


Consumer Lending


ACCOUNT PURCHASE AND SALE AGREEMENT

This Account Purchase and Sale Agreement ("Agreement") is made and entered into as of the 29 day of September, 2010 ("Effective Date") by and between HSBC Consumer Lending (USA) Inc. on behalf of and as managing company for Beneficial Company LLC and HFC Company LLC and their respective subsidiaries (collectively hereinafter referred to as "Seller") with its principal offices located at 26525 North Riverwoods Boulevard, Mettawa, IL 60045, and CACH, LLC a Colorado limited liability company (hereinafter referred to as "Purchaser") with its principal offices located at 4340 South Monaco, Second Floor, Denver, CO 80237.

WHEREAS, Seller is, among other things, engaged in the business of buying and selling Accounts and associated receivables; and

WHEREAS, Purchaser is, among other things, engaged in the business of buying and Accounts and associated receivables; and

WHEREAS, Seller and Purchaser mutually desire that Purchaser purchase from Seller certain Accounts, as defined below, totaling between Twenty Million Dollars (\$20,000,000) and Forty Million Dollars (\$40,000,000) per month for the term of this Agreement outstanding in Unpaid Balances and that are to be more fully identified on each Closing File provided for each related Closing (for each closing referred to as the "Purchased Accounts" and the "Purchased Receivables").

NOW THEREFORE, in consideration of the foregoing recitals and the mutual covenants and conditions contained in this Agreement, it is agreed as follows:

1. **DEFINITIONS AND TERMS.** For purposes of this Agreement, the following words or phrases, unless the context otherwise requires, shall have the following meanings:

Agreement means this Account Purchase and Sale Agreement, including any and all Exhibits and Schedules hereto.

Account means each unsecured consumer loan including the Unpaid Balance thereon, as generally identified in the Account Schedule and specifically identified in the electronic media described in Exhibit B, which has been Charged off by Seller pursuant to its policies and applicable law.

"Account Document(s)" means: Originals or copies of any application, agreement, billing statements, notice, correspondence, payment check, evidence of title or lien, or other documents in the Seller's possession which relates to a Purchased Account and Purchased Receivable including upon request affidavits of sale and business records affidavits; provided however, Account Documents does not include any collector's comments, reports, internal analyses, attorney-client privileged documents, internal memoranda, credit information, regulatory reports, and/or internal assessments of valuation, or any other documents relating to a Purchased

Account and Purchased Receivable, that may be, but are not necessarily missing or excluded (whether intentionally or unintentionally).

Borrower means with respect to each Account, the obligor(s) specified in the Account Schedule liable or obligated to repay an Account.

Business Day means any day other than Saturday or Sunday or a day on which banking and savings and loan institutions in the State of Illinois or the State of New York are authorized or obligated by law or executive order to be closed.

Charge off means the process of removing (or the actual removal of) the Unpaid Balance of each Account as a 'current asset' of the Seller (e.g. charged to profit and loss) pursuant to the Seller's usual and customary practices and applicable state or federal regulation.

Closing mean the transfer of the Accounts from Seller to Purchaser in exchange for payment of the purchase price upon satisfaction or waiver of the conditions precedent set forth in this Agreement.

Closing Date means the time of each Closing for the purchase and sale of the Accounts sold hereunder, which shall be a date to be mutually agreed upon for the initial purchase and for each subsequent purchase beginning in September, 2010 with the last Closing to occur no later than November 30, 2010.

HSBC Sample Data File means the electronic data file containing Accounts and related information delivered to Purchaser on July 19, 2010.

Purchase Price means the product of the Purchase Rate bid by Purchaser and accepted by Seller and the aggregate Unpaid Balance as set forth in the Closing Statement attached as **Exhibit A**.

Purchase Rate means a percentage of the Unpaid Balance as set forth in the Closing Statement attached as **Exhibit A**.

Purchased Accounts means as defined in the Recitals.

Sale File means the electronic file provided to Purchaser showing the status of the Accounts prior to each Closing, which is a data file statistically similar in all material respects to the HSBC Sample Data File.

Servicing Agent means either a collection agency, outside attorney or other third-party vendor engaged contractually or otherwise by the Seller to collect, service or recover the outstanding balance, including without limitation the Unpaid Balance, owed by a Borrower or who otherwise attempts on behalf of Seller to collect, service or recover any interest in and to the Accounts transferred hereunder.

Termination Date means: The date on which the term of this Agreement expires pursuant to Section 30 hereof.

Unpaid Balance means the unpaid balance in United States Dollars owed on each Account sold hereunder at the time of Charge off by the Seller, as set forth in the Account Schedule described in and attached hereto as **Exhibit B**, but such term does not include any interest, late charges, fees or other charges from and after the date of Charge off.

Unqualified Account means any Account that is, as of the Closing Date, unqualified for sale for any one of the following reasons: (a) "Bankrupt" means Borrower has filed for or been discharged from bankruptcy"; (b) "Deceased" means as determined by date of death"; (c) "Fraud" means an Account is subject to fraud as documented in writing by the Borrower and verified by seller); (d) "Satisfied" or "Settled" means without limitation, the Unpaid Balance was paid or a settlement check or other consideration was received by Seller or a Servicing Agent prior to the Closing Date or due to Seller's filing of a Form 1099 with respect to a Account; (e) "Pending Litigation" means any Account that is subject to any pending or threatened litigation or other legal proceeding whether filed by or against Seller or its agents; (f) subject to any dispute, offset, counterclaim, billing error or defense which has been asserted to the Seller in writing; (g) has not been recalled from the Servicing Agent or the Account remains subject to a collection or contingency agreement by which any entity or person is entitled to a fee or payment based upon the amount of monies collected, or by virtue of a judgment obtained, on behalf of Seller; (h) an Account on which payment in full has been made; (i) any receivable with a balance less than \$200; (j) an Account which was part of a group of at least 100 Accounts that received a blanket settlement offer to settle such Account for less than eighty (80%) percent of the total amount owed on the Account ; (j) an Account with a misstated account balance as evidenced by written documentation from the Seller or by Borrower's cancelled checks; (k) the Borrower resides outside of the United States of America; (l) the Cardholder has invoked the stay provisions of the Soldiers and Sailors Civil Relief Act of 1940, as amended; or (m) the Account was Charged off greater than (60) days from the date of the Sale File

2. **SALE AND PURCHASE OF ACCOUNTS.** Subject to the terms of this Agreement, on a monthly basis, Seller agrees to sell, convey, transfer and assign to Purchaser and Purchaser agrees to purchase from Seller, for the consideration herein provided, all right, title, interest and obligations of Seller in and to the Accounts. The Accounts shall not include accounts, which as of the Closing Date, are classified as Unqualified Accounts.

