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**HEFFLER, RADETICH & SAITTA**<sub>LLP</sub>  
— CERTIFIED PUBLIC ACCOUNTANTS —

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July 20, 2012

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Re: *Kardonick, et. al. v. JP Morgan Chase & Co. et al. Litigation*

For services rendered and expenses incurred for the period December 1, 2011 through June 30, 2012, as well as anticipated services and expenses through distribution and post-distribution, as follows:

The following represent items that are billed on a per item basis:

1. Maintain and monitor on a monthly basis the website *www.KardonickSettlement.com*;
2. Maintain and monitor the toll free telephone system with automated responses (IVR). Also have live operators available to assist class members;
3. Pick-up of mail at P.O. Box 280 on an as-needed basis. Open and sort the mail received, batch the claims, returns and requests separately, as applicable;
4. Respond to telephone, written and e-mail inquiries concerning status, request for forms and general information;
5. Process returned/undeliverable notices. Scan all documents received. Re-mail those with updated addresses; send all others to TransUnion to search for an updated address. Re-mail all returned by TransUnion with updated address;
6. Update database for all change of address notifications received;
7. Receive electronic claims; receive and data enter paper claims into the database;
8. Send deficiency/rejection letter to applicable claimants. Record and process responses;
9. Calculate distribution and produce Charged Off List and final declaration.

The following represent items that are billed at the hourly rates listed in our proposal:

1. Prepare status reports and activity updates for Counsel on an as needed basis;

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2. Review Orders and other Court documents, discuss with Counsel;
3. Meetings and conference calls with Counsel and staff on various issues noted in the Notice mailing process, claims submission and regarding status issues;
4. Monitor and maintain IT compliance and security review;
5. Revisions to website based on issues or requests.

The following items are anticipated services to be rendered and estimated costs to be incurred through one distribution and post-distribution:

1. Conferences with Counsel.
2. Continued processing of mail received and updating the database file until distribution.
3. Set up a distribution checking account with a bank to receive the distributive funds for eligible claimants, including an investment option for daily investment of the outstanding funds until the account is closed or reduced to a minimum balance, with any earnings accruing on or after the date of the claimants' distribution to Heffler Claims Administration to offset the bank charges relating to the distribution account, positive pay processing, account reconciliation, stop payments, reissues, monthly maintenance, etc. and other distribution and post-distribution assessed fees and costs.
4. Update Settlement Fund Analysis for distribution calculations.
5. Calculate claimants' distribution each claimant's *pro-rata* share of the Net Settlement Fund based on the distribution ratio.
6. Print and mail checks for claimants who are to receive a distribution from the Net Settlement Fund and prepare the check register.
8. Upon request of Counsel, prepare a computer printout showing the amount of cash distributed to each approved claimant.
9. Answer all correspondence, telephone calls and process changes of addresses received relating to the distribution for a period of six months following distribution.
10. Prepare checking account reconciliations for a period of up to 12 months following distribution.
11. Attempt to locate current addresses of claimants whose checks are returned as undeliverable by reviewing claim forms filed, telephoning claimants, and/or by sending to Lexis/Nexis Accurant Service or a credit bureau.
12. Prepare 2012 and 2013 tax returns and estimated taxes as necessary.

**INVOICE**

I. **COSTS:**

A. **PROOF OF CLAIM FORMS:**

**Electronic Claims**

317 claims @ \$0.40 \$126.80

**Paper Claims**

31 claims @ \$0.95 29.45

Total invoiced for claims activity this period \$ 156.25

B. **IVR / LIVE OPERATOR COSTS:**

IVR Call minutes 30,536 minutes @ \$0.23/min. 7,023.28

IVR Changes at cost . 400.00

Internal Operators 3,045 minutes @ \$0.50/min. 1,522.50

C. **WEBSITE MAINTENANCE:**

Monthly Maintenance (7 months @ \$750.00/month) 5,250.00

D. **CORRESPONDENCE:**

Deficiency Letters Mailed 8,005 @ \$0.50 4,002.50

Responses 7,228 @ \$0.50 3,614.00

E. **PROCESS RETURNED POSTCARDS**

8,064 returns @ \$0.05 403.20

10,200 printed notices to re-mail @ \$0.039 397.80

F. **SCANNING OF RETURNED NOTICES & PAPER CLAIM FORMS  
SUBMITTED (reduced rate)**

Scans 8,064 @ \$0.05 403.20

G. **OTHER OUT-OF-POCKET COSTS:**

Telephone \$1,270.79

Locator Services (NCOA & TransUnion) 1,182.36

Postage 3,385.11

Post Office Box Renewal 610.00

Sales Tax on Returns and Remails 29.69

Photocopies (787 @ \$0.10) 78.70

6,556.65

**TOTAL COSTS**

**\$ 29,729.38**

II. **FEES:**

Partners	16.25 Hours @ \$210.00 - \$265.00	\$4,062.50
Managers / Computer Programmers	19.00 Hours @ \$150.00 - \$175.00	2,975.00
Senior Accountants / Data Processing Supervisors	45.50 Hours @ \$110.00 - \$150.00	5,005.00
Junior Accountants	13.75 Hours @ \$70.00 - \$100.00	1,055.00
Estimate of Fees to complete Tax Analysis and Preparation of Tax Returns for 2012 and 2013 (2 years @ \$3,500):		<u>7,000.00</u>
<b>TOTAL FEES</b>		20,097.50

III. **ANTICIPATED OUT-OF-POCKET COSTS:**

Standard Checks:	\$49,760.00
Postcard Checks:	29,370.00
Postage for Distribution Checks :	82,400.00
Process Undeliverable Checks:	1,100.00
Re-issue Checks (est. 2.25% of each type):	1,780.00
Re-issue Postage:	1,850.00
Post Office Box Renewal:	610.00
Toll-Free telephone service (@\$350/mo., 6 months):	2,100.00
Changes from full IVR service to recorded message with option to transfer to live operator	400.00
Website Maintenance and responses to inquiries:	5,100.00
Photocopies, Supplies, etc.	<u>50.00</u>
	<u>174,520.00</u>
<b><u>TOTAL INVOICE:</u></b>	<b><u>\$224,346.88</u></b>