

SETTLEMENT AGREEMENT

This Settlement Agreement is entered into this 15th day of November 2005, between 1-800 East-West Mortgage Company and the United States Department of Housing and Urban Development (“HUD”). This Settlement Agreement only applies to 1-800 East-West Mortgage Company, its directors, officers, members, employees, successors, assignees, and affiliated business arrangements, and only in those capacities, as of the Effective Date as defined below (hereinafter, collectively referred to as “East-West”). This Agreement does not apply to, and the term “East-West” does not include any director, officer, employee, or affiliate in any capacity as a provider of settlement services, as that term is defined by 24 C.F.R. 3500.2. HUD and East-West together shall be referred to herein as the “Parties.” As the Federal Deposit Insurance Corporation (“FDIC”) has an interest in this proceeding as set forth more fully below, the FDIC is also a signatory to this Settlement Agreement.

RECITALS

WHEREAS, the Secretary of Housing and Urban Development is authorized to enforce the Real Estate Settlement Procedures Act of 1974 (“RESPA” or “the Act”), 12 U.S.C. § 2601 *et seq.*, and its implementing regulations (the “regulations”), 24 C.F.R. § 3500 *et seq.*; and

WHEREAS, the Secretary is authorized by Section 19 of RESPA to investigate any facts, conditions, practices, or matters deemed necessary to determine whether any person has violated or is about to violate any provision of the Act or any rule or regulation prescribed pursuant thereto; and

WHEREAS, East-West is a wholly-owned mortgage subsidiary of Commerce Bank & Trust Co. (“Commerce Bank”), Worcester, Massachusetts;

WHEREAS, the FDIC is the primary federal regulator for Commerce Bank pursuant to the Federal Deposit Insurance Act (“FDI Act”), 12 U.S.C. § 1811 *et seq.*, and, as such, has

examination and investigatory authority over East-West pursuant to sections 10(b) and (c) of the FDI Act, 12 U.S.C. § 1820 (b) and (c);

WHEREAS, Section 8(a) of RESPA, 12 U.S.C. § 2607(a), and its implementing regulations at 24 C.F.R. § 3500.14, prohibit the giving and receiving of any fee, kickback, or thing of value pursuant to any agreement or understanding, oral or otherwise, that business incident to or a part of a real estate settlement service involving a federally related mortgage loan shall be referred to any person; and

WHEREAS, East-West is a mortgage company providing settlement services involving federally related mortgage loans in or about the Commonwealth of Massachusetts and the greater New England area; and

WHEREAS, HUD and FDIC initiated an investigation to determine if East-West violated Section 8(a) of RESPA by receiving and/or requesting illegal kickbacks from settlement service providers for referrals of business; and

WHEREAS, following this investigation, HUD and FDIC determined that beginning approximately January 1, 2002 and continuing subsequently:

- (1) East-West received, requested and/or was reimbursed for tickets and premium seating to Boston Red Sox baseball games from settlement service providers in exchange for the referral of business; and
- (2) East-West received, requested and/or was reimbursed for tickets and premium seating to New England Patriots football games from settlement service providers in exchange for the referral of business; and
- (3) East-West received, requested and/or was reimbursed for payment for charitable galas and other special events with the New England Patriots from settlement service providers in exchange for the referral of business; and

East-West received, requested and/or was reimbursed for payment for luxury suites at musical concerts from settlement service providers in exchange for the referral of business; and

- (5) East-West received, requested and/or was reimbursed for restaurant gift certificates from settlement service providers in exchange for the referral of business.

WHEREAS based upon the results of its investigation, HUD and FDIC determined that East-West violated RESPA and the implementing regulations, and/or aided and abetted others in violation of the Act and regulations, with respect to practices described above; and

WHEREAS, East-West denies that any payments or things of value it or its employees received were pursuant to any agreement or understanding that business would be referred; and

WHEREAS, the Parties agree that entering into this Settlement Agreement does not constitute an admission of liability or wrongdoing by East-West; and

WHEREAS, the Parties agree that this Settlement Agreement constitutes the settlement of disputed claims, as of the Effective Date (as defined in Paragraph 1 below), between East-West and HUD involving claims under the Act and the regulations; and

WHEREAS, the Parties desire to avoid formal proceedings, any further expense, and to finally resolve this matter under the terms and conditions set forth below; and

WHEREAS, the terms of this Settlement Agreement are an appropriate disposition of this case and are in the public interest.

NOW, THEREFORE, in consideration of the mutually negotiated promises, covenants, and obligations in this Settlement Agreement, the Parties reach a final settlement as set forth below:

AGREEMENTS

This Settlement Agreement is effective on the date of signature of HUD's Assistant Secretary for Housing - Federal Housing Commissioner (hereinafter the "Effective Date").