Subject to this Agreement, Seller hereby confirms that Seller intends to sell to Purchaser, the Accounts designated on each Closing File, and Purchaser confirms that it intends to purchase such Accounts as long as Seller has these types of Accounts available to sell. Purchaser acknowledges that Seller presently has arrangements with other purchasers to purchase Accounts. No sales under this Agreement shall occur after the Termination Date.

The Sales File delivered to Purchaser under this Agreement shall contain the following attributes: a) 100% of the Accounts shall have a balance greater than \$200,00; b) no post



Charge-Off collection efforts have been made on the Accounts; c) Seller has used its best efforts to ensure that the Accounts have become 180 days delinquent in the month prior to the month in which the Closing Date falls

Except as otherwise provided herein all Accounts sold to Purchaser under this Agreement are sold and transferred without recourse as to their enforceability, collectability or documentation. Purchaser has made such independent investigation as Purchaser deems to be warranted into the nature, enforceability, collectability and value of the Accounts and all other facts it deems material to its purchase, and is entering into the transaction herein provided for solely on the basis of that investigation and Purchaser's own judgment, and is not acting in reliance on any representation of, or information furnished by Seller, specifically including, but in no way limited to, that information contained in each Sale File, except as otherwise provided for herein.

3. **PURCHASE PRICE.** Subject to the terms and conditions of this Agreement, and in reliance upon the representations, warranties and covenants of the Seller made herein, Purchaser shall pay and deliver to Seller the Purchase Price for the Accounts, less a credit for any Unqualified Account identified by Seller prior to the Closing Date, all as indicated on the Sale File, and to be purchased on a Closing Date under this Agreement each month beginning in September 2010 through November 2010. The total purchase price will be set forth in a Closing Statement substantially in the form of Exhibit B, attached hereto, for each Closing.

4. **REPRESENTATIONS AND WARRANTIES OF SELLER.** Seller represents and warrants to Purchaser that as of the date of this Agreement and on each Closing Date with respect to the Accounts sold on that particular Closing Date:

- A. Seller is a Delaware corporation validly existing and in good standing under the laws of the State of Delaware. The execution, delivery and performance by Seller of this Agreement have been duly authorized by the Seller. Seller has full power to consummate the transactions contemplated hereby. Neither the execution and delivery by Seller of this Agreement, the consummation by Seller of the transactions contemplated hereby, nor compliance by Seller with the provisions hereof will conflict with or result in a breach of, or constitute a default under, any law or governmental regulation or any judgment or order binding on Seller or its properties or any agreement or instrument to which Seller is a party or by which it is bound.
- B. Seller will, on the Closing Date and immediately prior to such date, be the owner of all right, title and interest in and to all of the Accounts. Seller transfers the assets to be sold, free and clear of all assignments, liens, charges, encumbrances and other security interests.

- C. Seller has made all reasonable efforts to recall the Accounts placed with any collection agency or third party vendor.
- D. To the best of Seller's knowledge, Each Account is the legal, valid and binding obligation of the Borrower and there are no credits or offsets that exist against such Accounts
- E. To the best of Seller's knowledge, each Account has been originated, maintained, collected, Charged off and serviced in compliance with state and federal laws in all material respects, including the Truth in Lending Act, the Equal Credit Opportunity Act, the Fair Debt Collection Practices Act and the Fair Credit Billing Act.
- F. Seller acknowledges that the Purchase Rate, set forth in Exhibit A, was determined, in part, by Purchaser in reliance upon the tape, information or data file of Accounts presented to Purchaser by Seller prior to the date of this Agreement, and accordingly Seller and its agents have not removed any of the Accounts, other than Unqualified Accounts, or otherwise altered the characteristics or attributes of such Accounts since presented to Purchaser and Seller agrees to deliver such Accounts on the Closing Date.
- G. To the best of Seller's knowledge the Account data transferred to Buyer, by means of electronic media is materially accurate.
- H. DURATION OF SELLER'S REPRESENTATION AND WARRANTIES. The Seller's representations and warranties set forth in this Paragraph 4 shall survive the closing of Purchaser's Account(s) acquisition for a period of twenty four (24) months from the Closing Date after which each shall expire.
- I. Seller is not bankrupt and the sale of the Accounts is not part of a plan of liquidation.

5. **COVENANT OF SELLER.** In addition, and not by way of limitation of any term, condition or obligation set forth in this Agreement, Seller hereby makes the following covenants upon which the Purchaser is relying in purchasing the Accounts:

a. **Direct Payments.** Any monies paid by Borrowers or a representative in connection with the Accounts and received by Seller after the Closing Date will be forwarded to Purchaser by the tenth day (or next business day following the tenth day) of the month following the month the payments are received by the Seller. Seller will submit to Purchaser a report detailing the Accounts for which payments were received and the amount of such payment per Account. Seller shall remit payments to Purchaser by the month-end-close of the month following the month the payments are received by Seller. Account Borrower information provided to Seller in connection with direct payments will be forwarded to Purchaser. Seller shall not be entitled to any compensation for receipt or delivery of these payments.

b. Credit Reporting. Seller shall notify its selected credit reporting agencies of the sale and transfer of the Accounts to Purchaser by updating the credit reporting of each Account to reflect "Transferred to another Lender".

c. Good-Bye Letter. Within thirty (30) calendar days of the Closing Date, Seller shall, at Seller's expense, mail to each Borrower a letter in substantially the form attached hereto as Exhibit C.

d. Borrower or Account Communication. Seller shall promptly notify Purchaser of any written communication received by Seller relating to or with respect to any Account transferred hereunder and shall deliver a copy of any such written communication within ten (10) Business Days of receipt thereof. Such communications shall include (but not be limited to) letters; notices of death, disability or bankruptcy; complaints; summons and requests for information.

