of the nationwide class action settlement (as described in Section IV above) is filed, The Associates Parties may elect to defer provision of redress under Section XIV below, until no later than the date of expiration of the ten (10) month period. However, if such an election is made, interest shall accrue as computed pursuant to 28 U.S.C. § 1961(a) on the Redress Sum of \$215 million from the effective date of this Order until provision of redress by The Associates Parties.

EFFECT OF SETTLEMENT IN CALIFORNIA CLASS ACTION

VI.

IT IS FURTHER ORDERED that the claims settled in this Order shall be distinct and severable from any additional claims advanced by the parties in the California Class Action and settled with The Associates Parties (the "refinance subclass").

Any agreement between The Associates Parties and the parties in the California Class Action to nullify their settlement of the refinance subclass if a critical number of individuals opt out of that settlement (the "tip-over" provision) shall not affect this Order in any way. Moreover, if the Superior Court of the State of California or any appeals court should decline to certify, decertify, or refuse to approve the settlement of the refinance subclass, that decision shall not affect either the implementation of the Redress Program or the terms of this Order.

MONETARY RELIEF

VII.

IT IS FURTHER ORDERED that The Associates Parties shall provide consumer redress in the amount of two hundred fifteen million dollars (\$215,000,000) ("Redress Sum") through the Redress Program.

REDRRESS PROGRAM ADMINISTRATION

VIII.

IT IS FURTHER ORDERED that the Redress Program shall be established and administered by the FTC in its sole discretion for the purpose of providing consumer redress to Class Members. The FTC, with input from The Associates Parties and counsel for the Class, shall determine the plan for the disbursement of the

funds to Class Members and for any attendant expenses for the administration of the Redress Program. The FTC, in its sole discretion, after consultation with The Associates Parties, shall assign the administration of the Redress Program to one of its approved contractors (Redress Program Administrator), or such other entity as ordered by the Court upon the FTC's request. The Associates Parties shall have no right to contest the substance or manner of distribution of redress, nor the FTC's selection of the Redress Program Administrator.

IX.

IT IS FURTHER ORDERED that all costs incurred by the Redress Program Administrator in administering the Redress Program, including the costs of the Class Action Notice and all other notices, determining borrowers' eligibility to participate in the Redress Program, and mailing checks to Class Members as set forth herein, shall be paid by The Associates Parties and credited against the Redress Sum, except that The Associates Parties shall bear separately, in addition to the Redress Sum, any and all costs associated with: (i) matching loans with borrowers or otherwise correcting material deficiencies in the data set provided by The Associates Parties (as set forth in Section XII); (ii) the processing and printing of redress checks to Class

Members; and (iii) crediting Class Members' accounts and notifying Class Members of changes to their accounts. If the number of Class Members exceeds two million in any given phase of the administration, The Associates Parties shall bear separately, in addition to the Redress Sum, the variable administration costs attributable to the additional Class Members.

X.

IT IS FURTHER ORDERED that within ten (10) calendar days of the date of entry of this Order, The Associates Parties shall wire transfer an Initial Deposit in the amount of \$500,000 into an interest-bearing escrow account designated by the FTC (the "Escrow Account"). Thereafter, the Redress Program Administrator shall submit to The Associates Parties its estimated costs for each ensuing month no later than five (5) business days prior to the first day of the month. The Associates Parties shall pay the Redress Program Administrator's estimated costs for the ensuing month in advance by wire transferring such amount to the Escrow Account, on or before the first day of the month. If at any time during the ensuing month, the Redress Program Administrator determines that the amount advanced by The Associates Parties is insufficient to cover the costs of administering the Redress Program for that month (the "shortfall"), the Redress Program

Administrator shall prepare a revised estimate of costs and notify The Associates Parties that additional funds are required. The Associates Parties shall, upon three (3) business days written notice from the Redress Program Administrator, wire transfer such additional funds in their entirety to the Escrow Account. If The Associates Parties fail to transfer such additional funds as required herein, the Redress Program Administrator shall be entitled to utilize all or any part of the Initial Deposit plus any accrued interest to cover the shortfall. In such event, The Associates Parties shall be required to replenish the Escrow Account in the amount of the shortfall within three (3) business days written notice from the Redress Program Administrator. The Initial Deposit, less any amounts required to cover any shortfall not otherwise paid as provided herein, shall be returned to The Associates Parties by the Redress Program Administrator upon completion of the Redress Program. The Redress Program Administrator shall obtain the FTC's prior authorization for all disbursements from the Escrow Account. Throughout the course of the Redress Program, the Redress Program Administrator shall provide periodic progress reports to the Parties with respect to the services it has performed and expenditures authorized by the FTC. The Associates

Parties shall have no right to approve or contest any costs or expenditures estimated or incurred by the Redress Program Administrator in administering the Redress Program.

