

**SUPERIOR COURT OF THE STATE OF CALIFORNIA  
FOR THE COUNTY OF LOS ANGELES**

DENNIS A. MATEJCEK, an individual, on behalf of himself and all others similarly situated,

Case No. BC 328517

Plaintiff,

**NOTICE OF PENDENCY AND PROPOSED  
SETTLEMENT OF CLASS ACTION**

vs.

COMPUCREDIT CORPORATION;  
PROVIDIAN NATIONAL BANK; and DOES 1  
through 100, inclusive,

Defendants.

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**TO THE MEMBERS OF THE FOLLOWING CLASS**

“All persons who had credit card accounts with defendant Providian National Bank (“Providian”) which were transferred to defendant CompuCredit Corporation (“CompuCredit”) under the brand name “Emerge,” and 1) whose accounts were closed by Defendants to new purchases at any time from February 1, 2002 to January 26, 2006 and 2) who were charged an annual fee within the 12-month period prior to such closure, and 3) whose accounts were not subsequently charged off with an outstanding balance.” (“Settlement Class”)

**THIS NOTICE MAY AFFECT YOUR RIGHTS — PLEASE READ IT CAREFULLY**

**1. Why should I read this notice?**

The purpose of this notice is to inform you that there is now pending in this Court a putative class action entitled Matejcek v. CompuCredit Corporation, et al. (“Matejcek Action”), brought on behalf of certain former credit card holders of Providian National Bank (“Providian”) whose accounts were transferred to defendant CompuCredit Corporation (“CompuCredit”) under the brand name “Emerge” and whose accounts were closed by Defendants to new purchases at any time from February 1, 2002 to January 26, 2006 and who were charged an annual fee within the 12-month period prior to such closure, and whose accounts were not subsequently charged off with an outstanding balance. On January 26, 2006, this Court gave preliminary approval to a settlement of the Matejcek Action. The purpose of this notice is to describe the settlement to you. You should read this notice to determine whether you wish to participate in the class action settlement.

**2. What is this lawsuit about?**

Plaintiff alleges that the Settlement Class suffered damages in connection with a transfer of a portfolio of Providian credit card accounts, including Plaintiff’s and Plaintiff Class Members’ credit card accounts, to CompuCredit under the brand name “Emerge” in or prior to October 2002. The Class includes those cardmembers whose accounts were closed by Defendants to new purchases at any time from February 1, 2002 to January 26, 2006, and who were charged an annual fee within the 12-month period prior to such closure, and whose accounts were not subsequently charged off with an outstanding balance. The Complaint alleges claims for breach of contract and declaratory relief. Defendants deny any wrongdoing, and have asserted numerous defenses to both liability and damages.

On January 26, 2006 the Los Angeles Superior Court approved the sending of this Notice of Pendency and Proposed Settlement of Class Action. The Court has set the date of June 12, 2006, at 9:00 a.m. in Department CCW-308 of the Los Angeles Superior Court of the State of California - Central Civil West, located at 600 South Commonwealth Avenue, Los Angeles, California 90005, to have a hearing on whether to finally approve the settlement. You may appear at the hearing if you wish, but you are not required to appear at this hearing in order to accept the benefits of the settlement.

### 3. What are the terms of the settlement?

The terms of the settlement in this case, preliminarily approved by the Court on January 26, 2006 are as follows:

**a. Settlement Fund.** Defendants will provide monetary settlement relief in the total amount of three hundred fifty thousand dollars (\$350,000.00). The net settlement fund, after deduction of the costs of notice and administration, attorneys' fees and costs awarded by the Court, and any incentive award ordered by the Court ("Net Settlement Fund"), will be distributed to the Settlement Class in equal shares to qualified accounts. It is estimated that Class Members will receive a significant lost portion of the annual fee which the lawsuit claims should not have been charged.

Members of the Settlement Class with outstanding account balances will receive an automatic credit from the Net Settlement Fund in the form of a credit on their credit card account, or a check, at Defendants' option. Members of the Settlement Class who do not have outstanding balances and for whom Defendants have current addresses will receive a check by mail to the Class Member's last known address. The amount of any settlement checks which are not cashed within six months of the date of issuance will be donated equally to the charitable organizations designated by Class Counsel and Defendants and approved by the Court.