In the event Seller receives an oral communication from any Borrower or other person with respect to any Account transferred hereunder, Seller shall direct any such persons to contact Purchaser.

e. Additional Sales. Seller will sell on a monthly basis from September 2010 to November 2010 Fresh Charged-Off Accounts and Fresh Charged-Off Receivables having balances of not less than Twenty Million Dollars (\$20,000,000.00) and not more than Forty Million Dollars (\$40,000,000.00), unless otherwise mutually agreed. Seller shall solely determine the exact amount of Purchased Accounts and Purchased Receivables to be sold each sale, unless otherwise mutually agreed. The Purchased Accounts were not selected for sale as a result of credit scoring or adverse selection by or on behalf of Seller and Seller has not excluded from the Accounts being sold hereunder any Purchased Account on which payment has been received within the last (30) days unless such payment was in excess of three percent (3%) of the unpaid balance of the Purchased Accounts., unless such Account is an Unqualified Account.

6. REPRESENTATIONS AND WARRANTIES OF PURCHASER. Purchaser hereby represents, warrants and covenants, as of the date hereof and as of the date of this Agreement and as of the Closing Date that:

A. Purchaser covenants and agrees not to engage in the collection of the subject Purchased Accounts and Purchased Receivables in any state in which it is not licensed to engage in such activity and where Purchaser is required by law to obtain such a license to collect the Purchased Accounts and Purchased Receivables. Purchaser further covenants and agrees on behalf of itself and its collection agencies that in the collection of all Purchased Accounts and Purchased receivables, Purchaser and its collection agencies shall comply with all applicable state and federal debt collection laws and any other applicable state and federal laws.

B. Purchaser covenants and agrees that within forty five (45) days after the Closing Date, Purchaser shall use its reasonable efforts to notify all Borrowers of the Purchased Accounts, that the Accounts have been transferred and that payments on the Accounts shall thereafter be made to Purchaser. Such notification shall be substantially in the form of Exhibit C provided by Purchaser to Seller prior to the Closing Date.

C. Purchaser warrants and represents that it is a sophisticated, informed investor, has knowledge and experience in financial and business matters that enable it to evaluate the merits and risks of the transactions contemplated by this Agreement. The Purchaser, except as otherwise provided for herein, acknowledges that Seller does not represent, warrant or insure the accuracy or completeness of any information or its sources of information contained in the information provided or in any of the Account files. The Purchaser agrees and represents that the Accounts, and Account Files made available to it were an adequate and sufficient basis on which to determine whether and at what price to purchase the Accounts. The Purchaser has made such independent investigations as it deems to be warranted into the nature, validity, enforceability, collectability, period of limitations for filing suit, and value of the Accounts, and all other facts it deems material to its purchase and is entering into this transaction solely on the basis of that investigation and the Purchaser's own judgment, and is not acting in reliance on any representation made or information furnished by the Seller, its employees, agents, representatives or independent contractors (other than the representations and warranties of the Seller contained herein, the information provided in the Account Schedule and the Seller Survey).

D. Neither the Purchaser nor any of its officers, partners, agents, representatives, employees or parties in interest has in any way colluded, conspired, connived or agreed directly or indirectly with any other bidder, firm or person to submit a collusive or sham bid, or any bid other than a bona fide bid, or to fix prices.

E. Purchaser is duly and legally authorized to enter into this Agreement and has complied with all laws, rules, regulations, charter provisions and bylaws to which it may be subject and that the undersigned representative is authorized to act on behalf of and bind Purchaser to the terms of this Agreement.

F. Assuming due authorization, execution and delivery by each other party hereto, this Agreement and all of the obligations of Purchaser hereunder are the legal, valid and binding obligations of Purchaser, enforceable in accordance with the terms of this Agreement, except as such enforcement may be limited by bankruptcy, insolvency, reorganization or other similar laws affecting the enforcement of creditors' rights generally and by general equity principles (regardless of whether such enforcement is considered in a proceeding in equity or at law).

G. The execution and delivery of this Agreement and the performance of its obligations hereunder by Purchaser will not conflict with any provision of any law or regulation to which Purchaser is subject or conflict with or result in a breach of or constitute a default under any of the terms, conditions or provisions of any agreement or instrument to which Purchaser is a party or by which it is bound or any court order or decree applicable to Purchaser.

H. Purchaser has been urged, invited and directed to conduct such due diligence review and analysis of the Account files, collateral documents and related information, together with such records as are generally available to the public from local, county, state and federal authorities, record-keeping offices and courts (including, without limitation, any bankruptcy courts in which any Borrower(s), guarantor or surety, if any, may be subject to any pending bankruptcy proceedings), as the Purchaser deemed necessary, proper or appropriate in order to make a complete informed decision with respect to the purchase and acquisition of the Accounts.

I. Purchaser acknowledges and agrees that except as otherwise provided for herein Seller has not and does not represent, warrant or covenant the nature, accuracy, or completeness, of any of the Accounts, Account files and/or collateral documents. Except as otherwise provided for herein, all Accounts and related documentation, information, analysis, and/or correspondence, if any, which is or may be sold, transferred, assigned and conveyed to Purchaser with respect to any and all Accounts are done so on an "as is, where is" basis, with all faults.