ATTORNEYS' FEES AND LITIGATION EXPENSES

XI.

IT IS FURTHER ORDERED that any and all attorneys' fees or litigation expenses in connection with the FTC Action, whether or not ordered by any Court, shall be paid by the Party incurring the expense and shall not be credited against the Redress Sum. Any and all attorneys' fees or litigation expenses in connection with the California Class Action or any other action, whether or not ordered by any Court, shall be borne as decided by The Associates Parties and California Class or other counsel and shall not be credited against the Redress Sum.

DATA

XII.

IT IS FURTHER ORDERED that subject to changes agreed upon by the Parties and the Redress Program Administrator, and to the extent not already provided, The Associates Parties shall provide to the Redress Program Administrator, within twenty (20) calendar days of entry of this Order, a complete electronically-stored data set in compatible format (to be determined after

consultation with the Redress Program Administrator) regarding all borrowers in the Class as of June 30, 2002. The data set shall be organized in such a manner that all loans made to a single borrower (or joint borrowers) can be readily identified with that borrower (or joint borrowers). Upon the request of the Redress Program Administrator, The Associates Parties shall provide, within thirty (30) calendar days, an updated set of data for notice and claims administration purposes, or for the purpose of contacting Class Members as necessary. The Associates Parties shall bear and pay separately, in addition to the Redress Sum, all costs associated with providing and updating the data in the format and manner required by this Order. Any costs incurred by the Redress Program Administrator in matching loans with borrowers or otherwise correcting material deficiencies in the data shall be reimbursed by The Associates Parties separately and shall not be credited against the Redress Sum.

XIII.

IT IS FURTHER ORDERED that the data set produced by The Associates Parties to the Redress Program Administrator pursuant to Section XII shall include for each loan covered under this Order:

1. The borrower's (or borrowers') name(s), last known address(es), phone number(s), and social security number(s);

2. The loan origination date, the loan number, the type of loan (whether real estate-secured or personal), the single-premium credit insurance products purchased in connection with the loan, whether the loan is an Open Loan, Closed Loan, or Sold Loan, and the loan payoff date (if applicable);

3. For each single-premium credit insurance product purchased in connection with the loan: (i) the premium amount, (ii) the amount of any claims paid, (iii) the date of cancellation, if any, and (iv) the amount of any premium refunds paid upon cancellation or otherwise; provided, however, that for each single-premium credit insurance product provided by an insurer not affiliated with The Associates Parties, The Associates Parties shall use reasonable best efforts to provide the above data to the Redress Program Administrator within twenty (20) calendar days, and shall promptly inform the Commission if it is unable to do so;

4. For each Open Loan, the outstanding balance of the loan, the status of the loan (current or delinquent) and, for each single-premium credit insurance product purchased in connection with the loan: (i) the amount of the earned premium

and (ii) the amount of any unearned premium; provided, however, that for each Open Loan having single-premium credit insurance provided by an insurer not affiliated with The Associates Parties, The Associates Parties shall use reasonable best efforts to provide the above data to the Redress Program Administrator within twenty (20) calendar days, and shall promptly inform the Commission if it is unable to do so.

REDRESS DISTRIBUTION

XIV.

IT IS FURTHER ORDERED that The Associates Parties shall provide redress to Class Members on a per loan basis as follows:

1. The Associates Parties shall use reasonable best efforts to provide redress within thirty (30) calendar days, but in no event more than seventy-five (75) calendar days, of receiving the Redress Program Administrator's instructions for the provision of redress.