**b. Attorneys' Fees.** At the final approval hearing, Class Counsel will make an application to the Court for an award of attorneys' fees in the amount of one hundred sixteen thousand, six hundred sixty seven dollars (\$116,667.00), constituting 1/3 of the Gross Settlement Fund. Class Counsel shall also apply for reimbursement of out of pocket costs.

Defendants will pay attorneys' fees and costs to Class Counsel in an amount to be set by the Court not to exceed this amount, and will not object to an award of fees and costs in such amount. The attorneys' fees and costs will be deducted from the Gross Settlement Fund. Defendants will also pay a reasonable and customary incentive award, in an amount awarded by the Court, but not exceeding \$1,000.00, to the named Representative Plaintiff, Dennis A. Matejcek.

Class Counsel believe that this is a fair and reasonable settlement for the Settlement Class.

### 4. Who represents the Class?

**a. Class Representative.** Dennis A. Matejcek has been designated as the Representative Plaintiff by the Court.

**b. Class Counsel.** The Court has appointed the following Class Counsel to represent your interests and those of the Class:

Brian R. Strange, Esq.  
Strange & Carpenter  
12100 Wilshire Blvd., Suite 1900  
Los Angeles, California 90025

Barry L. Kramer, Esq.  
Law Offices of Barry L. Kramer  
11111 Santa Monica Blvd., Suite 1860  
Los Angeles, California 90025

## 5. How can I exclude myself from the class?

If you do not want to participate in the settlement and wish to exclude yourself from the Class, that is, to "OPT-OUT" of this settlement, then you must submit a letter requesting exclusion to: Brian R. Strange, Esq., Strange & Carpenter, 12100 Wilshire Blvd., Suite 1900, Los Angeles, California 90025, postmarked by no later than May 26, 2006. The request must be signed and must include your name, address, and the last four digits of your credit card account number(s). The request must also state: "I/we request that we be excluded from the settlement in Matejcek v. CompuCredit Corporation, et al., Los Angeles County Superior Court Case No. BC328517." If the account is a joint account, it must be signed by all joint cardholders.

By electing to "OPT-OUT" and be excluded from the settlement (i) you will not share in any distribution of the Settlement Fund, (ii) you will not be bound by any further orders or judgment entered for or against the Class, and (iii) you will preserve your ability to independently pursue any claims you may have against Defendants by filing your own lawsuit at your own expense.

DO NOT WRITE REQUESTING EXCLUSION IF YOU WISH TO SHARE IN THE  
SETTLEMENT FUND.

## 6. What is the effect of the final settlement approval?

The proposed Settlement does not constitute an admission of liability on the part of Defendants. If the Los Angeles Superior Court grants final approval to the Settlement, the claims of all members of the Settlement Class against Defendants will be dismissed, including all liability, claims, demands, actions, and causes of action which relate to or arise out of this litigation, or out of any other purported act, error or omission that Defendants are alleged or could in the future be alleged to have committed in connection with Defendants' transfer and subsequent closure of accounts, including the imposition of annual fees and/or increases in interest rates. No member of the Class would be permitted to continue to assert any such claim in any other litigation against Defendants.

## 7. Where do I get additional information?

If you decide to remain a member of the Class and you wish to communicate with or obtain information from Class Counsel, you may do so by writing to counsel at one of the addresses listed in Section 4, above. **PLEASE DO NOT CONTACT THE COURT OR DEFENDANTS.** Defendants' customer service representatives will not be authorized to provide you with information about this settlement.

This notice provides only a summary of matters relating to the settlement. You may seek the advice and guidance of your own private attorney at your own expense if you wish. You may also file an objection with the Court if you do not "opt-out" as described above. You may also intervene and make an appearance with your own attorney at your expense. Any such objection and/or intervention must be filed with the Court, with a copy served on Class Counsel as provided by law, no later than May 26, 2006. For more detailed information, you may review the pleadings, records and other papers on file in this litigation, which may be inspected during regular court hours at the Los Angeles County Superior Court - Central Civil West, 600 South Commonwealth Avenue, Los Angeles, California 90005.

Dated: January 26, 2006

By: The Honorable Emilie H. Elias,  
Judge of the Los Angeles Superior Court