J. The transactions contemplated by this Agreement do not involve, nor are they intended in any way to constitute, the sale of a "security" or "securities" within the meaning of any applicable securities laws, and none of the representations, warranties or agreements of the Purchaser shall create any inference that the transactions involve any "security" or "securities". The Purchaser acknowledges, understands and agrees that the acquisition of these Accounts involves a high degree of risk and they are suitable only for persons or entities of substantial financial means who have no need for liquidity and who can hold the Accounts indefinitely or bear the partial or entire loss of the value.

K. Purchaser is in full compliance with its obligations under the terms of any Confidentiality Agreement executed by Purchaser to review the information made available by Seller or its agents, and the terms thereof are hereby incorporated herein subject to Purchaser's ownership rights and interests acquired by Purchaser hereunder.

L. Except as otherwise provided for herein, Purchaser hereby agrees, acknowledges, confirms and understands that Seller shall have no responsibility or liability to Purchaser arising out of or related to any third parties' failure to assist or cooperate with Purchaser. In addition, except as otherwise provided for herein, Purchaser is not relying upon the continued actions or efforts of Seller or any third party in connection with its decision to purchase the Accounts. The risks attendant to the potential failure or refusal of third parties to assist or cooperate with Purchaser in the effective transfer, assignment, and conveyance of the purchased Accounts, and/or assigned rights shall be borne by Purchaser.

M. Purchaser agrees and represents that Purchaser shall not institute any enforcement or legal action or proceeding in the name of Seller and shall only reference Seller's name for purposes of identifying that an Account was originated or owned by Seller or any subsidiary thereof. Purchaser shall not make reference to any of the foregoing entities in any correspondence to or discussion with any particular obligor regarding enforcement or collection of the Accounts except for purposes of identifying an Account as originated or previously owned by Seller. Purchaser shall not misrepresent, mislead, deceive, or otherwise fail to adequately disclose to any particular Borrower or guarantor the identity of Purchaser as the owner of the Accounts. Seller

shall have the right to seek the entry of an order by a court of competent jurisdiction enjoining any violation hereof.

N. The Purchaser represents, warrants and certifies to the Seller that it is an informed purchaser that is in the business of buying or originating or collecting Accounts of the type being purchased or that otherwise deals in such Accounts in the ordinary course of the Purchaser's business.

O. The Purchaser represents and warrants to the Seller that it has knowledge and experience in financial and business matters that enables Purchaser to evaluate the merits and risks of the transaction contemplated hereby. Further, the Purchaser represents and warrants to the Seller that it is not in a disparate bargaining position relative to the Seller. The Purchaser hereby waives, to the maximum extent permitted by law, any and all rights, benefits and remedies under any state deceptive trade practices or consumer protection act, with respect to any matters pertaining to this Agreement and the transactions contemplated hereby.

P. Purchaser agrees that it will not sell any of the Purchased Receivables from a Closing until at least twelve (12) months after such Closing unless it has obtained the prior written approval of Seller, such approval not to be unreasonably withheld or delayed. Notwithstanding the foregoing, Purchaser may sell or assign the Receivables and/or Purchasers rights under this Agreement to one or more of its directly or indirectly wholly owned entities, subsidiaries or to one or more trusts established by such entities or pledge or create a security interest in the Receivables to or for a lender as collateral for a loan. Notwithstanding the foregoing, Seller herein grants Purchaser full right to resell, if such resales are part of Purchaser's current business practice, those Purchased Receivables on which (i) the Borrower is deceased or (ii) on which the Borrower has filed for protection under the U.S. Bankruptcy laws, whether filed or confirmed under a Chapter 7 or Chapter 13 plan, at Purchasers sole discretion without any further written approval from Seller.

7. INSURED COLLATERAL. [INTENTIONALLY DELETED]
8. PENDING LEGAL PROCEEDINGS. [INTENTIONALLY DELETED]
9. COLLECTION/CONTINGENT FEES. [INTENTIONALLY OMITTED]
10. CONDITIONS OF CLOSING.

- A. The obligations of Purchaser to perform hereunder and purchase the Accounts on the Closing Date shall be subject to the satisfaction on or before the Closing Date of the following further conditions: (i) the representations and warranties contained in Paragraph 4 hereof shall be true and correct in all respects on the Closing Date as if made on such date; and (ii) Seller shall have performed and observed all covenants agreements and conditions hereof to be performed or observed by it on or before the Closing Date.
- B. The obligations of Seller to perform hereunder and sell the Accounts at Closing shall be subject to the satisfaction, on or before the Closing Date, of the following further conditions: (i) Purchaser shall provide Seller with a copy of its proposed

notification to Account obligors advising that the Accounts have been transferred and that all payments on the Accounts shall thereafter be made to the Purchaser; (ii) Purchaser shall provide Seller with copies of its or its agents standard collection letters which will be used in connection with the Accounts and (iii) Purchaser shall have delivered to Seller the Purchase Price specified in Paragraph 2 hereof.

11. **CLOSING.** Each closing of the sale and purchase of the Accounts shall take place on the applicable Closing Date or at the time and location as shall be mutually agreed upon by the parties hereto.. At each Closing Date, or other dates specified herein, the following shall be done:

- A. Seller shall deliver or cause to be delivered or made available to Purchaser in electronic form Account Documents as outlined in Exhibit B. Within 45 days after the Closing and to the extent that such documents are reasonably available, Seller shall provide Purchaser and only Purchaser with an electronic copy of approximately sixty percent (60%) of all documents for purposes of documenting such Accounts at no additional cost to Purchaser. For a period of ninety (90) days after the Closing Date, all other document requests not available in electronic format shall be requested by Purchaser on an "as needed" basis and furnished by Seller within sixty (60) days from date of request. Seller makes no guarantees as to the availability of applications, statements, records or copies of previous payment checks on any Account and Purchaser acknowledges that Seller shall have no liability to Purchaser for the failure to produce any such application, statement, record or copy; provided the Seller makes reasonable efforts to locate and produce the requested documents. In the event Purchaser requests records for Accounts three (3) months or more after the Closing Date, Seller shall furnish such records, to the extent such records are reasonably available, at a cost of ten dollars (\$10) per document upon delivery of the requested records. Seller shall deliver the requested records within sixty (60) days from the receipt of the Purchaser's request; provided, however, to the extent Purchaser's request involves a dispute or request for debt verification or validation initiated by a Borrower (a "Disputed Account"), Seller agrees to provide the requested records to Purchaser within twenty (20) days after the receipt of the request. Seller shall provide Buyer with Account itemizations, and written confirmations evidencing Unpaid Balances responsive to validation requests Purchaser receives from New York City Borrowers. Seller will use reasonable efforts to provide information readily in its possession or as may reasonably be available.

