EDWIN B. SPIEVACK
5802 WELLINGTON LN
FRISCO, TEXAS 75034-2295

(214) 387-3373

April 14, 2011

Clerk of the Court
United States District Court
For the Southern District of Florida
Att: The Hon. William Hoeveler, Judge
United States District Court
400 North Miami Avenue
Miami, Florida 33128

Carney Williams Bates Bozeman & Pulliam, PLLC
11311 Arcade Drive, Ste. 200
Little Rock, Arkansas 72212

Zachary Parks
Covington & Burling LLP
1201 Pennsylvania Avenue, N.W.
Washington, D.C. 20004

Kardonick Settlement Administrator
PO BOX 280
Philadelphia, PA 19105-0580

Re: *Kardonick et. al. v. JPMorgan Chase & Co. et. al.,*
Case No. 10-cv-23235 (S.D., Fla.)
Edwin B. Spievack, 5802 Wellington LN, Frisco, Texas 75034-2295
Notification No. 32Q2R44 – SSN: 9440
Notice of Exclusion and Objection to Settlement

Dear Judge Hoeveler:

This letter is to notify the Court and parties to this proceeding of my decision to opt out of the Kardonick Settlement, and to move the Court will reject the final settlement. The amount that I and other customers of these credit cards receive is an inconsequential consideration for the practices this lawsuit was filed to challenge. No amount of compensation justifies the perpetuation of these so-called credit protection bank policies.

The most pernicious aspect of the settlement is that it does nothing to reform or end the wrongdoing. The defendants agree to pay the nominal sum of $20 million for a judicial license to perpetuate illegal conduct. They continue to "promote" and "sell" these so-called credit protection plans as protection against identity theft, which as the Court knows is not one of the accidental injuries covered by credit protection plans. When a customer activates a credit card, a pitch for the credit protection plan is made, but the bank representative refers to it as protection against "identity

fraud" and explains how many people in the U.S. are victimized by the theft of their identities every year. Then, the customer is told how inexpensive it is: only 85¢ per hundred.[1] That would be $85.00 on a $1,000.00, or 9% interest on top of the 18% regular interest charge, for a total of 27% interest on the principal balance of the credit card if the customer doesn't fall into the default interest rate. If that latter contingency occurs, as it does for many Americans, the total interest rate soars to nearly 40% per annum. This is grotesque exploitation of the American people, and causes one to ask how the financial institutions in this country were able to escape the usury laws that prevented loan gouging for over two hundred years of our history. These levels of interest historically were the rates enforced by loan sharks.

While the "protection" is promoted as insurance it is not registered as insurance and the defendants circumvents the insurance laws of the states in which these plans are offered. Hence, there are no capital reserves covering credit contingencies and the coverage may or may not be legal despite the contractual commitment delivered to the customers paying for the "service." In most states the sale of insurance without a license to operate as an insurance carrier is illegal; and it is not likely that insurance policies issued without legal authority would be enforceable. In many, if not all, states such contracts could reasonably be construed to be void as against public policy.

Of course, the issue of capital reserves is important to all of us as taxpayers. So-called credit protection is offered by banks, as in this case. That means the funds they pay out for credit lending, or for policy claims when they decide to pay them, are borrowed at the back-window of the Federal Reserve Bank. At current rates, the Fed lends the funds at a quarter of one percent interest, which the bank then lends at 18% to 40% interest rates. The bank has virtually no risk. The risk belongs only to taxpayers.

Meanwhile voluminous complaints abound over the refusal of banks to honor credit protection claims of customers who have paid for the policies.

Anybody reading this objection to the Kardonick Settlement might conclude that I confuse the difference between bank offers of identity fraud protection and bank offered credit protection. I certainly understand the differences and the different charges that apply to each. However, bank representatives are promoting credit protection as identity fraud protection; and information on the Internet about the two programs produces broad latitude for confusion over which is which. Fraud protection is merely the payment of a monthly fee to give customers access to their credit reports, where supposedly if they see a charge they don't recognize they can surmise that their identity has been stolen. Credit protection, on the other hand, is a somewhat clever means of augmenting interest rates charged on line of credit accounts.

The Kardonick Settlement notice informs me that if I accept the settlement I may receive as much as $60 in compensation for the alleged wrongdoing that victimizes credit protection bank customers. I do not believe compensation at a thousand times $60 would be adequate compensation for a practice that should be stopped. The Plaintiffs started the case and they should be required to finish it. If they can prove fraud, as they should be able to do, a cease and desist order should issue

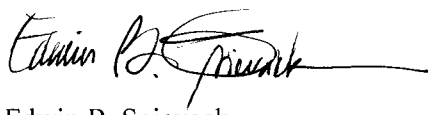
[1] These rates can vary between and within banking institutions.

and the practice of credit protection offered by Defendants without state insurance authority should be stopped. This Court has that power and it should be used rather than allowing the Kardonick interests to walk away with a $5 million legal fee that preserves the pernicious practice for the paltry sum of $20 million including expenses. That's a very low price for the judicial authority to sanction illegal conduct. The judicial system should stand for the proposition that no price is acceptable for the allowance of unjust and unlawful conduct.

If the Court decides to let the Kardonick and Chase interests go without suit, the case should be dismissed without prejudice and no legal fees are expenses should be allowed. Let those who start lawsuits pay the price of not pursuing them.

It is my ardent hope that you will reject the settlement and set the case for trial.

Sincerely,



Edwin B. Spievack