

SETTLEMENT AGREEMENT

This Settlement Agreement is entered into this 29th day of February 2004, between Brian Sacks (Sacks) a branch manager with Integrity Home Funding, LLC, and the United States Department of Housing and Urban Development (HUD), together herein referred to as "the Parties."

Whereas, Section 8(a) of the Real Estate Settlement Procedures Act of 1974 (RESPA), 12 USC § 2607(a), states that "[n]o person shall accept 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;"

Whereas, HUD interprets Section 8(a) of RESPA as prohibiting any fee, kickback, or thing of value for the referral of business incident to or part of a real estate settlement service;

Whereas, HUD initiated an investigation of Sacks because of a complaint received by HUD indicating that Sacks was violating Section 8 of RESPA through his "Refer a Friend" program. Under this program, former clients that sent referrals to Sacks were entered into a raffle to receive tickets to sporting events, theatre productions and other prizes. One winner per month was announced in a newsletter distributed by Sacks;

Whereas, Sacks has cooperated with HUD and complied with requests made by HUD during the investigation of this matter;

Whereas, HUD believes that Sacks' "Refer a Friend" program violated Section 8 of RESPA in two ways: (1) Sacks gave the monthly raffle winners things of value for referring business to Sacks; and (2) Sacks gave non-winners the chance of winning through the opportunity to participate in a contest that awarded things of value which, in itself, is a thing of value;

Whereas, Sacks sold materials through his website, www.loanofficersuccess.com, entitled "How To Close More Loans, Make Money & Have a Life!" and related materials. These materials instructed loan officers to pay referral fees for the referral of settlement service business;

Whereas, Sacks has discontinued his "Refer a Friend" program and will no longer offer things of value for referrals;

Whereas, Sacks has revised his "How To Close More Loans, Make Money & Have a Life!" and related material to remove sections that instructed loan officers to pay referral fees for the referral of settlement service business;

Whereas, the Parties agree that entering into this Settlement Agreement does not constitute an admission of liability or wrongdoing by Sacks, that no determination has been made regarding whether "How To Close More Loans, Make Money & Have a Life!" and related materials or its sale, whether through the internet website or otherwise, constitutes a violation of

RESPA, and that the Parties are entering into this Settlement Agreement as resolution of all claims regarding the violations alleged herein;

Whereas, the Parties desire to avoid further expense and proceedings, and to reach a mutually satisfactory resolution of HUD's claims against Sacks by entering into this Settlement Agreement;

Now therefore, based on the truthfulness and accuracy of the information provided by Sacks to HUD in furtherance of its investigation, the Parties state the terms of this Settlement Agreement as follows:

1. The Parties agree that settlement of this matter is independent from and not in any way contingent upon resolution of any other matter or claim that currently exists or may arise between the Parties.
2. Sacks agrees to abide by the requirements of RESPA and its implementing regulations, as well as other applicable laws.
3. Within ten (10) business days of the signing of this Settlement Agreement, Sacks will remit \$1,500 to the United States Department of the Treasury. The funds remitted to the United States Department of the Treasury shall not be considered to be a civil money penalty and shall be in the form of a certified check, paid to the order of the United States Treasury, and sent to: Ivy M. Jackson, Director, Office of RESPA and ILS, Room 9158, U.S. Department of Housing and Urban Development, 451 Seventh Street, SW, Washington, DC, 20410. Sacks agrees that the failure to remit these funds shall constitute a material violation of this Settlement Agreement.
4. Within ten (10) business days of the signing of this Settlement Agreement, Sacks will send by first class U.S. mail a written notice, which has been agreed upon by HUD and Sacks, to each person and business that received Sacks' promotional materials entitled "How To Close More Loans, Make Money & Have a Life!" and related materials. Sacks agrees that the failure to mail these notices shall constitute a material violation of this Settlement Agreement.
5. HUD agrees to close its investigation into Sacks for his "Refer a Friend" contest and to take no further action against Sacks under RESPA for his "Refer a Friend" program during the period prior to the execution date of this Settlement Agreement, in exchange for Sacks' compliance with the terms of this Settlement Agreement.
6. Sacks agrees that if he fails to materially comply with any of the terms of this Settlement Agreement, he will pay to the United States Treasury liquidated damages in the amount of \$20,000 for the violation of the Settlement Agreement itself. Any disagreement between HUD and Sacks as to whether Sacks has violated the terms of this Settlement Agreement shall be resolved by an Administrative Law Judge, in accordance with the procedures set forth in 24 C.F.R. Part 26.

7. Except as set forth in this Settlement Agreement, each party will bear its own costs and fees associated with and arising from this matter.
8. This Settlement Agreement does not confer any rights on persons or entities that are not parties to this Settlement Agreement. This Settlement Agreement shall inure to the benefit of, and shall be binding upon, each of the Parties and their respective predecessors, successors, directors, officers, employees, agents, representatives and assigns. This Settlement Agreement may not be altered, amended or otherwise changed except by a writing duly executed by each Party or the authorized representative of each Party.
9. Each signatory to this Settlement Agreement certifies by signing that he or she is fully authorized by the named party he or she represents to accept the terms and provisions of this Settlement Agreement in their entirety, and that upon execution of this Settlement Agreement, he or she binds the Party for which he or she has signed.
10. This Settlement Agreement shall be enforceable under the laws of the District of Columbia and in the United States District Court for the District of Columbia.

This Settlement Agreement shall become effective upon the 29th day of February, 2004.

BRIAN SACKS

Dated: _____

Signature: _____

Name: _____

Title: _____

ACKNOWLEDGED AND AGREED TO BY:

**U.S. DEPARTMENT OF HOUSING
AND URBAN DEVELOPMENT**

Dated: 2/25/04

Signature: *John C. Weicher*

Name: John C. Weicher

Title: Assistant Secretary for Housing
Federal Housing Commissioner