

SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement and Release ("Agreement") is made as of the last date indicated below by and between NEIL J. GILLESPIE (referred to herein as "PLAINTIFF") and HSBC CARD SERVICES INC. (formerly HOUSEHOLD CREDIT SERVICES, INC.) (referred to herein as "HCS") and HSBC BANK NEVADA, N.A. (formerly HOUSEHOLD BANK (SB) N.A.) (referred to herein as "HBNV").

RECITALS

WHEREAS, this matter involves a dispute with a MasterCard credit card account issued by HSBC Nevada, N.A., account number 5488 9750 2119 2664 in the name of NEIL J. GILLESPIE (referred to herein as the "Credit Card Account"), and a lawsuit was filed and is pending in the District Court of the Middle District of Florida, Ocala Division between NEIL J. GILLESPIE vs. HSBC NORTH AMERICA HOLDINGS INC., HSBC BANK NEVADA, N.A., and RISK MANAGEMENT ALTERNATIVES, INC., Case No. 5:05-cv-362-OC-WTH-GRJ (referred to herein as the "Lawsuit").

WHEREAS, the Parties to this Agreement desire to compromise and settle any and all matters and things in controversy between them in connection with the Lawsuit on the following terms and conditions and without admitting any liability.

AGREEMENT AND RELEASE

For and in consideration of the mutual promises made herein, and other good and valuable consideration, it is mutually agreed by and between the Parties as follows:

1. HBNV agrees to issue a credit to the Credit Card Account in the amount of \$1,692.40 (entire balance) within ten (10) business days of receipt by HBNV of this Settlement Agreement executed by PLAINTIFF.
2. HBNV agrees to pay PLAINTIFF \$2,000.00 within ten (10) business days of receipt by HBNV of this Settlement Agreement executed by PLAINTIFF. PLAINTIFF shall be responsible for payment of any taxes on this settlement amount.

3. Upon receipt of the payment described in paragraph 2 above, PLAINTIFF agrees to dismiss, with prejudice, the Lawsuit.

4. The Credit Card Account shall be closed.

5. PLAINTIFF hereby RELEASES, ACQUITS, and FOREVER DISCHARGES, and by these presents does for himself, his legal representatives, agents, administrators, executors, successors and assigns, RELEASE, ACQUIT, and FOREVER DISCHARGE HCS and, including their agents, employees, officers, directors, shareholders, related entities, affiliates, parent companies, subsidiaries, insurers, attorneys, and all other persons, firms and corporations for whose conduct they may be liable, from all existing and future damages and remedies which have accrued or may ever accrue (including, but not limited to, all claims, demands, and causes of action of any nature, whether in contract or in tort, at law or in equity, or arising under or by virtue of any statute or regulation or judicial reason) arising under or alleged or by virtue of the Lawsuit or arising under or by virtue of the Credit Card Account that are now recognized by law or that may be created or recognized in the future, for resulting past, present, and future contract damages, intentional and/or malicious conduct, actual and/or constructive fraud, statutory and/or common law fraud, misrepresentations of any kind and/or character, libel, slander, defamation, negligence, gross negligence and/or Deceptive Trade Practices-Consumer Protection Act damages, and for all other losses, damages and/or remedies of any kind and/or character including, without limitation, all actual damages, all exemplary and punitive damages, all attorney's fees, and all penalties of any kind.

6. HCS and HBNV hereby RELEASE, ACQUIT, and FOREVER DISCHARGE, and by these presents do for themselves, their legal representatives, agents, administrators, executors, successors and assigns, RELEASE, ACQUIT, and FOREVER DISCHARGE PLAINTIFF, including all other persons for whose conduct he may be liable, from all existing and future damages and remedies which have accrued or may ever accrue arising under or alleged or by virtue of the Lawsuit or Credit Card Account including but not

limited to, all claims, demands, and causes of actions of any nature, whether in contract or in tort, at law or in equity, or arising under or by virtue of any statute or regulation or judicial reason that are now recognized by law or that may be created or recognized in the future, for resulting past, present, and future contract damages, intentional and /or malicious conduct, actual and/or constructive fraud, statutory and/or common law fraud, misrepresentations of any kind and/or character, libel, slander, defamation, negligence, gross negligence and/or Deceptive Trade Practices-Consumer Protection Act damages, and for all other losses, damages and/or remedies of any kind and/or character including, without limitation, all actual damages, all exemplary and punitive damages, all attorney's fees, and all penalties of any kind.

7. PLAINTIFF for himself, his heirs, administrators, insurers, legal representatives, successors, and assigns, expressly WARRANTS, COVENANTS, AGREES and REPRESENTS that he and they did not pledge, assign or otherwise in any manner whatsoever, sell or transfer either by instrument, in writing or otherwise, to any party not a signatory hereto, any right, title, or interest in the claims being asserted in this matter. PLAINTIFF agrees to indemnify and hold HCS and HBNV harmless from any and all liabilities, claims, demands, damages, costs, expenses, and attorney fees incurred by the other parties as a result of any person or entity asserting any claim or interest which is inconsistent with the representations, covenants, agreements, and warranties contained in this Paragraph.

8. The Parties expressly agree that it is the Parties' intent that the purpose of this Agreement is to resolve with finality any and all claims arising from the matters alleged, or which might have been alleged, with regard to the subject matter of the Lawsuit, so that the assertion of any such claim by either party against the other party and/or the other party's property would be forever barred by this Agreement, and that this Agreement shall be binding and fully enforceable against the Parties' successors, assigns, heirs, estates, executors, administrators, and legal representatives.

9. The Parties further expressly warrant and represent to each other, as part of the consideration for the execution of this Agreement, that before executing this Agreement, each of them has fully informed themselves of the terms, contents, conditions, and effect of this Agreement.

10. PLAINTIFF agrees to keep confidential and not to disclose to any third party the terms and conditions of this Settlement Agreement. Any breach of this confidentiality provision by PLAINTIFF is a material breach of this Settlement Agreement.

11. The terms of this Agreement are contractual and not mere recitals.

12. Nothing contained in this Agreement shall be deemed, or in any way construed to be an admission of any liability by any party to this matter. The Parties agree that this Agreement is being executed for the purposes of settlement of disputed claims.

13. This Agreement may be executed in one or more counterparts, or facsimiles thereof, all of which together shall constitute one instrument. This Agreement constitutes the entire agreement between the Parties, and no other obligations exist between the Parties except those described herein. No provision hereof shall be amended, modified or waived except by an express writing duly signed by the party against whom such amendment, modification, or waiver is asserted.

14. Any notice or correspondence desired to be given in connection with this Agreement shall be given by United States First Class Mail, postage prepaid, and addressed as follows:

If to PLAINTIFF:

Neil J. Gillespie
8092 SW 115th Loop
Ocala, Florida 34481

If to HCS/HBNV:

HSBC Card Services Inc.
Credit Card Law Department
2700 Sanders Road
Prospect Heights, IL 60070
Attn: General Counsel

Any notice pursuant to this Agreement shall be deemed received three (3) days after deposit in the mail in accordance with this Paragraph.


15. Any party may change its address for notice purposes by giving the other parties notice in the manner aforesaid.

IN WITNESS WHEREOF, intending to be forever legally bound hereby PLAINTIFF and HCS/HBVN by the signatories below, have executed this confidential Settlement Agreement and Release, on the dates set forth below.

Agreed to this 17th day of October, 2006.


By: Neil J. Gillespie

Agreed to this 23rd day of October, 2006.


By: Paula Ferguson Vice President
HSBC Card Services Inc.
HSBC Bank Nevada, N.A.

Agreed to this ___ day of _____, 2006.

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