Purchaser agrees that Seller shall have no liability for its failure or inability to produce or obtain Account records or any other information from the Seller's files; provided, the Seller makes reasonable and good faith efforts to acquire or obtain the records requested by Purchaser and further provided, if Seller cannot provide such requested records within the time periods specified in this section, Seller shall execute an affidavit, at a no cost to Purchaser, that is prepared by Purchaser substantially in the form attached hereto as **Exhibit D.**

In the event Seller delivers Account documentation or other information which demonstrates an Account is an Unqualified Account, whether or not such Account continues to be eligible for replacement or repurchase, the cost, if any, of such Account documentation or other information shall not be, under any circumstances, assessed or charged to Purchaser.

- B Purchaser shall pay to Seller the Purchase Price as set forth on Paragraph 2 of this Agreement.
- C Seller shall deliver to Purchaser an Assignment and Bill of Sale, in the form attached hereto, or such other good and sufficient instruments of transfer evidencing the transfer to Purchaser of all of Seller's right, title and interest in the Accounts to be sold pursuant to this Agreement.

12. REMEDY FOR BREACH OF SELLER REPRESENTATION, WARRANTY OR COVENANT; REPURCHASE OR SUBSTITUTION OF ACCOUNT. In the event that Purchaser identifies, provides written notice and returns to Seller within one hundred eighty (180) days of the Closing Date (i) any Account which was an Unqualified Account as defined in Paragraph 1 above or (2) any Account where Seller is in breach of Seller's Representations and Warranties in Paragraph 4 or Seller's Covenants in Paragraph 5, then Seller shall repurchase the Account for cash in the amount of the purchase price for that Account or replace the Account with an Account of equal value or greater value that is the same in all material respects, at the Seller's option, within forty-five (45) days. Purchaser shall provide Seller with reasonable documentation needed by Seller to verify that an Account is either an Unqualified Account or an Account demonstrating Seller's breach of its representations, warranties or covenants

13a. INDEMNIFICATION BY SELLER. For a period of three hundred and sixty-five (365) days following the Closing Date, Seller agrees to defend and indemnify Purchaser, its officers, directors, members, parent, employees, trustees, trust beneficiaries, and agents and hold them harmless against any and all claims, losses, penalties, fines, forfeitures, reasonable legal fees, judgments, and any other costs, fees and expenses that Purchaser may sustain which arise from the failure of Seller to comply with the terms of this Agreement, provided that in no event shall Seller be obligated under this Paragraph to indemnify Purchaser against any liability, loss, cost or expense to the extent that it results from Purchaser's negligent acts or negligent or willful omissions, or the negligent acts or negligent or willful omissions of Purchaser's agents or assignees.

In case any claim is made, or any suit or action is commenced against Purchaser in respect of which indemnification may be sought by it under this Paragraph 13a., Purchaser shall within ten (10) days thereof give Seller written notice and Seller shall be entitled to conduct the defense at Seller's expense; provided however, Purchaser shall be entitled to participate in the defense thereof at its own expense if such claim, suit or action relates to or includes events arising after the Closing Date. Seller may (but need not) defend or participate in the defense of any such claim, suit or action, but Seller shall notify Purchaser within ten (10) business days if Seller shall not desire to defend or participate in the defense of any such claim, suit or action. After written notice by Seller

to Purchaser of its election to assume control of the defense of any claim, suit or action, Seller shall not be liable to Purchaser in connection with the defense of such claim, suit or action.

Purchaser may at any time notify Seller of its intention to settle or compromise any claim, suit or action against Purchaser which may be indemnifiable under this Paragraph 13a (and in the defense of which Seller has not previously elected to participate), and Purchaser may settle or compromise any such claim, suit or action unless Seller notifies Purchaser in writing within fifteen [15] days after Purchaser has given written notice of its intention to settle or compromise that Seller intends to conduct the defense of such claim, suit or action and that Seller agrees to further indemnify and hold Purchaser harmless from any liability, loss, cost or expense to Purchaser in excess of that which Purchaser would have incurred had the settlement or compromise been effected on the terms proposed by Purchaser. Any such settlement or compromise of, or any final action which Purchaser has defended or participated in the defense of in accordance herewith, shall be deemed to have been consented to by, and shall be binding upon, Seller as fully as if Seller had assumed the defense thereof and a final judgment or decree had been entered in such suit or action, or with regard to such claim, by a court of competent jurisdiction for the amount of such settlement, compromise, judgment or decree, including without limitation court costs and reasonable attorney's fees.

The allocation between Purchaser and Seller of any amounts due in connection with any claim, suit or action involving events prior to and after the Closing Date shall be determined by the court deciding such claim, suit or action or by the parties if such claim, suit or action is settled. Seller shall obtain the prior written approval of Purchaser before entering into any settlement or claim which it defends or ceases to defend against such claim, if pursuant to or as a result of such settlement or cessation, injunctive or other equitable relief or admission of liability would be imposed against Purchaser. Seller shall not consent to the entry of any judgment or enter into any settlement that does not include as an unconditional term thereof the giving by the claimant or plaintiff to Purchaser of a release from all liability in respect of such claim.

Notwithstanding anything to the contrary contained herein, the indemnification provided for herein shall not cover, and in no event shall any party hereto be liable for, any indirect damages, including consequential, incidental, exemplary or special damages, or punitive damages.

