

**STATE OF OHIO
IN THE FRANKLIN COUNTY COURT OF COMMON PLEAS**

FIRST MERCHANTS BANK, an
Indiana commercial bank, 200 E.
Jackson Street, P.O. Box 792, Muncie,
IN 47305,

Plaintiff

v.

MARAH M. KHALIL, an individual,
1509 Sandalwood Pl., Columbus, OH
43229,

Defendant.

) Case No. _____

) Hon. _____

) **COMPLAINT**

) Simon PLC Attorneys & Counselors
) Daniel J. Feko (0073076)
) 363 W Big Beaver Rd., Suite 410
) Troy, MI 48084
) (248) 720-0290
) (248) 720-0291 Fax
) dfeko@simonattys.com

) Attorneys for Plaintiff

)

* * *

For its Complaint against the Defendant, Marah M. Khalil, Plaintiff, First Merchants Bank, by and through its attorneys, Simon PLC Attorneys & Counselors, hereby states the following:

JURISDICTIONAL ALLEGATIONS

1. Plaintiff First Merchants Bank is an Indiana commercial bank, conducting business within the state of Ohio, with a principal business address of 200 E. Jackson Street, P.O. Box 792, Muncie, Indiana 47305.
2. Defendant Marah M. Khalil is an adult individual with a last-known residence address of 1509 Sandalwood Pl., Columbus, Ohio 43229.
3. The Court has jurisdiction over this matter as the principal amount in controversy exceeds \$15,000.00; venue is proper as the Defendant is a resident of Franklin County, Ohio.

COMMON FACTUAL ALLEGATIONS

4. Plaintiff incorporates all prior paragraphs as though more fully set forth herein.
5. On or about March 25, 2019, the Defendant, individually and on behalf of Discount Beauty Store, Inc. ("Discount Beauty") established a commercial line of credit with Plaintiff and executed a Business Line of Credit Agreement ("Agreement") with Plaintiff. (**Exhibit 1**)
6. Upon information and belief and review of the public record, Discount Beauty was dissolved by its incorporators on or about December 10, 2024.
7. The Agreement requires Defendant to remit regular monthly minimum payments to Plaintiff based on advances made under the line of credit and interest accrued on the line of credit balance at an adjustable rate (presently 11.50% per annum).
8. To the extent applicable, Plaintiff is entitled to charge a rate of interest in excess of the statutory maximum with respect to amounts due under the Agreement pursuant to R.C. §1343.01(B)(6)(a) as the subject indebtedness does not arise out of or relate to a consumer loan or transaction within the meaning of R.C. §2323.13.
9. After execution of the Agreement, Defendant and/or Discount Beauty received access to the line of credit and proceeded to take draws, cash advances and otherwise receive advances thereunder.
10. Defendant has defaulted on the terms of the Agreement by failing to remit regular minimum monthly payments as required.
11. Defendant has failed to remit payments as required under the terms of the Agreement, which remains due and owing for the February 21, 2025 minimum

monthly payment, thereby entitling Plaintiff to collect the remaining credit line balance together with accrued interest and late fees.

COUNT I - BREACH OF CONTRACT

12. Plaintiff incorporates all prior paragraphs as though more fully set forth herein.

13. Pursuant to the Agreement, Defendant agreed to remit regular monthly minimum payments on the line of credit account balance, with payment in full of all amounts due upon default.

14. Defendant has ceased, neglected or otherwise failed to make minimum monthly payments and/or payment in full upon default as required under the Agreement.

15. The failure of Defendant to make payment as required under the terms of the Agreement constitutes a breach of contract.

16. As of June 12, 2025, a balance remains due and owing from Defendant under the Agreement in the amount of \$31,057.14, exclusive of post-judgment interest and costs.