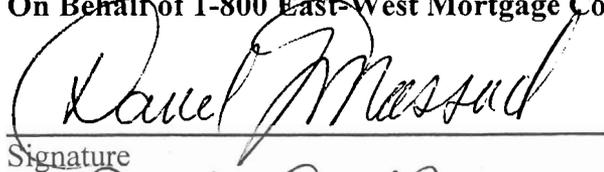
2. East-West agrees to comply with all provisions of RESPA, its implementing regulations, and to conduct its business in a manner consistent with all HUD policy statements relating to RESPA.
3. East-West agrees to abide by the requirements of RESPA and its implementing regulations, including but not limited to, not receiving, requesting, or being reimbursed for any thing of value from any settlement service provider for the referral of settlement services.
4. East-West agrees to cooperate with any HUD and/or FDIC investigations of any settlement service providers who provided kickbacks or other things of value to East-West. Cooperation means, among other things, reasonable requests for document and witness production, as well as sworn testimony, if necessary, provided however that East-West will not be required to waive any applicable privilege, including the attorney-client privilege and work product protection. This limitation upon East-West's duty to cooperate under this Settlement Agreement does not, however, limit in any way the FDIC's right to obtain any information under its examination authority in section 10(b) of the FDI Act, 12 U.S.C. Section 1820(b).
5. Within twenty (20) business days of the Effective Date of this Settlement Agreement, East-West will remit one-hundred fifty thousand dollars (\$150,000.00) via certified check to the United States Treasury. The check should

be sent care of Nilda Gallegos, U.S. Department of Housing and Urban Development, 451 7th St., S.W., Room 9253, Washington, D.C. 20410.

6. Based on East-West's compliance with the terms and conditions set forth in this Settlement Agreement, HUD will consider its investigation of East-West closed and HUD agrees to take no further enforcement action under RESPA against East-West with respect to the practices described herein.
7. Based on East-West's compliance with the terms and conditions set forth in this Settlement Agreement, FDIC will consider its investigation of East-West closed with respect to the practices described herein. The FDIC reserves its rights to further investigate and/or take appropriate enforcement action, if any, against any other individuals or entities, who may have committed or participated in violations of Section 8(a) of RESPA.
8. Should East-West fail to comply with the terms set out above, or should HUD and/or FDIC discover that any information and/or documents produced by East-West prove to be deliberately or recklessly, and materially, false, or deliberately or recklessly, and materially, incomplete, HUD and/or FDIC may take appropriate action, including, but not limited to, re-opening the East-West investigation. In the event the Section 8(a) investigation is reopened, the payment referred to in Paragraph 5 shall be credited against any monetary liability, recovery or settlement.
9. The Parties represent that this Settlement Agreement is freely and voluntarily entered into without any degree of duress or compulsion whatsoever. No provision of this Settlement Agreement shall be construed against any party by reason of such party having drafted such provision of the Settlement Agreement.

10. By this Settlement Agreement the Parties do not waive, compromise, or release any claims or causes of action against any other person or entity not expressly released by this Settlement Agreement.
11. Failure by any Party to enforce any provision of this Settlement Agreement shall not be construed as a waiver by such Party of any provision, nor in any way affect the validity of this Settlement Agreement or any part thereof.
12. If any provision of this Settlement Agreement is determined to be invalid or unenforceable for any reason, then such provision shall be treated as severed from the remainder of this Settlement Agreement and shall not affect the validity and enforceability of all the other provisions of this Settlement Agreement as long as such severance does not materially change the Parties' rights and obligations.
13. This Settlement Agreement may be executed in counterparts, each of which constitutes an original and all of which constitute on and the same agreement.
14. Each person who signs this Settlement Agreement in a representative capacity warrants that his or her execution of this Settlement Agreement is duly authorized, executed, and delivered by and for the entity for which he or she signs.

On Behalf of 1-800 East-West Mortgage Company:


Signature

David G. Massad
Print Name

Chairman
Title

10/26/05
Date

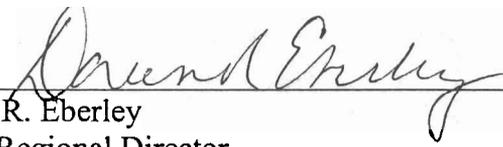
On Behalf of the U.S. Department of Housing and Urban Development:



Brian D. Montgomery
Assistant Secretary for Housing-
Federal Housing Commissioner

11-15-05
Date

On Behalf of the Federal Deposit Insurance Corporation:



Doreen R. Eberley
Acting Regional Director
Division of Supervision and Consumer Protection
New York Regional Office

Nov. 4, 2005
Date