

Jump to:

[Your Rates and Fees](#)

[Your Reward Program](#)

[Your Account with American Express](#)

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### Cardmember Agreement: Part 1 of 2

As of: 10/13/2010

This document, together with Part 2, make up your Cardmember Agreement. Any supplements or amendments become part of your Cardmember Agreement.

Gold Delta SkyMiles® Busn

Issuer: American Express Bank, FSB

Credit Limit: \$8,000 (Cash Advance Limit: \$1,600)

Company Name: BOHEME

Cardmember Name: PETER SHERMAN

Account Ending In: 41003

### Rates and Fees Table

#### Interest Rates

<b>Annual Percentage Rate (APR) for Purchases</b>	<b>14.50%</b> (Prime Rate + 11.25%) This APR will vary based on the Prime Rate.
<b>APR for Cash Advances</b>	<b>21.24%</b> (Prime Rate + 17.99%) This APR will vary based on the Prime Rate.
<b>Penalty APRs and When they Apply</b>	<b>27.24%</b> (Prime Rate + 23.99%) This APR will vary based on the Prime Rate.  This APR will apply to all balances on your account if: 1) make a payment that is returned; 2) make 2 late payments in 12 months; or 3) go over your credit limit 3 times in 12 months.  <b>How Long Will the Penalty APR Apply?</b> If the Penalty APR is applied for any of these reasons, it will apply, subject to applicable law, for at least 12 billing periods in a row. In addition, the Penalty APR will continue to apply until after you have made timely payments, with no returned payments and without going over your credit limit, for 12 billing periods in a row.
<b>Paying Interest</b>	Your due date is at least 25 days after the close of each billing period. We will not charge you interest on purchases if you pay your entire balance by the due date each month. We will begin charging interest on cash advances on the transaction date.

#### Fees

<b>Annual Membership Fee</b>	<b>\$0</b> for the first year, then <b>\$95</b>
<b>Transaction Fees</b>	
• Cash Advance	Either <b>\$5</b> or <b>3%</b> of the amount of each cash advance, whichever is greater.
• Foreign Transaction	<b>2.7%</b> of each transaction after conversion to US dollars.
<b>Penalty Fees</b>	
• Late Payment	<b>\$19</b> if balance is less than \$400; <b>\$38</b> if balance is \$400 or more.
• Returned Payment	<b>\$38</b>
• Overlimit	<b>\$35</b>

### How Rates and Fees Work

#### Rates

<b>Calculating APRs and DPRs</b>	The Annual Percentage Rate (APR) for variable rates is determined by adding an amount ( <i>margin</i> ) to the Prime Rate (see <i>Determining the Prime Rate</i> in Part 2). The Daily Periodic Rate (DPR) is 1/365th of the APR, rounded to one ten-thousandth of a percentage point.																				
	<table border="1"> <thead> <tr> <th>Rate Description</th> <th>Prime + Margin</th> <th>APR</th> <th>DPR</th> </tr> </thead> <tbody> <tr> <td>Purchase</td> <td>Prime + 11.25%</td> <td>14.50%</td> <td>0.0397%</td> </tr> <tr> <td>Go-To Balance Transfer</td> <td>Prime + 11.25%</td> <td>14.50%</td> <td>0.0397%</td> </tr> <tr> <td>Cash Advance</td> <td>Prime + 17.99%</td> <td>21.24%</td> <td>0.0582%</td> </tr> <tr> <td>Penalty</td> <td>Prime + 23.99%</td> <td>27.24%</td> <td>0.0746%</td> </tr> </tbody> </table>	Rate Description	Prime + Margin	APR	DPR	Purchase	Prime + 11.25%	14.50%	0.0397%	Go-To Balance Transfer	Prime + 11.25%	14.50%	0.0397%	Cash Advance	Prime + 17.99%	21.24%	0.0582%	Penalty	Prime + 23.99%	27.24%	0.0746%
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<b>When the penalty APR will apply</b>	The penalty APR applies to new transactions if: <ul style="list-style-type: none"> <li>• you do not pay at least the Minimum Payment Due by its Payment Due Date 2 times in 12 billing periods,</li> <li>• you exceed your Credit Limit 3 times in 12 billing periods, or</li> <li>• your payment is returned by your bank.</li> </ul>																				
<b>How long the penalty APR will apply</b>	The penalty APR will apply until after you have made timely payments, with no returned payments and without going over your credit limit, for 12 billing periods in a row.																				