RELIEF REQUESTED

WHEREFORE, Plaintiff, First Merchants Bank, requests the following relief:

A. Plaintiff requests that Defendant, Marah M. Khalil, be found to have breached the Agreement and that actual damages be assessed against Defendant in the amount of \$31,057.14, with post-filing and post-judgment interest from June 12, 2025 accruing at the rate established under the Agreement, to wit: 11.50% per annum;

B. Plaintiff requests that the Court award all of its costs incurred in this matter;

C. Plaintiff requests that the Court grant all such further equitable and other relief that may be warranted.

Respectfully submitted,

Simon PLC Attorneys & Counselors

/s/ Daniel J. Feko

Daniel J. Feko (0073076)

Attorneys for Plaintiff

363 W Big Beaver Rd., Suite 410

Troy, MI 48084

(248) 720-0290

(248) 720-0291 Fax

dfeko@simonattys.com

Dated: June 12, 2025

Exhibit 1

BUSINESS LINE OF CREDIT AGREEMENT

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$30,000.00	03-25-2019						

References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item.

Any item above containing "****" has been omitted due to text length limitations.

Borrower: Discount Beauty Store Inc
 Marah M. Khalil
 2131 Cleveland Ave
 Columbus, OH 43221-2248

Lender: First Merchants Bank
 Graceland Branch
 5090 N. High Street
 Columbus, OH 43214

CREDIT LIMIT: \$30,000.00

DATE OF AGREEMENT: March 25, 2019

Introduction. This Business Line of Credit Agreement ("Agreement") governs Borrower's line of credit (the "Credit Line" or the "Credit Line Account") issued through First Merchants Bank. **Borrower agrees to the following terms and conditions:**

Promise to Pay. Borrower promises to pay First Merchants Bank, or order, the total of all credit advances and **FINANCE CHARGES**, together with all costs and expenses for which Borrower is responsible under this Agreement. Borrower will pay Borrower's Credit Line according to the payment terms set forth below. **If there is more than one Borrower, each is jointly and severally liable on this Agreement. This means Lender can require any Borrower to pay all amounts due under this Agreement, including credit advances made to any Borrower. Each Borrower authorizes any other Borrower, on his or her signature alone, to cancel the Credit Line, to request and receive credit advances, and to do all other things necessary to carry out the terms of this Agreement. Lender can release any Borrower from responsibility under this Agreement, and the others will remain liable.**

Term. The term of Borrower's Credit Line will begin as of the date of this Agreement ("Opening Date") and will continue until termination of Borrower's Credit Line Account. All indebtedness under this Agreement, if not already paid pursuant to the payment provisions below, will be due and payable upon termination. The draw period of Borrower's Credit Line will begin on the Opening Date and will continue as follows: Until Line is terminated. Borrower may obtain credit advances during this period ("Draw Period").

Minimum Payment. Borrower's "Regular Payment" will equal the amount of Borrower's accrued **FINANCE CHARGES** or \$100.00, whichever is greater. Borrower's payments will be due monthly. Borrower's "Minimum Payment" will be the Regular Payment, plus any amount past due and all other charges. An increase in the **ANNUAL PERCENTAGE RATE** may increase the amount of Borrower's Regular Payment.

In any event, if Borrower's Credit Line balance falls below \$100.00, Borrower agrees to pay Borrower's balance in full. Borrower agrees to pay not less than the Minimum Payment on or before the due date.

Balloon Payment. Borrower's Credit Line Account is payable in full upon termination in a single balloon payment. Borrower must pay the entire outstanding principal, interest and any other charges then due. **Unless otherwise required by applicable law, Lender is under no obligation to refinance the balloon payment at that time. Borrower may be required to make payments out of other assets Borrower owns or find a lender, which may be Lender, willing to lend Borrower the money. If Borrower refinances the balloon payment, Borrower may have to pay some or all of the closing costs normally associated with a new credit line account, even if Borrower obtains refinancing from Lender.**

How Borrower's Payments Are Applied. Unless otherwise agreed or required by applicable law, payments and other credits will be applied first to Finance Charges; then to unpaid principal; and then to late charges and other charges.

Credit Limit. This Agreement covers a revolving line of credit for the principal amount of Thirty Thousand & 00/100 Dollars (\$30,000.00), which will be Borrower's "Credit Limit" under this Agreement. Borrower may borrow against the Credit Line, repay any portion of the amount borrowed, and re-borrow up to the amount of the Credit Limit. Borrower's Credit Limit is the maximum amount Borrower may have outstanding at any one time. Borrower agrees not to attempt, request, or obtain a credit advance that will make Borrower's Credit Line Account balance exceed Borrower's Credit Limit. Borrower's Credit Limit will not be increased should Borrower overdraw Borrower's Credit Line Account. If Borrower exceeds Borrower's Credit Limit, Borrower agrees to repay immediately the amount by which Borrower's Credit Line Account exceeds Borrower's Credit Limit.