2. Redress to Class Members with Open Loans shall be accomplished through a reduction in the outstanding balance of each Open Loan in the amount of the Class Member's share of the Redress Sum for that Open Loan. The Associates Parties shall advise each Class Member in his or her monthly statement immediately following the reduction in the outstanding balance:

(i) that his or her account has been adjusted and the amount of the adjustment, and (ii) the reason for the adjustment. Each Class Member with an Open Loan must agree to cancel his or her credit insurance on the Open Loan as a condition for receipt of redress. If the amount of any Class Member's share of the Redress Sum for an Open Loan exceeds the outstanding balance of his or her Open Loan, The Associates Parties shall issue a check to the Class Member for the excess amount. The Associates Parties shall provide the Commission with written confirmation of the outstanding balance reductions on Open Loans, which shall be subject to verification by the Commission or its authorized agents.

3. Except as provided below in sub-paragraph 4 of this Section, redress to Class Members with Closed Loans or Sold Loans shall be accomplished by The Associates Parties issuing checks to Class Members in the amount of the Class Member's share of the Redress Sum for each Closed Loan or Sold Loan. The Associates Parties shall use reasonable best efforts to prepare, print, and provide all such checks to the Redress Program Administrator within twenty (20) calendar days, but in no event more than forty-five (45) calendar days, from the date The Associates Parties receive the Redress Program Administrator's instructions

for provision of redress. The Redress Program Administrator shall mail all checks to eligible Class Members with Closed and/or Sold Loans.

4. Redress to Class Members (a) with Open Loans that are contractually delinquent but not charged off; or (b) with both Open Loans that are contractually delinquent but not charged off and Closed Loans, shall be applied first to pay any amount that is contractually delinquent on the Class Member's Open Loan(s).

5. No Redress Program amounts provided by The Associates Parties through the Redress Program shall be applied by The Associates Parties to credit any loan, or any other account, that has been charged off or discharged in bankruptcy. Class Members eligible for redress whose loans have been charged off or discharged in bankruptcy shall be issued checks pursuant to the procedures specified in sub-paragraph 2 of this Section (for Closed Loans and Sold Loans). Each Class Member with a Closed Loan that is charged off must agree to cancel his or her credit insurance on the Closed Loan as a condition of receipt of redress.

CALCULATION OF REDRESS

XV.

IT IS FURTHER ORDERED that the amount of consumer redress

provided by The Associates Parties as required by Section VII, shall be calculated by adding the amount of reduction of outstanding loan balances (pursuant to Sections XIV.2 and XIV.4), the amount payable by check to certain Class Members (pursuant to Sections XIV.2, XIV.3 and XIV.5), and the costs of administration of the Redress Program pursuant to Sections IX and X. The total redress shall not exceed \$215 million, plus interest pursuant to Sections III, IV, V, X, and XVI ("interest") of this Order. To the extent the redress calculated as set forth in this Section is less than \$215 million plus interest, the difference between \$215 million plus interest and the total amount of redress calculated as set forth in this Section ("surplus"), shall be paid by The Associates Parties by wire transfer, within ten (10) business days written notice, to an escrow account designated by the Commission. The Commission may apply any surplus for such other equitable relief, including consumer education remedies, as the Commission determines to be reasonably related to The Associates' practices alleged in the complaint. Any surplus not used for such equitable relief shall be disgorged to the United States Treasury. The Associates Parties shall have no right to challenge the Commission's choice of remedies under this Section.

DEFAULT

XVI.

IT IS FURTHER ORDERED that in the event that The Associates Parties default on any payment obligations set forth in this Order, which default continues for thirty (30) calendar days after the due date of the payment, and after notice to The Associates Parties of such default, the entire Redress Sum shall, at the option of the FTC, become due and payable with interest computed pursuant to 28 U.S.C. § 1961(a). Interest shall accrue from the date of default to the date of payment. Notwithstanding any other provision of this Order, The Associates Parties agree that if they fail to meet the payment obligations set forth in this Order, The Associates Parties shall pay any and all costs and attorneys' fees incurred by the Commission and its agents in any attempts to collect amounts due under this Order.

RELEASE

XVII.