#### Fees

We add fees to a purchase balance, unless we tell you otherwise.	
<b>Annual Membership</b>	This fee is on the <i>Rates and Fees Table</i> on page 1 of Part 1.
<b>Late payment fee</b>	If we do not receive the Minimum Payment Due by its Payment Due Date, we will charge you a late fee. The amount of the late fee depends on the Previous Balance shown on the billing statement showing the late fee. Paying late may also result in a Penalty APR. See <i>When the penalty APR will apply</i> above.  <b>If the Previous Balance is:</b> less than \$400 <b>The late fee is:</b> \$19 \$400 or more      \$38
<b>Returned Payment</b>	\$38 if your payment is returned unpaid the first time we present it to your bank. A returned payment may also result in a Penalty APR. See <i>When the penalty APR will apply</i> above.
<b>Returned Check</b>	\$38 if you use your card to cash a check at one of our approved locations and the check is returned unpaid. We will also charge you the unpaid amount.
<b>Overlimit</b>	This fee is on the <i>Rates and Fees Table</i> on page 1 of Part 1. We may charge this fee in each billing period the New Balance on your billing statement exceeds your Credit Limit. Exceeding your Credit Limit may also result in

	a Penalty APR. See <i>When the penalty APR will apply</i> above.
<b>Balance Transfer</b>	The fee will be stated in a promotional offer or at the time of a transaction. This fee is a finance charge. We will add it to the same balance as the balance transfer.
<b>Cash Advance</b>	3% of the withdrawal and other services you obtain (including any fee charged by the ATM operator), with a minimum of \$5. We will add this fee to the cash advance balance.
<b>Foreign Transaction</b>	2.7% of the converted U.S. dollar amount. This fee is a finance charge. See <i>Converting charges made in a foreign currency</i> in Part 2.

[Return to Top](#)

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**Supplement to the Cardmember Agreement**

27766

**How Your Reward Program Works****Delta SkyMiles®****Types of Card Accounts**

You can receive Delta SkyMiles (miles) when you make purchases with your Delta SkyMiles® Credit Card from American Express (Card Account). We offer a Delta SkyMiles® Business Credit Card (Delta Card), a Gold Delta SkyMiles® Business Credit Card (Gold Delta Card), and a Platinum Delta SkyMiles® Business Credit Card (Platinum Delta Card). The rewards are different for each type of Card Account.

**How you receive miles**

You receive 1 mile for each \$1 of eligible purchases on your Card Account.

*Eligible purchases* are purchases for goods and services minus returns and other credits.

Eligible purchases do NOT include:

- fees or interest charges,
- balance transfers,
- cash advances,
- purchases of traveler's checks,
- purchases or reloading of reloadable prepaid cards, or
- purchases of any cash equivalents.

**How you receive additional miles**

You receive 1 additional mile for each \$1 of eligible purchases on your Card Account for the following purchases submitted to us using a Delta merchant code:

- air travel on a Delta flight.
- air travel on a Delta partner flight with a DL flight code.
- Delta vacation packages.
- other Delta services.

You will NOT receive additional miles for:

- purchases of air travel on a Delta flight that are part of all-inclusive air or sea tour packages.

**When you will receive the miles you've received**

We transfer the miles you receive to your Delta SkyMiles account after the end of the billing period in which you received them.

**When you will forfeit miles**

If the Minimum Payment Due is not paid by the Closing Date of the billing period in which it is due, you will forfeit the miles you received for eligible purchases during that billing period. You may reinstate those miles within the next 24 billing periods if your Card Account is not past due and you pay a \$29 fee.

**How you can receive a Miles Boost™ each year**

You may receive a Miles Boost award based on your eligible purchases for each calendar year. For each type of Card Account, the Miles Boost and the eligible purchases required to receive the award are shown below.

Type of Card	Annual Eligible Purchases	Miles Boost
Delta Card	\$10,000 or more	2,500
Gold Delta Card	\$15,000 – \$24,999	5,000
Gold Delta Card	\$25,000 or more	10,000
Platinum Delta Card	\$25,000 – \$49,999	10,000 Medallion Qualifying Miles
Platinum Delta Card	\$50,000 or more	20,000 Medallion Qualifying Miles

You can receive only one Miles Boost award for each Card Account. In addition, if you have more than one Platinum Card Account linked to the same SkyMiles account you have with Delta, you are eligible for only one Medallion award each year.

A calendar year is from January 1 to December 31 regardless of when you open your Card Account. This means in your first year as a Cardmember you may have fewer months to accumulate eligible purchases toward a Miles Boost award.

**Restriction on Welcome Bonus Miles**

You may receive Welcome Bonus Miles for opening a Card Account. If you open another Card Account with a higher Welcome Bonus Miles award, you will only receive the difference between the first and second awards.

**Other things you should know about this program**

You may forfeit some or all of the miles you have received for items that are not purchased for use or consumption by the Company in its ordinary course of business.

We may change the terms of this program at our discretion.

If you violate or abuse this program, you may forfeit some or all of your miles.

We are not responsible for miles after they are credited to your SkyMiles account. We are also not responsible for the actions of Delta on your SkyMiles account.

Miles are subject to the Delta SkyMiles Membership Guide and Program Rules. You should refer to that document for details on:

- how to redeem your miles,
- Delta's right to change their program terms, and
- other conditions that may apply to their program.