Charges to Borrower's Credit Line. Lender may charge Borrower's Credit Line to pay other fees and costs that Borrower is obligated to pay under this Agreement or any other document related to Borrower's Credit Line. Any amount so charged to Borrower's Credit Line will be a credit advance and will decrease the funds available, if any, under the Credit Line. However, Lender has no obligation to provide any of the credit advances referred to in this paragraph.

Credit Advances. Beginning on the Opening Date of this Agreement, Borrower may obtain credit advances under Borrower's Credit Line as follows:

Credit Line Checks. Writing a preprinted "Line of Credit Check" that Lender will supply to Borrower.

Telephone Request. Requesting a credit advance from Borrower's Credit Line to be applied to Borrower's designated account by telephone. Except for transactions covered by the federal Electronic Fund Transfers Act and unless otherwise agreed in your deposit account agreement, Borrower acknowledges and Borrower agrees that Lender does not accept responsibility for the authenticity of telephone instructions and that Lender will not be liable for any loss, expense, or cost arising out of any telephone request, including any fraudulent or unauthorized telephone request, when acting upon such instructions believed to be genuine.

Requests in Person. Requesting a credit advance in person at any of Lender's authorized locations.

Credit Card Access. Using Borrower's "Line of Credit Card" to receive cash advances or to make purchases.

On Line Banking. Requesting a credit advance via electronic/mobile device.

If there is more than one person authorized to use this Credit Line Account, Borrower agrees not to give Lender conflicting instructions, such as one

Borrower telling Lender not to give advances to the other.

Limitations on the Use of Checks. Lender reserves the right not to honor Line of Credit Checks in the following circumstances:

Credit Limit Violation. Borrower's Credit Limit has been or would be exceeded by paying the Line of Credit Check.

Post-dated Checks. Borrower's Line of Credit Check is post-dated. If a post-dated Line of Credit Check is paid and as a result any other check is returned or not paid, Lender is not responsible.

Stolen Checks. Borrower's Line of Credit Checks have been reported lost or stolen.

Unauthorized Signatures. Borrower's Line of Credit Check is not signed by an "Authorized Signer" as defined below.

Termination or Suspension. Borrower is in default or otherwise is in violation of this Agreement or would be so if Lender paid the Line of Credit Check.

If Lender pays any Line of Credit Check under these conditions, Borrower must repay Lender, subject to applicable laws, for the amount of the Line of Credit Check. The Line of Credit Check itself will be evidence of Borrower's debt to Lender together with this Agreement. Lender's liability, if any, for wrongful dishonor of a check is limited to Borrower's actual damages. Dishonor for any reason as provided in this Agreement is not wrongful dishonor. Lender may choose not to return Line of Credit Checks along with Borrower's periodic statements; however, Borrower's use of each Line of Credit Check will be reflected on Borrower's periodic statement as a credit advance. Lender does not "certify" Line of Credit Checks drawn on Borrower's Credit Line.

Limitations on the Use of Credit Cards. Lender reserves the right not to honor Line of Credit Cards in the following circumstances:

Credit Limit Violation. Borrower's Credit Limit has been or would be exceeded by paying the Line of Credit Card charge.

Stolen Credit Cards. Borrower's Line of Credit Cards have been reported lost or stolen.

Unauthorized Signatures. Borrower's Line of Credit Card is not used by an "Authorized Signer" as defined below.

Termination or Suspension. Borrower is in default or otherwise is in violation of this Agreement or would be so if Lender paid the Line of Credit Card charge.

If Lender pays any advance requested by use of the Line of Credit Card under these conditions, Borrower must repay Lender, subject to applicable laws, for the amount of the advance. The advance itself will be evidence of Borrower's debt to Lender together with this Agreement. Lender's liability, if any, for wrongful dishonor of an advance is limited to Borrower's actual damages. Dishonor for any reason as provided in this Agreement is not wrongful dishonor. Borrower's use of the Line of Credit Card will be reflected on Borrower's periodic statement as a credit advance.