13b. INDEMNIFICATION BY PURCHASER. Purchaser agrees and Purchaser shall use its best efforts to cause any subsequent purchaser to agree to defend and indemnify Seller, its officers, directors, employees, trustees, trust beneficiaries, and agents and hold them harmless against any and all claims, losses, penalties, fines, forfeitures, reasonable legal fees, judgments, and any other costs, fees and expenses that Seller may sustain which arise from the failure of Purchaser to comply with the terms of this Agreement, provided that in no event shall Purchaser be obligated under this Paragraph 13b. to indemnify Seller against any liability, loss, cost or expense to the extent that it results from Seller's negligent acts or negligent or willful omissions, or the negligent acts or negligent or willful omissions of Seller's agents or assignees.

In case any claim is made, or any suit or action is commenced against Seller in respect of which indemnification may be sought by Seller under this Paragraph 13b., Seller shall promptly give Purchaser notice thereof and Purchaser shall be entitled to conduct the defense thereof at

Purchaser's expense provided, however, Seller shall be entitled to participate in the defense thereof at its own expense if such claim, suit or action is related to or includes events prior to the Closing Date). Purchaser may (but need not) defend or participate in the defense of any such claims, suit or action, but Purchaser shall notify Seller within ten (10) business days if Purchaser shall not desire to defend or participate in the defense of any such claims, suit or action. After written notice by Purchaser to Seller of its election to assume control of the defense of any claim, suit or action, Purchaser shall not be liable to Seller for any expenses subsequently incurred by Seller in connection with the defense of such claim, suit or action.

Seller may at any time notify the Purchaser of its intention to settle or compromise any claim, suit or action against Seller which may be indemnifiable under this Section (and in the defense of which Purchaser has not previously elected to participate), and Seller may settle or compromise any such claim, suit or action unless Purchaser notifies Seller in writing (within thirty (30) days after Seller has given Purchaser written notice of its intention to settle or compromise) that Purchaser intends to conduct the defense of such claim, suit or action and that Purchaser agrees to further indemnify Seller and hold Seller harmless from any liability, loss, cost or expense to Seller in excess of that which Seller would have incurred had the settlement been effected on the terms proposed by Seller. Any such settlement or compromise of, or any final judgment or decree or participated in the defense of in accordance herewith shall be deemed to have been consented to by, and shall be binding upon, Purchaser as fully as if Purchaser has assumed the defense thereof, and a final judgment or decree had been entered in such suit or action, or with regard to such claim, by a court of competent jurisdiction for the amount of such settlement, compromise, judgment or decree, including without limitation court costs and reasonable attorney's fees.

The allocation between Seller and Purchaser of any amounts due in connection with any claim, suit or action involving events prior to and after the Closing Date shall be determined by the court deciding such claim, suit or action or by the parties if such claim, suit or action is settled. Purchaser shall obtain the prior written approval of Seller before entering into any settlement of a claim which it defends or ceases to defend such claim, if pursuant to or as a result of such settlement or cessation, injunctive or other equitable relief of admission of liability would be imposed against Seller. Purchaser shall not consent to the entry of any judgment or enter into any settlement that does not include as an unconditional term thereof the giving by the claimant or plaintiff to Seller of a release from all liability in respect of such claim.

Notwithstanding anything to the contrary contained herein, the indemnification provided for herein shall not cover, and in no event shall any party hereto be liable for, any indirect damages, including consequential, incidental, exemplary or special damages, or punitive damages.

14. INFORMATIONAL TAX REPORTING. Purchaser hereby agrees to perform all of its obligations with respect to federal and/or state tax reporting, if any, relating to or arising out of the Accounts and collateral documents sold and assigned pursuant to this Agreement including, without limitation, the obligations with respect to Forms 1098 and 1099 and backup withholding with respect to the same, if required, for the year 200__ and thereafter.

15. NATURE AND SURVIVAL OF REPRESENTATIONS AND WARRANTIES. All representations, warranties and covenants contained in this Agreement or in any Exhibit, Schedule

or other document delivered pursuant to this Agreement shall be deemed representations, covenants and warranties hereunder to the party receiving delivery of same and shall survive the execution and delivery of the Assignment and Bill of Sale or other transfer documents and shall not merge into the Assignment and Bill of Sale or other transfer documents, but instead shall be independently enforceable.

16. **PRIVACY.** Purchaser shall not make any unauthorized disclosure of or use any personal information of individual consumers which it receives from Seller or on Seller's behalf other than to carry out the purposes for which such information is received and Purchaser shall comply in all respects with all applicable requirements of Title V of the Gramm-Leach-Bliley Act of 1999 and its implementing regulations.

17. **CONFIDENTIALITY.** All verbal and written information and data provided to Purchaser by Seller, or on Seller's behalf, including without limitation, information concerning Seller's and its affiliates' customers, consumer report information or information derived from a consumer report, business and/or operations and/or all information concerning the Seller, is confidential and proprietary information of Seller. Purchaser, its employees and agents will treat said information as strictly confidential and will not disclose the information to anyone except as may be necessary to collect the Accounts sold to Purchaser under this Agreement and except (a) as a requested or required by law or regulation or any judicial, administrative or governmental authority, (b) for disclosure to Purchaser's directors, officers, affiliates, employees, advisors, agents or rating agencies, (c) in the course of any litigation or court proceeding involving Purchaser and Seller concerning this Agreement, and (d) for disclosure of information that (i) was or becomes generally available to the public other than as a result of a disclosure by Purchaser in breach of this Section 17, (ii) was available to Purchaser on a non-confidential basis prior to its disclosure to Purchaser pursuant hereto, (iii) is obtained by Purchaser on a non-confidential basis, (iv) has been authorized by Seller to be disseminated to persons on a non-confidential basis or (v) is independently developed by Purchaser. Purchaser will use its best efforts to ensure that its employees and agents maintain the confidentiality of such information. Purchaser shall not disclose to any person or entity or the public at large the fact that information was made available, that any reviews, discussions or negotiations are taking place concerning a possible transaction, this Agreement, the consideration paid for the Accounts, or the nature, terms and conditions of this transaction. All such matters will remain confidential and will not be disclosed by Purchaser without the prior written consent of Seller, except to the extent such disclosure (i) is required to be made under any applicable court order, law or regulation, or (ii) is required to be made to any tax, banking or other regulatory authority or legal or financial advisor of Purchaser.