[Return to Top](#)

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**Cardmember Agreement: Part 2 of 2**

27439

**How your American Express Account Works****Introduction****About your Cardmember Agreement**

This document together with Part 1 make up the Cardmember Agreement (*Agreement*) for the Account identified in Part 1. Any supplements or amendments are also part of the Agreement. When you or an Additional Cardmember, as defined below, use the Account (or sign or keep a card), you and the Additional Cardmember agree to the terms of the Agreement.

**Words we use in the Agreement**

**We, us, and our** mean the issuer shown in Part 1. Except as provided below, **Basic Cardmember** means the person who applied for this Account or to whom we address billing statements. **Company** means the business for which the Account is established. **You and your** mean the Basic Cardmember and the Company. You agree, jointly and severally, to be bound by the terms of this Agreement.

**Card** means any card or other device that we issue to access the Account. A **charge** is any amount added to the Account, such as purchases, cash advances, balance transfers, fees and interest charges. A **purchase** is a charge for goods or services. A **cash advance** is a charge to get cash or cash equivalents. A **balance transfer** is a charge to pay an amount you owe on another credit card account.

To **pay** by a certain date means to send your payment so that we receive it and credit it to your Account by that date (see *About your payments* in Part 2).

**Additional Cardmembers**

At your request, we may issue cards to **Additional Cardmembers**. They do not have accounts with us but they can use your Account subject to the terms of this Agreement.

You are responsible for all use of the Account by Additional Cardmembers and anyone they allow to use the Account. You must pay for all charges they make. You must share this agreement with all Additional Cardmembers.

You must tell Additional Cardmembers that:

- we may obtain, provide and use information about them.
- their use of the Account is subject to this Agreement.

You authorize us to give Additional Cardmembers information about the Account and to discuss it with them.

If you want to cancel an Additional Cardmember's right to use your Account (and cancel their card) you must tell us.

#### Replacement Basic Cardmember

You must tell us if the Basic Cardmember is no longer an employee or officer of the Company or does not want to be the Basic Cardmember. In that case, you must either close the Account, or propose another person to replace the Basic Cardmember.

If you propose another person to replace the Basic Cardmember, that person must agree to assume the obligations and liabilities of the Basic Cardmember under this Agreement, as of the date that such person replaces the Basic Cardmember. That person is subject to our approval.

You agree that the Basic Cardmember remains the Basic Cardmember until we approve a replacement or the Account is closed.

#### About using your card

##### Using the card

Cards may be used for purchases. At our discretion, we may permit you to make cash advances or balance transfers. You cannot transfer balances from any other account issued by us and/or our affiliates. Each Cardmember acknowledges and agrees that cards are intended to be used for the Company's commercial or business purposes.

You, or any Additional Cardmembers, may arrange for certain merchants to charge the Account at regular intervals. We may (but are not required to) tell these merchants about the Account status or changes to the applicable card number or expiration date. You must notify the merchants directly if you want them to stop charging the Account.

Keep the cards safe. Do not let anyone use them. If a card is lost or stolen or the Account is being used without permission, contact us right away. The Account may not be used for illegal activities.

##### Promise to pay

You promise to pay all charges, including:

- charges you make, even if you do not present your card or sign for the transaction,
- charges that other people make, whether or not you or an Additional Cardmember intend to let them use the Account, subject to applicable law, and
- charges that Additional Cardmembers make or permit others to make.

Additional Cardmembers agree to be personally liable for charges made using their card. We may seek payment from them for charges made on their card if neither the Company nor the Basic Cardmember pay us.

##### Credit limit and cash advance limit

We assign a *Credit Limit* to the Account. We may make part of the Credit Limit available for cash advances (*Cash Advance Limit*). There may also be a limit on the amount you can withdraw from ATMs in a given period. The Credit Limit and Cash Advance Limit are shown in Part 1 and on each billing statement.

We may increase or reduce the Credit Limit and Cash Advance Limit. We may do so even if you pay on time and the Account is not in default.

You agree to manage the Account so that:

- the Account balance (including fees and interest) is not more than the Credit Limit, and
- the cash advance balance (including fees and interest) is not more than the Cash Advance Limit.

We may approve charges that cause the Account balance to go over the Credit Limit. If we do this, we may charge a fee and assess a penalty APR. If we ask you to promptly pay the amount of the Account balance above the Credit Limit, you agree to do so.

##### Declined transactions

We may decline to authorize a charge. Reasons we may do this include suspected fraud and our assessment of your creditworthiness. This may occur even if the charge would not cause you to go over your Credit Limit and your Account is not in default.

We are not responsible for any losses you or any Additional Cardmembers incur if we do not authorize a charge. And we are not responsible if any merchant refuses to accept the card.

#### About your payments

##### When you must pay

You must pay at least the Minimum Payment Due by the Payment Due Date. The Minimum Payment Due and Payment Due Date are shown on each billing statement.