IT IS FURTHER ORDERED that this Order shall end all litigation between the FTC and The Associates Parties and their predecessors, successors, subsidiaries, and affiliates, relating to the claims and conduct alleged or that could have been alleged in the FTC Action with respect to The Associates' lending

practices. In addition, any Class Member who obtains any redress from the Redress Program shall release any claim, known or unknown, against The Associates Parties, and their predecessors, successors, subsidiaries, and affiliates, with respect to credit insurance purchased in connection with a personal or real estate-secured loan originated by The Associates between December 1, 1995 and November 30, 2000. In the case of joint accounts, all co-borrowers must execute the release specified in this Section in order to obtain redress under this Order, except to the extent that a co-borrower has died or is legally incompetent to execute the release.

REPORTING REQUIREMENTS

XVIII.

IT IS FURTHER ORDERED that within six (6) months after entry of this Order, and annually for three (3) years thereafter, CitiFinancial shall provide to the FTC a written report detailing its practices with respect to the sale and marketing of credit insurance and other add-on products, and the progress and status of any and all steps taken to enhance and improve those practices.

RECORD KEEPING REQUIREMENTS

XIX.

IT IS FURTHER ORDERED that for at least three (3) years after the date of entry of this Order, CitiFinancial shall maintain documents approved for use, and exercise its best efforts to maintain communications from supervisory personnel, relevant to the sale and marketing of real estate-secured and personal loans, credit insurance, and other add-on products, and the progress and status of any and all steps taken to enhance and improve those practices. Such documents shall include but not be limited to copies of all manuals, sales scripts, training materials, advertisements, and other promotional material used in connection with the marketing and sale of real estate-secured and personal loans, credit insurance, and other add-on products.

DISTRIBUTION OF ORDER

XX.

IT IS FURTHER ORDERED that within thirty (30) calendar days of the date of entry of this Order, The Associates Parties shall provide a copy of this Order to all persons with supervisory responsibility for consumer redress, reporting, and/or record keeping obligations pursuant to this Order, and secure from each such person a signed statement acknowledging receipt of a copy of

this Order, and shall, within ten (10) calendar days of complying with this Section, provide to the Commission a sworn certification setting forth the fact and manner of its compliance, including the name and title of each person to whom a copy of the Order has been provided.

NOTIFICATIONS

XXI.

IT IS FURTHER ORDERED that, for the purposes of this Order, The Associates Parties shall, unless otherwise directed by the Commission's authorized representatives, mail all written reports and notifications to the Commission to: Associate Director for Financial Practices, Bureau of Consumer Protection, Federal Trade Commission, 600 Pennsylvania Avenue, N.W., Washington, D.C. 20580. The Commission shall, unless otherwise directed by The Associates Parties, mail all written notifications to: General Counsel, CitiFinancial, Inc., 300 St. Paul Place, Baltimore, Maryland 21202, with a copy to Andrew Sandler, Esquire, Skadden, Arps, Slate, Meagher & Flom L.L.P., 1440 New York Avenue, N.W., Washington, D.C. 20005.

XXII.

IT IS FURTHER ORDERED that, for three (3) years after the date of entry of this Order, The Associates Parties shall notify

the FTC at least thirty (30) calendar days before any change in its corporate structure or ownership that may affect its obligations under this Order, including, but not limited to, merger, incorporation, dissolution, assignment, or sale that results in the emergence of a successor corporation, or the creation or dissolution of a subsidiary or parent; *provided*, however, that with respect to any proposed change in the corporate structure or ownership about which The Associates Parties learns less than thirty (30) calendar days prior to the date such action is to take place, The Associates Parties shall notify the Commission as soon as is practicable after learning of such proposed change.

CONTINUING JURISDICTION OF COURT

XXIII.

IT IS FURTHER ORDERED that this Court shall retain jurisdiction of this matter for all purposes, including but not limited to enabling any of the Parties to apply to the Court at any time for such further orders or directives as may be necessary or appropriate for the interpretation or modification of this Order, the enforcement of compliance therewith, or as justice may require.

FINAL JUDGMENT AND ORDER

XXIV.

The Parties hereby consent to entry of the foregoing Order, which, upon the effective date, shall constitute a final judgment and order, each Party to bear its own costs and attorneys' fees in connection with the action.

SO ORDERED this ____ day of _____, 2002.

JACK T. CAMP
UNITED STATES DISTRICT JUDGE

The Parties hereby stipulate and agree to the terms and conditions set forth above and consent to entry of this Order Preliminarily Approving Stipulated Final Judgment and Order.

FOR THE FEDERAL TRADE COMMISSION:

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