Transaction Requirements. The following transaction limitations will apply to the use of Borrower's Credit Line:

Credit Line Line of Credit Check, Telephone Request, In Person Request, Credit Card and On Line Banking Limitations. The following transaction limitations will apply to Borrower's Credit Line and the writing of Line of Credit Checks, requesting an advance by telephone, requesting an advance in person, using a Credit Card and accessing by other methods.

- Other Transaction Requirements.** 1) Funds will be advanced in exactly the amount requested.
2) No minimum initial advance required.

Limitation on All Access Devices. You may not use any access device, whether described above or added in the future, for any illegal or unlawful transaction, and we may decline to authorize any transaction that we believe poses an undue risk of illegality or unlawfulness. Notwithstanding the foregoing, we may collect on any debt arising out of any illegal or unlawful transaction.

Authorized Signers. The words "Authorized Signer" on Line of Credit Checks and Line of Credit Cards as used in this Agreement mean and include each person who (a) signs the application for this Credit Line, (b) signs this Agreement, or (c) has executed a separate signature authorization card for the Credit Line Account.

Stop Payments. Lender does not honor stop payment orders for Line of Credit Checks drawn against Borrower's Credit Line Account. Borrower therefore should not use Borrower's Credit Line Account if Borrower anticipates the need to stop payment. Borrower agrees that Lender will have no liability to Borrower or to any other party because Lender does not honor stop payment orders.

Lost Line of Credit Checks and Line of Credit Cards. If Borrower loses Borrower's Line of Credit Checks or Line of Credit Cards or if someone is using them without Borrower's permission, Borrower agrees to let Lender know immediately. The fastest way to notify Lender is by calling Lender at (800) 262-4261. Borrower also can notify Lender at Lender's address shown at the beginning of this Agreement.

Liability For Unauthorized Use. If Borrower notices the loss or theft of Borrower's credit card or a possible "unauthorized use" (as defined below) of Borrower's card, Borrower should write to Lender immediately at First Merchants Bank, 200 East Jackson Street, Muncie, IN 47305 or call Lender at (800) 262-4261.

Borrower will not be liable for any unauthorized use after Borrower notifies Lender. Borrower may, however, be liable for unauthorized use that occurs before Borrower's notice to Lender. In any case, Borrower's liability will not exceed \$50.00 or a lesser amount under applicable state law.

For purposes of credit card transactions and Borrower's liability under Regulation Z, "unauthorized use" means the use of a credit card by a person, other than the cardholder, who does not have actual, implied, or apparent authority for such use, and from which the cardholder received no benefit. Cardholders that are either consumers or businesses may be covered by the liability limits provided under Regulation Z.

If Borrower uses an access card which debits a checking account (or other asset account) but also draws on an overdraft line of credit, Borrower may be liable for the unauthorized use in accordance with applicable law and any other agreement Borrower has with Lender regarding liability for unauthorized use of the access card.

Future Credit Line Services. Borrower's application for this Credit Line also serves as a request to receive any new services (such as access devices) which may be available at some future time as one of Lender's services in connection with this Credit Line. Borrower understands that this request is voluntary and that Borrower may refuse any of these new services at the time they are offered. Borrower further understands that the terms and conditions of this Agreement, together with any specific terms covering the new service, will govern any transactions made pursuant to any of these new

services.

Right of Setoff. To the extent permitted by applicable law, Lender reserves a right of setoff in all Borrower's accounts with Lender (whether checking, savings, or some other account), including without limitation, all accounts Borrower may open in the future. However, this does not include any IRA or Keogh accounts, or any trust accounts for which setoff would be prohibited by law. Borrower authorizes Lender, to the extent permitted by applicable law, to charge or setoff all sums owing on this Agreement against any and all such accounts.

When FINANCE CHARGES Begin to Accrue. Periodic **FINANCE CHARGES** for credit advances under Borrower's Credit Line will begin to accrue on the date credit advances are posted to Borrower's Credit Line. There is no "free ride period" which would allow Borrower to avoid a **FINANCE CHARGE** on Borrower's Credit Line credit advances.