Each statement also states the time and manner by which you must make your payment for it to be credited as of the same day it is received. For your payment to be considered on time, we must receive at least the Minimum Payment Due in such time and manner by the Payment Due Date shown on your billing statement.

Each statement also shows a Closing Date. The Closing Date is the last day of the billing period covered by the statement. Each Closing Date is about 30 days after the previous statement's Closing Date.

##### How to make payments

Make payments to us in U.S. dollars with:

- a single check drawn on a U.S. bank, or
- a single negotiable instrument clearable through the U.S. banking system, for example a money order, or
- an electronic payment that can be cleared through the U.S. banking system.

When making a payment by mail:

- make a separate payment for each Account,
- mail your payment to the address shown on the payment coupon on the billing statement, and
- write the Account number on your check or negotiable instrument and include the payment coupon.

If your payment meets the above requirements, we will credit it to the Account as of the day we receive it, as long as we receive it by the time disclosed in the billing statement. If we receive it after that time, we will credit the payment on the day after we receive it.

If your payment does not meet the above requirements, there may be a delay in crediting the Account. This may result in late fees and additional interest charges (see *How Rates and Fees Work* in Part 1).

If we decide to accept a payment made in a foreign currency, we will choose a rate to convert your payment into U.S. dollars, unless the law requires us to use a particular rate.

If we process a late payment, a partial payment, or a payment marked with any restrictive language, that will have no effect on our rights and will not change this Agreement.

##### How we apply payments and credits

The Account may have balances with different interest rates. For example, purchases may have a lower interest rate than cash advances. If the Account has balances with different interest rates, we apply your payments first to the balance with the lowest interest rate, and then to balances with higher interest rates.

In most cases, we apply a credit to the same balance as the related charge. For example, we apply a credit for a purchase to the purchase balance. We may apply payments and credits within balances, and among balances with the same interest rate, in any order we choose.

#### About your Minimum Payment Due

##### How we calculate your Minimum Payment Due

To calculate the Minimum Payment Due for each statement, we start with the **highest** of the following three amounts:  
(1) 2% of the New Balance (excluding late fees and overlimit fees on the statement); **or**  
(2) interest charged on the statement plus 1% of the New Balance (excluding late fees, overlimit fees and interest on the statement), not to exceed 4% of the New Balance; **or**  
(3) \$15.

Then we add late fees and overlimit fees on the statement, round to the nearest dollar, and add any amount past due. However, your Minimum Payment Due will not exceed your New Balance.

##### **EXAMPLE: Minimum Payment Due**

Assume that your New Balance is \$3,000, interest is \$29.57 (see the example below), and you have no late fees, overlimit fees or amounts past due.

- (1)  $2\% \times \$3,000 = \$60.00$   
(2)  $\$29.57 + 1\% \times (\$3,000 - \$29.57) = \$59.27$   
(3) \$15.00

The **highest** of the three amounts is \$60.00.

So the **Minimum Payment Due** is \$60.00.

##### Adjusting your Minimum Payment Due

If you regularly pay more than the Minimum Payment Due described above, we may adjust it in future billing periods. This may let you make a smaller minimum payment from time to time. But if you then do not regularly pay more than the Minimum Payment Due described above, we will stop adjusting it and return to the formula above. If we start or stop adjusting your Minimum Payment Due, we will do so for at least six billing periods in a row.

To adjust the Minimum Payment Due, we will not exclude late fees from (1) and not add 1% of the New Balance in (2). Then, if (2) is the highest (but less than 4% of the New Balance), we will add \$15. If we do the adjustment, we will not include any new late fees in the Minimum Payment Due.

We will do this if over six billing periods the sum of your payments is more than the sum of the Minimum Payments Due (not adjusted, except any amount past due is counted only in the first of those six periods). We will also make the adjustment if over six billing periods the sum of the Minimum Payments Due (not adjusted) is not more than \$90 and equals the sum of your payments. However, we will not make the adjustment if the sum of Minimum Payments Due is zero and we did not adjust the Minimum Payment Due the last time it was not zero.

## About interest charges

### When we charge interest

We charge interest beginning on the date of each transaction. You can avoid paying interest on purchases as described below. However, you cannot avoid paying interest on cash advances and balance transfers.

If you pay the New Balance on every statement by the Payment Due Date, we will not charge interest on purchases.

If you do not pay the New Balance on a statement by the Payment Due Date and then you pay the New Balance on the next statement by the Payment Due Date, we will not charge interest on purchases from the date of your payment to the Closing Date of the billing period in which you made that payment. But we will charge interest on purchases from the beginning of that billing period until the date of your payment.

If you do not pay the New Balance on a statement by the Payment Due Date and then you pay the New Balance on each of the next two statements by their Payment Due Dates, we will not charge interest on purchases on the following statement.

Also, we will not charge interest on purchases on a statement if the Previous Balance on that statement is zero or a credit balance.