18. **INFORMATION SECURITY.** Purchaser has developed, implemented and will maintain effective information security policies and procedures that include administrative, technical and physical safeguards designed to (1) ensure the security and confidentiality of confidential information provided to Purchaser hereunder, (2) protect against anticipated threats or hazards to the security or integrity of such confidential information, (3) protect against unauthorized access or use of such confidential information, and (4) ensure the proper disposal of confidential information. All Purchaser personnel handling such confidential information have

been appropriately trained in the implementation of Purchaser's information security policies and procedures. Purchaser regularly audits and reviews its information security policies and procedures to ensure their continued effectiveness and determine whether adjustments are necessary in light of circumstances including, without limitation, changes in technology, customer information systems or threats or hazards to confidential information. In the event of unauthorized access to confidential information or non-public personal information of individual consumers, Purchaser shall take appropriate action to prevent further unauthorized access. Purchaser shall provide any notices and information regarding such unauthorized access to appropriate law enforcement agencies and government regulatory authorities, and affected customers.

19. **NOTICES.** Any notice or other communication provided for herein or given hereunder to a party hereto shall be in writing and shall be delivered in person to such party or mailed by first class registered or certified mail, postage prepaid, addressed as follows:

If to Seller: HSBC Consumer Lending (USA) Inc.
 90 Christiana Road
 New Castle, DE 19720
 Attention: David Nauman

With copy to: HSBC Consumer and Mortgage Lending
 26525 North Riverwoods Blvd,
 Mettawa, Illinois 60045
 Attention: General Counsel

If to Purchaser: CACH, LLC
 4340 South Monaco,
 Second Floor
 Denver, CO 80237

 Attention: John Curry

With copy to: CACH, LLC
 4340 South Monaco, Second Floor
 Denver, CO 80237

 Attention : General Counsel

20. **SEVERABILITY.** If any provision, or application thereof, of this Agreement is held unlawful or unenforceable in any respect, the parties hereto agree that such illegality or unenforceability shall not affect other provisions or allocations that can be given effect, and this

Agreement shall be construed as if the unlawful or unenforceable provision or application had not been contained herein. The parties hereto agree that any court may modify the objectionable provision so as to make it valid, reasonable and enforceable and agree to be bound by the terms of such provision, as modified by the court.

21. **AMENDMENTS.** This Agreement may be amended or modified only by a written instrument executed by all the parties hereto.

22. **COUNTERPARTS.** This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which shall constitute but one instrument.

23. **HEADINGS.** The headings contained in this Agreement and in the Exhibits appended hereto are for convenience only and shall not be deemed to affect the interpretation of the provisions of this Agreement.

24. **GOVERNING LAW.** This Agreement is made pursuant to, and shall be construed under the laws of Illinois.

25. **Assignment; Delegation of Duties.** This Agreement and the rights and obligations created under it shall be binding upon and inure solely to the benefit of the parties hereto and their respective successors and assigns. This agreement shall not be assigned or transferred by either party, except Purchaser may assign this Agreement in whole or in part to an affiliate of Purchaser after notifying Seller and Seller may assign this Agreement in whole or in part to an affiliate of Seller after notifying Purchaser; provided, that any such Affiliate agrees in writing to be bound by the terms of this Agreement and that Purchaser and/or Seller as appropriate, remain liable for the performance of the obligations of such Affiliate under this Agreement to the extent permitted by law. Seller or any Affiliate of Seller which become a party hereto may at any time delegate any duties hereunder to an affiliate which normally performs such credit related services on behalf of the Seller or such Affiliate. Nothing in this Section 25 shall be interpreting as limiting Purchaser's ability to pledge assign or sell the Purchased Accounts or Purchased Receivables without the consent of Seller (unless such consent is required pursuant to Section 6(P) of this Agreement); provided however, Purchaser may not assign its rights under this Agreement to any subsequent purchaser, person or entity under this Agreement. Notwithstanding the foregoing, seller herein agrees that Purchaser may assign this Agreement and/or the Purchaser Receivables to a subsidiary of Purchaser without further consent from Seller and may assign and pledge its rights, title and interests in and to the Purchased Receivable sand this Agreement to any lender providing financing or refinancing of Purchaser's acquisition of the Purchased Receivables, without further consent from Seller.

26. **ENTIRE AGREEMENT.** This Agreement is intended to define the full extent of the legally enforceable undertakings of the parties hereto, and no related promise or representation, written or oral, which is not set forth explicitly in this Agreement is intended by either party to be legally binding. Both parties acknowledge that in deciding to enter into this transaction they have relied on no representations, written or oral, other than those explicitly set forth in this Agreement.

27. **FUTURE ASSURANCES.** Each party to this Agreement shall use its best efforts to execute and deliver such additional instruments or documents and take any and all action, as may be reasonably required or appropriate to carry out the purpose of this Agreement including, without limitation, obtaining information or records from any Servicing Agent that is or becomes reasonably necessary to effectuate the transfer of all right, title and interest to Purchaser or that is reasonably necessary to resolve any dispute or verification request.

28. **ATTORNEY'S FEES.** If any action or proceeding is brought for the enforcement of this Agreement, or because of an alleged dispute, breach, default, or misrepresentation in connection with any of the provisions of this Agreement, the successful or prevailing party shall be entitled to reasonable attorneys' fees and other costs incurred in that action or proceeding, in addition to any other relief to which it or they may be entitled.