Method Used to Determine the Balance on Which the FINANCE CHARGE Will Be Computed. A daily **FINANCE CHARGE** will be imposed on all credit advances made under Borrower's Credit Line imposed from the date of each credit advance based on the "average daily balance" method. To get the average daily balance, Lender takes the beginning balance of Borrower's Credit Line Account each day, add any new advances and subtract any payments or credits. This gives Lender a daily balance. Then, Lender adds up all the daily balances for the statement cycle and divides the total by the number of days in the statement cycle. This gives Lender the "average daily balance."

Method of Determining the Amount of FINANCE CHARGE. Any **FINANCE CHARGE** is determined by applying the "Periodic Rate" to the balance described herein. Then Lender multiplies by the number of days in the statement cycle. This is Borrower's **FINANCE CHARGE** calculated by applying a Periodic Rate.

Periodic Rate and Corresponding ANNUAL PERCENTAGE RATE. The Periodic Rate and the corresponding **ANNUAL PERCENTAGE RATE** on Borrower's Credit Line are subject to change from time to time based on changes in an independent index which is the highest rate identified as the "Prime Rate" in the Wall Street Journal "Money Rates" column on the date the interest rate is to be determined, or if that date is not a publication date, on the publication date immediately preceding (the "Index"). The Index is not necessarily the lowest rate charged by Lender on Lender's loans. If the Index becomes unavailable during the term of this Credit Line Account, Lender may designate a substitute index after notice to Borrower. The **ANNUAL PERCENTAGE RATE** on Borrower's Credit Line is based upon the Index and the margin described below ("Margin").

The Periodic Rate and the corresponding **ANNUAL PERCENTAGE RATE** on Borrower's Credit Line will increase or decrease as the Index increases or decreases from time to time. Lender will determine the Periodic Rate and the corresponding **ANNUAL PERCENTAGE RATE** as follows: Lender starts with the current Index and then adds a certain Margin as disclosed below. To determine the Periodic Rate that will apply to Borrower's account, Lender adds a margin to the value of the Index, then divides the value by 360 days. To obtain the **ANNUAL PERCENTAGE RATE** Lender multiplies the Periodic Rate by 365 days. This result is the **ANNUAL PERCENTAGE RATE**. In no event will the Periodic Rate or corresponding **ANNUAL PERCENTAGE RATE** exceed the maximum rate allowed by law. Adjustments to the Periodic Rate and the corresponding **ANNUAL PERCENTAGE RATE** resulting from changes in the Index will take effect daily. Today the Index is 5.500% per annum, and therefore the initial **ANNUAL PERCENTAGE RATE** and the corresponding Periodic Rate on Borrower's Credit Line are as stated below:

Current Rates for the First Payment Stream

Range of Balance or Conditions	Margin Added to Index	ANNUAL PERCENTAGE RATE	Daily Periodic Rate
All Balances	4.000%	9.632%	0.02639%

Notwithstanding any other provision of this Agreement, Lender will not charge interest on any undisbursed loan proceeds.

Conditions Under Which Other Charges May Be Imposed. Borrower agrees to pay all the other fees and charges related to Borrower's Credit Line as set forth below:

Annual Fee. A nonrefundable Annual Fee of \$150.00 will be charged to Borrower's Credit Line at the following time: Annually.

Late Charge. In addition to Lender's rights upon default, Borrower's payment will be late if it is not received by Lender within **7 days after the "Payment Due Date"** shown on the voucher Borrower receives with each credit advance. If Borrower's payment is late Lender may charge Borrower 5.000% of the unpaid amount of the payment or \$25.00, whichever is greater.

Other Charges. Borrower's Credit Line Account may be charged the following other charges: Closing Loan Fee. The amount of this other charge is: \$150.00.

Right to Credit Advances. Beginning on the Opening Date, Lender will honor Borrower's requests for credit advances up to Borrower's Credit Limit so long as: (A) Borrower is not in default under the terms of this Agreement; and (B) this Agreement has not been terminated or suspended.

Default. Lender may declare Borrower to be in default if any one or more of the following events occur: (A) Borrower fails to pay a Minimum Payment when due; (B) Borrower dies or entity is dissolved; (C) Borrower makes any false or misleading statements on Borrower's Credit Line application; (D) Borrower violates any provision of this Agreement or any other agreement with Lender; (E) any garnishment, attachment, or execution is issued against any material asset owned by Borrower; (F) Borrower exceeds Borrower's Credit Limit; (G) Borrower files for bankruptcy or other insolvency relief, or an involuntary petition under the provisions of the Bankruptcy Code is filed against Borrower.