### How we calculate interest

We calculate interest for a billing period by first calculating the interest on each balance. Different categories of transactions—such as purchases and cash advances—may have different interest rates. Balances within each category may also have different interest rates.

We use the **Average Daily Balance method (including new transactions)** to calculate interest charges for each balance. The total interest charged for a billing period is the sum of the interest charged on each balance.

#### Interest

The interest charged for a balance in a billing period, except for variations caused by rounding, equals:

- Average Daily Balance (ADB) x
- Daily Periodic Rate (DPR) x
- number of days the DPR was in effect.

#### ADB

To get the ADB for a balance, we add up its *daily balances*. Then we divide the result by the number of days the DPR for that balance was in effect. If the daily balance is negative, we treat it as zero.

#### DPR

A DPR is 1/365th of an APR, rounded to one ten-thousandth of a percentage point. Your DPRs are shown in *How Rates and Fees Work* in Part 1.

#### EXAMPLE: Calculating Interest

Assume that you have a single interest rate of 15.99%, your ADB is \$2,250 and there are 30 days in the billing period.

The DPR is 15.99% ÷ 365 days = 0.0438%

The Interest is \$2,250 x 0.0438% x 30 days = \$29.57

#### Daily Balance

For each day a DPR is in effect, we calculate the daily balance by:

- taking the *beginning balance* for the day,
- adding any new charges,
- subtracting any payments or credits; and
- making any appropriate adjustments.

We add a new charge to a daily balance as of its transaction date.

#### Beginning balance

For the first day of a billing period, the beginning balance is the ending balance for the prior billing period, including unpaid interest. For the rest of the billing period, the beginning balance is the previous day's daily balance *plus an amount of interest equal to the previous day's daily balance multiplied by the DPR for that balance*. This method of calculating the beginning balance results in *daily compounding of interest*.

When an interest rate changes, the new DPR may come into effect during—not just at the beginning of—the billing period. When this happens, we will create a new balance and apply the new DPR to it. To get the beginning balance on the first day for this new balance, we multiply the previous day's daily balance by the old DPR and add the result to that day's daily balance.

#### Other methods

To calculate the ADB and interest charges, we may use other formulas or methods that produce equivalent results. Also, we may choose not to charge interest on certain types of charges.

### Determining the Prime Rate

We use the Prime Rate from the Money Rates section (or successor section) of *The Wall Street Journal*. The Prime Rate for each billing period is the Prime Rate published in *The Wall Street Journal* 2 days before the Closing Date of the billing period.

*The Wall Street Journal* may not publish the Prime Rate on that day. If it does not, we will use the Prime Rate from the previous day it was published. If *The Wall Street Journal* is no longer published, we may use the Prime Rate from any other newspaper of general circulation in New York, New York. Or we may choose to use a similar published rate.

If the Prime Rate increases, variable APRs (and corresponding DPRs) will increase. In that case, you may pay more interest and may have a higher Minimum Payment Due. When the Prime Rate changes, the resulting changes to variable APRs take effect as of the first day of the billing period.

## Other important information

### Closing your Account

You may instruct us to close the Account by calling us or writing to us. The Basic Cardmember agrees to inform the Company prior to instructing us to do so.

The Basic Cardmember and the Company remain jointly and severally liable for all Charges made on the Account.

### Changing the Agreement

We may change the terms of, or add new terms to, this Agreement. We may apply any changed or new terms to any existing and future balances on the Account, subject to applicable law.

This written Agreement is a final expression of the agreement governing the Account. The written Agreement may not be contradicted by any alleged oral agreement.

### Converting charges made in a foreign currency

If you make a charge in a foreign currency, we will convert it into U.S. dollars on the date we or our agents process it. Unless a particular rate is required by law, we will choose a conversion rate that is acceptable to us for that date. The rate we use is no more than the highest official rate published by a government agency or the highest interbank rate we identify from customary banking sources on the conversion date or the prior business day. This rate may differ from rates that are in effect on the date of your charge. We will bill charges converted by establishments (such as airlines) at the rates they use.

### Changing your billing address

You must notify us immediately if you change the:

- mailing address to which we send billing statements,
- email address to which we send notice that the billing statement is available online,
- telephone and fax numbers,
- legal entity of the Company,
- tax identification number.

If you have more than one account, you need to notify us separately for each account.

We may update your billing address if we receive information that it has changed or is incorrect.

### Cancelling or suspending your Account

We may:

- cancel the Account,
- suspend the ability to make charges,
- cancel or suspend any feature on the Account,
- notify merchants that the Account has been cancelled or suspended.

If we do any of these, you must still pay us for all charges under the terms of this Agreement.

We may do any of these things at our discretion, even if you pay on time and the Account is not in default.

If the Account is cancelled, you must destroy all cards.

We may agree to reinstate the Account after a cancellation. If we do this, we may:

- reinstate any cards, including additional cards,
- charge you any applicable fees, including annual fees,
- charge you a fee for reinstating the Account.