29. **CHOICE OF FORUM.** Any judicial proceeding brought against any of the parties hereto with respect to this Agreement shall be brought in any court of competent jurisdiction in Cook County, Illinois or in the Federal District Court for the Northern District of the State of Illinois irrespective of where such party may be located at the time of such proceeding, and by execution and delivery of this Agreement, each of the parties to this Agreement hereby consents to the exclusive jurisdiction of any such court and waives any defense or opposition to such jurisdiction

30. WAIVER OF JURY TRIAL. EACH PARTY HERETO KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THE RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATED TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY AND AGREE THAT ANY LEGAL PROCEEDING SHALL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY. THIS PROVISION IS A MATERIAL INDUCEMENT FOR SELLER AND PURCHASER ENTERING INTO THIS AGREEMENT.

31. **TERM.** This Agreement shall become effective on the Effective Date and shall terminate on November 30, 2010.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement on the Effective Date written above.

SELLER: HSBC Consumer Lending (USA) Inc.

By: Kevin M. Collier

Print Name: Kevin Collier

Title: Senior Vice-President

PURCHASER:
CACH, LLC

By: Brian V. Twite

Print Name: Brian V. Twite

Title: EVP, CBDO

ASSIGNMENT AND BILL OF SALE

HSBC Consumer Lending (USA) Inc. on behalf of and as managing company for Beneficial Company LLC and HFC Company LLC and their respective subsidiaries (hereinafter called "Seller") has entered into an Account Purchase and Sale Agreement dated _____ ("Agreement") for the sale of accounts dated in the initial paragraph of the Agreement thereof to _____, (hereinafter called "Purchaser"), upon the terms and conditions set forth in that Agreement.

NOW, THEREFORE, for good and valuable consideration, Seller hereby sells, assigns, and transfers to Purchaser, its successors and assigns, all of Seller's rights, title, and interest in each and every one of the Accounts described in the Agreement and within Exhibit B, attached hereto, and contained within the electronic media described therein.

Purchaser and Seller agree that the Purchase Price shall be as stated in Paragraph 3 of the Agreement.

IN WITNESS WHEREOF, Seller has signed and delivered this instrument on the 6 day of August 2010.

HSBC Consumer Lending (USA) Inc.

By: _____

Printed Name: Kevin Collier

Title: Senior Vice-President

EXHIBIT A
CLOSING STATEMENT
HSBC Consumer Lending (USA) Inc.

Unpaid Balance	\$
Purchase Rate	.082
Total Purchase Price	\$

Closing Date

A. On the Closing Date (MM/DD/YY), Purchaser shall pay to Seller, by wire transfer or otherwise immediately available funds, the amount of \$ (.)

B. Seller agrees to transfer the entire amount of the Pool of Accounts, as described in the electronic media identified in Exhibit B, to Purchaser on the Closing Date.

Funds must be wired as follows:

TO:	HSBC
ABA (Routing Number):	0210010 88
Account Name	RMS - RCS
Credit Bank Account Number:	001847112

All funds must be by wire transfer.

EXHIBIT B

ACCOUNT SCHEDULE

There are ____Accounts that will be sold by Seller to Purchaser with an aggregate Unpaid Balance of \$ _____. These Accounts are individually listed on computer diskette or other electronic media (the "Account Schedule") that will be delivered to Purchaser by Seller on the Closing Date. The Account Schedule will contain at a minimum the following information: Account number, Borrower Name, Borrower Social Security Number, Account Balance, Borrower Address, date of last payment, Date of Delinquency, and Charge off Date.

Percentage of Account Documentation to be provided: 60%

Outline of Account Documents to be provided: applications, statements, records, copies of previous payment checks, driver's licenses, correspondence, contracts or other available documents relating to the Accounts, including upon request affidavits of sale and business records affidavits.

PURCHASE SPECIFICATIONS

The following quantity of Accounts shall be purchased by Purchase on the Closing Date at the price specified:

<u>Type of Account</u>	Total Unpaid Balance <u>to be Purchased</u>	Purchase Price Per Dollar of Unpaid <u>Balances</u>
Charged Off Accounts	\$	0.082

The Closing Date

The Closing Date for this transaction is to occur on or before _____, at the offices of the Seller.

Number of Accounts:

EXHIBIT C

LETTER TO BORROWERS

[LETTERHEAD OF SELLER]

[date]

[address of Account Borrower]

RE: [Seller's account number]
[account balance]
[Account #]

Dear _____:

Please take notice that HSBC Consumer Lending (USA) Inc. has recently sold, transferred and assigned the above-referenced account to _____.

To ensure timely processing of your payment(s), after _____, 201_, please direct all inquiries and/or payments to the following address:

If you have any questions, please contact _____, and ask to speak with an Account Manager.

Sincerely,

[name]
[title]

EXHIBIT D
AFFIDAVIT

I, _____, being duly of lawful age and first duly sworn upon my oath, depose and state as follows:

I am a custodian of records for HSBC Consumer Lending (USA) Inc. on behalf of and as managing company for Beneficial Company LLC and HFC Company LLC and their respective subsidiaries (the "Seller") and I am authorized on behalf of Seller to make the statements and representations contained herein.

Examination of the records, maintained in the ordinary course of business by Seller, show: (i) the following **Unpaid Balance**: \$ _____ is due and payable on the _____ Account (Seller's Account #: _____) from:

Borrower(s): _____

and (ii) that the following Account information is true and correct:

Last Payment Date:

Any available screen prints reflecting the information contained within the records received on the above referenced Account are attached.

This Account was sold, assigned, transferred and set over from Seller to _____ with full power and authority to do and perform all acts necessary for the collection, settlement, adjustment, compromise or satisfaction of said Account/claim. Further, the affiant states there are no payments, counterclaims or offsets against the Accounts that are not already reflected in the Unpaid Balance set forth above. Further, the undersigned acknowledges that in making this affidavit, _____ is now the owner thereof, and they have complete authority to settle, adjust, compromise and satisfy the same and that the Seller has no further interest in said Account for any purpose.

Affiant: _____
Title: _____

Subscribed and sworn to before me this _____ day of _____, 201__.
My commission expires: _____

Notary Public