Lender's Rights. If Borrower is in default, Lender will send notice to Borrower setting forth a time period of at least fifteen (15) days within which such default may be cured. During this cure period, without notice, Lender may suspend Borrower's Credit Line as provided below. If such default is not cured during this period, Lender may either terminate or continue suspension of Borrower's Credit Line Account.

Suspension. If Lender suspends Borrower's Credit Line, Borrower will lose the right to obtain further credit advances. However, all other terms of this Agreement will remain in effect and be binding upon Borrower, including Borrower's liability for any further unauthorized use of any Credit Line access devices.

Termination. If Lender terminates Borrower's Credit Line, Borrower's Credit Line will be suspended and the entire unpaid balance of Borrower's Credit Line Account will be immediately due and payable, without prior notice except as may be required by law, and Borrower agrees to pay that

amount plus all **FINANCE CHARGES**, and other amounts due under this Agreement.

Collection Costs. Lender may hire or pay someone else to help collect this Agreement if Borrower does not pay. Borrower will pay Lender that amount. This includes, subject to any limits under applicable law, Lender's attorneys' fees and Lender's legal expenses, whether or not there is a lawsuit, including without limitation all attorneys' fees and legal expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), and appeals. If not prohibited by applicable law, Borrower also will pay any court costs, in addition to all other sums provided by law.

Rate Increase. In addition to Lender's other rights on default, Lender may increase the variable interest rate under this Agreement to 5.069 percentage points over the then applicable **ANNUAL PERCENTAGE RATE**. The interest rate will not exceed the maximum rate permitted by applicable law. If Lender does not increase the interest rate on default, it will continue at the variable rate in effect as of the date Lender declares a default.

Access Devices. If Borrower's Credit Line is suspended or terminated, Borrower must immediately return to Lender all Line of Credit Checks and any other access devices. Any use of Line of Credit Checks or other access devices following suspension or termination may be considered fraudulent. Borrower will also remain liable for any further use of Line of Credit Checks or other Credit Line access devices not returned to Lender.

Delay in Enforcement. Lender may delay or waive the enforcement of any of Lender's rights under this Agreement without losing that right or any other right. If Lender delays or waives any of Lender's rights, Lender may enforce that right at any time in the future without advance notice. For example, not terminating Borrower's account for non-payment will not be a waiver of Lender's right to terminate Borrower's account in the future if Borrower has not paid.

Termination by Borrower. If Borrower terminates this Agreement, Borrower must notify Lender in writing at the address shown on Borrower's periodic statement or other designated address and return all Line of Credit Checks and any other access devices to Lender. Despite termination, Borrower's obligations under this Agreement will remain in full force and effect until Borrower has paid Lender all amounts due under this Agreement.

Prepayment. Borrower may prepay all or any amount owing under this Credit Line at any time without penalty, except Lender will be entitled to receive all accrued **FINANCE CHARGES**, and other charges, if any. Payments in excess of Borrower's Minimum Payment will not relieve Borrower of Borrower's obligation to continue to make Borrower's Minimum Payments. Instead, they will reduce the principal balance owed on the Credit Line. Borrower agrees not to send Lender payments marked "paid in full", "without recourse", or similar language. If Borrower sends such a payment, Lender may accept it without losing any of Lender's rights under this Agreement, and Borrower will remain obligated to pay any further amount owed to Lender. **All written communications concerning disputed amounts, including any check or other payment instrument that indicates that the payment constitutes "payment in full" of the amount owed or that is tendered with other conditions or limitations or as full satisfaction of a disputed amount must be mailed or delivered to: First Merchants Bank, ATTN: Loan Operations - Final Payment, P.O. Box 7011 Muncie, IN 47308.**

Notices. All notices will be sent to Borrower's address as shown in Borrower's Credit Line application. Notices will be mailed to Borrower at a different address if Borrower gives Lender written notice of a different address. Borrower agrees to advise Lender promptly if Borrower changes Borrower's mailing address.