### About default

We may consider your Account to be in default if:

- you violate a provision of this Agreement,
- you give us false information,
- you file for bankruptcy,
- you default under another agreement you have with us or an affiliate,
- you become incapacitated or die, or
- we believe you are unable or unwilling to pay your debts when due.

If we consider the Account in default, we may:

- suspend the ability to make charges.
- cancel or suspend any feature on the Account.
- cancel the Account and require you to pay the Account balance immediately.
- require you to pay more than your Minimum Payment Due immediately.

#### Credit reports

You agree that we may obtain credit reports about you (and, subject to applicable law, any Additional Cardmembers), investigate your and any Additional Cardmembers' ability to pay, and obtain information about you and any Additional Cardmembers from other sources. And you agree that we may use such information for any purposes, subject to applicable law.

You agree that we may give information about the Account to credit reporting agencies. We may tell a credit reporting agency if you fail to comply with any term of this Agreement. This may have a negative impact on your or any Additional Cardmember's credit report.

If you believe information we have given to a credit reporting agency is incorrect, write to us at: American Express Credit Bureau Unit, P.O. Box 981537, El Paso, TX 79998-1537. When you write to us, tell us the specific information you believe is incorrect.

#### Collection costs

You agree to pay all reasonable costs, including attorneys' fees, that we incur to collect amounts you owe or to protect ourselves from loss, harm or risk relating to default.

#### Sending you notices

We mail you notices through the U.S. mail, postage prepaid, and address them to you at the latest billing address shown on our records. Any notice that we send you this way is deemed to be given when deposited in the U.S. mail. Additionally, we may mail notices and information to Additional Cardmembers at their request.

#### We may contact you

From time to time, we may contact you and any Additional Cardmembers about topics ranging from servicing to marketing offers to collecting amounts you owe. We may monitor and record phone calls between you (or any Additional Cardmembers) and us. We do this to ensure the quality of customer service or when it is required by law.

You can choose to not receive marketing offers from us. To do this, call us at 1-800-297-8378 or log on to [www.americanexpress.com/communications](http://www.americanexpress.com/communications)

#### About insurance products

We or our affiliates may tell you about insurance and non-insurance products, services or features that may have a fee. One of our affiliates may act on behalf of a provider of these products. The affiliate may be compensated for this. The insurance products are not offered or sold by us or on our behalf. Our affiliates may get additional compensation when Amex Assurance Company or another affiliate is the insurer or reinsurer. Compensation may influence what products and providers we or our affiliates tell you about.

We may share information about you with our affiliates so they can identify products that may interest you. We may be compensated for this information.

#### How we handle electronic debits from your checking account

When you pay us by check, you authorize us to electronically deduct the amount from your bank or other asset account.

We may process the check electronically by transmitting to your financial institution:

- the amount,
- the routing number,
- the account number, and
- the check serial number.

If we do this, your payment may be deducted from your bank or other asset account on the same day we receive your check. Also, you will not receive that cancelled check with your bank or asset account billing statement.

If we cannot collect the funds electronically, we may issue a draft against your bank or other asset account for the amount of the check.

#### ExpressPay

Cards issued on the Account may be equipped with ExpressPay. ExpressPay enables you to make charges without having the card swiped or imprinted. You can call us to deactivate ExpressPay at any time. Also, we may deactivate ExpressPay at any time.

#### Privacy Act of 1974 notice

Some federal agencies may accept the card under authority of statute. When you or Additional Cardmembers make charges at these agencies, we collect certain charge information. That information may be put to routine uses such as processing, billing and collections. It may also be aggregated for reporting, analysis and marketing use. Other routine uses by agencies may be published in the Federal Register.

#### Change the benefits

We have the right to add, modify or delete any benefit, service, or feature of the Account at our discretion.

#### Assigning the Agreement

We may sell, transfer or assign this Agreement and the Account. We may do so at any time without notifying you. You may not sell, assign or transfer the Account or any of your obligations under this Agreement.

#### Assigning claims

If you dispute a charge with a merchant, we may credit the Account for all or part of the disputed charge. If we do so, you assign and transfer to us all rights and claims (excluding tort claims) against the merchant. You and any Additional Cardmembers agree not to pursue any claim against the merchant for the credited amount. And you and any Additional Cardmembers must cooperate with us if we decide to do so.

#### We do not waive our rights

We may choose to delay enforcing or to not exercise rights under this Agreement. If we do this, we do not waive our rights to exercise or enforce them on any other occasion.

#### Governing law

Utah law and federal law govern this Agreement and the Account. They govern without regard to internal principles of conflicts of law. We are located in Utah. We hold the Account in Utah. We entered into this Agreement with you in Utah.

#### Arbitration

This Arbitration provision sets forth the circumstances and procedures under which claims may be arbitrated instead of litigated in court.