Annual Review. Borrower agrees that Borrower will provide Lender with a current financial statement, a new credit application, or both, annually, on forms provided by Lender. Based upon this information Lender will conduct an annual review of Borrower's Credit Line Account. Borrower also agrees Lender may obtain credit reports on Borrower at any time, at Lender's sole option and expense, for any reason, including but not limited to determining whether there has been an adverse change in Borrower's financial condition. Based upon a material adverse change in Borrower's financial condition (such as termination of a business contract or regulatory change or loss of income), Lender may reduce or suspend Borrower's Credit Line.

Transfer or Assignment. Without prior notice or approval from Borrower, Lender reserves the right to sell or transfer Borrower's Credit Line Account and Lender's rights and obligations under this Agreement to another lender, entity, or person. Borrower's rights under this Agreement belong to Borrower only and may not be transferred or assigned. Borrower's obligations, however, are binding on Borrower's successors and assigns. Upon any such sale or transfer, Lender will have no further obligation to provide Borrower with credit advances or to perform any other obligation under this Agreement.

Jury Waiver. Lender and Borrower hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by either Lender or Borrower against the other.

FINANCIAL INFORMATION. Borrower will furnish to Lender, at Borrower's expense, promptly upon each request of Lender, such information in writing regarding Borrower's financial condition, income taxes, properties, business operations, if any, and pension plans, if any, as Lender may from time to time reasonably request, prepared, in the case of financial information, in accordance with generally accepted accounting principles consistently applied and otherwise in form and detail satisfactory to Lender.

FINAL AGREEMENT. This Note and the related documents set forth the entire agreement between the parties regarding the transactions contemplated hereby and supercede all prior agreements, commitments, discussions, representations and understandings, whether written or oral, and any and all contemporaneous oral agreements, commitments, discussions, representations and understandings between the parties relating to the subject matter hereof.

SHARING INFORMATION. Borrower hereby authorizes Lender to share all credit and financial information relating to Borrower with Lender's parent company and with any subsidiary or affiliate of Lender or of Lender's parent company.

Governing Law. This Agreement will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of Indiana without regard to its conflicts of law provisions. This Agreement has been accepted by Lender in the State of Indiana.

Caption Headings. Caption headings in this Agreement are for convenience purposes only and are not to be used to interpret or define the provisions of this Agreement.

Interpretation. Borrower agrees that this Agreement is the most reliable evidence of Borrower's agreements with Lender. If a court finds that any provision of this Agreement is not valid or should not be enforced, that fact by itself will not mean that the rest of this Agreement will not be valid or enforced. Therefore, a court may enforce the rest of the provisions of this Agreement even if a provision of this Agreement may be found to be invalid or unenforceable. If Lender goes to court for any reason, Lender can use a copy, filmed or electronic, of any periodic statement, this Agreement, or any

other document to prove what Borrower owes Lender or that a transaction has taken place. The copy, microfilm, microfiche, or optical image will have the same validity as the original. Borrower agrees that, except to the extent Borrower can show there is a billing error, Borrower's most current periodic statement is the most reliable evidence of Borrower's obligation to pay.

Severability. If a court of competent jurisdiction finds any provision of this Agreement to be illegal, invalid, or unenforceable as to any person or circumstance, that finding shall not make the offending provision illegal, invalid, or unenforceable as to any other person or circumstance. If feasible, the offending provision shall be considered modified so that it becomes legal, valid and enforceable. If the offending provision cannot be so modified, it shall be considered deleted from this Agreement. Unless otherwise required by law, the illegality, invalidity, or unenforceability of any provision of this Agreement shall not affect the legality, validity or enforceability of any other provision of this Agreement.

Acknowledgment and Amendments. Borrower understands and agrees to the terms and conditions in this Agreement. Borrower acknowledges that, subject to applicable laws, Lender has the right to change the terms and conditions of the Credit Line program. Borrower also understands and agrees that Borrower may be subject to other agreements with Lender regarding transfer instruments or access devices which may access Borrower's Credit Line. Any person signing below may request a modification to this Agreement, and, if granted, the modification will be binding upon all signers. By signing this Agreement, Borrower acknowledges that Borrower has read this Agreement. Borrower also acknowledges receipt of a completed copy of this Agreement.

BORROWER:

DISCOUNT BEAUTY STORE INC

By: Marah M. Khalil
Marah M. Khalil, President of Discount Beauty
Store Inc

By: Marah M. Khalil
Marah M. Khalil, Individually