##### Definitions

As used in this Arbitration provision, the term *claim* means any claim, dispute or controversy between you and us arising from or relating to your Account, this Agreement, the Electronic Funds Transfer Services Agreement, and any other related or prior agreement that you may have had with us, or the relationships resulting from any of the above agreements, except for the validity, enforceability or scope of this Arbitration provision. For purposes of this Arbitration provision, you and us also includes any corporate parent, or wholly or majority owned subsidiaries, affiliates, any licensees, predecessors, successors, assigns, any purchaser of any accounts, all agents, employees, directors and representatives of any of the foregoing, and other persons referred to below in the definition of claims. *Claim* includes claims of every kind and nature, including but not limited to, initial claims, counterclaims, cross-claims and third-party claims and claims based upon contract, tort, fraud and other intentional torts, statutes, regulations, common law and equity. *Claim* also includes claims by or against any third party using or providing any product, service or benefit in connection with any account (including, but not limited to, credit bureaus, third parties who accept the card, third parties who use, provide or participate in fee-based or free benefit programs, enrollment services and rewards programs, credit insurance companies, debt collectors and all of their agents, employees, directors and representatives) if and only if, such third party is a party in connection with the claim. The term claim is to be given the broadest possible meaning that will be enforced and includes, by way of example and without limitation, any claim, dispute or controversy that arises from or relates to (a) any of the accounts created under any of the agreements, or any balances on any such accounts, (b) advertisements, promotions or oral or written statements related to any such accounts, goods or services financed under any of the accounts or the terms of financing, (c) the benefits and services related to Cardmembership (including fee-based or free benefit programs, enrollment services and rewards programs), and (d) your application for any account. We shall not elect to use arbitration under this Arbitration provision for any claim that you properly file and pursue in a small claims court of your state or municipality so long as the claim is individual and pending only in that court.

##### Initiation of Arbitration

Any claim shall be resolved, upon the election by you or us, by arbitration pursuant to this Arbitration provision and the code of procedures of the arbitration organization to which the claim is referred in effect at the time the claim is filed (code), except to the extent the code conflicts with this Agreement. Claims shall be referred to either JAMS or the American Arbitration Association (AAA), as selected by the party electing to use arbitration. If our selection of either of these organizations is unacceptable to you, you may select the other organization within 30 days after you receive notice of our selection. For a copy of the code, to file a claim or for other information, contact either JAMS (1920 Main St #300, Irvine, CA 92614 or [jamsadr.com](http://jamsadr.com)) or AAA (335 Madison Ave, New York, NY 10017 or [adr.org](http://adr.org)).

In addition to the organizations listed above, claims may be referred to any other arbitration organization that is mutually agreed upon in writing by you and us, or to an arbitration organization or arbitrator(s) appointed pursuant to A§ 5 of the Federal Arbitration Act, 9 U.S.C. A§§ 1-16, as it may be amended (FAA), provided that any such organization and arbitrator(s) will enforce the terms of the Restrictions on Arbitration subsection set forth below.

##### Significance of Arbitration

IF ARBITRATION IS CHOSEN BY ANY PARTY WITH RESPECT TO A CLAIM, NEITHER YOU NOR WE WILL HAVE THE RIGHT TO LITIGATE THAT CLAIM IN COURT OR HAVE A JURY TRIAL ON THAT CLAIM. FURTHER, YOU AND WE WILL NOT HAVE THE RIGHT TO PARTICIPATE IN A REPRESENTATIVE CAPACITY OR AS A MEMBER OF ANY CLASS OF CLAIMANTS PERTAINING TO ANY CLAIM SUBJECT TO ARBITRATION, EXCEPT AS SET FORTH BELOW. THE ARBITRATOR'S DECISION WILL BE FINAL AND BINDING. NOTE THAT OTHER RIGHTS THAT YOU OR WE WOULD HAVE IF YOU WENT TO COURT ALSO MAY NOT BE AVAILABLE IN ARBITRATION.

##### Restrictions on Arbitration

IF EITHER PARTY ELECTS TO RESOLVE A CLAIM BY ARBITRATION, THAT CLAIM SHALL BE ARBITRATED ON AN INDIVIDUAL BASIS. THERE SHALL BE NO RIGHT OR AUTHORITY FOR ANY CLAIMS TO BE ARBITRATED ON A CLASS ACTION BASIS OR ON BASES INVOLVING CLAIMS BROUGHT IN A PURPORTED REPRESENTATIVE CAPACITY ON BEHALF OF THE GENERAL PUBLIC, OTHER CARDMEMBERS OR OTHER PERSONS SIMILARLY SITUATED. The arbitrator's authority to resolve claims is limited to claims between you and us alone, and the arbitrator's authority to make awards is limited to awards to you and us alone. Furthermore, claims brought by you against us, or by us against you, may not be joined or consolidated in arbitration with claims brought by or against someone other than you, unless agreed to in writing by all parties. No arbitration award or decision will have any preclusive effect as to issues or claims in any dispute with anyone who is not a named party to the arbitration. Notwithstanding any other provision of this Agreement (including but not limited to the Continuation subsection below) and without waiving either party's right to appeal such decision, should any portion of this Restrictions on Arbitration subsection be deemed invalid or unenforceable, then the entire Arbitration provision (other than this sentence) shall not apply.

##### Arbitration Procedures

This Arbitration provision is made pursuant to transactions involving interstate commerce and shall be governed by the FAA. The arbitration shall be governed by the applicable code, except that this Agreement shall apply if there are any conflicts. The arbitrator shall apply applicable substantive law consistent with the FAA and applicable statutes of limitations, shall honor claims of privilege recognized at law, and, at the timely request of either party, shall provide a brief written explanation of the basis for the decision. The arbitration proceeding shall not be governed by any federal or state rules of civil procedure or rules of evidence. Any party may request that the arbitrator expand the scope of discovery by doing so in writing and copying any other parties, who shall have 15 days to make objections. The arbitrator will notify the parties of his/her decision within 20 days of any objecting party's submission. The arbitrator shall take reasonable steps to preserve privacy. The arbitrator's award shall be final and binding, except for any right of appeal provided by the FAA; however, either party shall have 30 days to appeal that decision by notifying the arbitration organization and any other parties in writing. The organization will then appoint a three-arbitrator panel which shall consider any aspect of the decision objected to by the appealing party. The panel shall issue its decision, by majority vote, within 120 days of the appealing party's written notice. Judgment upon any award rendered by the arbitrator or panel may be entered in any court having jurisdiction.

**Location of Arbitration**

Arbitration hearings you attend shall take place in the federal judicial district of your residence.

**Payment of Fees**

You will be responsible for paying your share, if any, of the arbitration fees (including filing, administrative, hearing and/or other fees), but only up to the amount of the filing fees you would have incurred if you had brought a claim in the state or federal court closest to your billing address that would have had jurisdiction. We will be responsible for any additional arbitration fees. At your written request, we will consider in good faith making a temporary advance of all or part of your share of any arbitration fees. You will not be assessed any arbitration fees in excess of your share if you do not prevail in any arbitration with us.

**Continuation**

This Arbitration provision shall survive termination of your Account; voluntary payment of the Account balance in full by you; any legal proceeding by you or us to collect a debt owed by the other; any bankruptcy by you or us; and any sale by us of your Account (in the case of a sale, its terms shall apply to the buyer of your Account). If any portion of this Arbitration provision, except as otherwise provided in the Restrictions on Arbitration subsection, is deemed invalid or unenforceable, it shall not invalidate the remaining portions of this provision.

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**Billing Dispute Procedure**

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**What To Do If You Find a Mistake on Your Statement**

If you think there is an error on your statement, write to us at:  
American Express  
PO Box 981535  
El Paso TX 79998-1535

In your letter, give us the following information:

- **Account information:** Your name and account number.
- **Dollar amount:** The dollar amount of the suspected error.
- **Description of problem:** If you think there is an error on your bill, describe what you believe is wrong and why you believe it is a mistake.

You must contact us:

- Within 60 days after the error appeared on your statement.
- At least 3 business days before an automated payment is scheduled, if you want to stop payment on the amount you think is wrong.

You must notify us of any potential errors *in writing*. You may call us, but if you do we are not required to investigate any potential errors and you may have to pay the amount in question.

**What Will Happen After We Receive Your Letter**

When we receive your letter, we will do two things:

1. Within 30 days of receiving your letter, we will tell you that we received your letter. We will also tell you if we have already corrected the error.
2. Within 90 days of receiving your letter, we will either correct the error or explain to you why we believe the bill is correct.

While we investigate whether or not there has been an error:

- We will not try to collect the amount in question, nor report you as delinquent on that amount.
- The charge in question may remain on your statement, and we may continue to charge you interest on that amount.
- While you do not have to pay the amount in question, you are responsible for the remainder of your balance.
- We can apply any unpaid amount against your credit limit.

After we finish our investigation, one of two things will happen:

- **If we made a mistake:** You will not have to pay the amount in question or any interest or other fees related to that amount.
- **If we do not believe there was a mistake:** You will have to pay the amount in question, along with applicable interest and fees. We will send you a statement of the amount you owe and the date payment is due. We may then report you as delinquent if you do not pay the amount we think you owe.

If you receive our explanation but still believe your bill is wrong, you must write to us within *10 days* telling us that you still refuse to pay. If you do so, we will not report you as delinquent without also reporting that you are questioning your bill. We will tell you the name of anyone to whom we reported you as delinquent, and we will let those organizations know when the matter has been settled between us.

If we do not follow all of the rules above, you do not have to pay the first \$50 of the amount you question even if your bill is correct.

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[Return to Top](#)