

STATE OF NEBRASKA

Department of Banking & Finance

IN THE MATTER OF:)
)
Freedom Lending, L.L.C.,) SETTLEMENT AGREEMENT
10822 Old Mill Road, Suite 7,)
Omaha, Douglas County, Nebraska)

The Nebraska Department of Banking & Finance ("DEPARTMENT"), by and through its Director, Samuel P. Baird, and Freedom Lending, L.L.C., ("Freedom") 10822 Old Mill Road, Suite 7, Omaha, Douglas County, Nebraska, by and through one of its Partners, David V. Novak, hereby acknowledge and agree to the following with respect to the original Show Cause Order and the Findings of Fact and Conclusions of Law and Order entered by the Department of Banking on October 7, 2002 ("the Order"):

1. Freedom hereby waives its right to Appeal the Order.
2. The Department will vacate the above referenced Findings of Fact and Conclusions of Law and Order entered on October 7, 2002 (and the original Show Cause Order which merged therewith) within five (5) days of execution of this Settlement Agreement.
3. Freedom will pay a fine of \$5,000.00 and further will pay the costs of the Hearing Officer of \$1,000.00 prior to December 1, 2002. If Freedom does not pay the fine of \$5,000.00 and the cost of the Hearing Officer of \$1,000.00 prior to January 1, 2003, its Mortgage Banker's License shall be suspended beginning January 2, 2003 and such suspension shall continue until such time as payment is received by the Department.
4. Freedom hereby further agrees to give written notice to the Department within two (2) business days of receipt of any complaint(s) against Freedom, its loan officers or its agents involving an alleged violation(s) of a Federal or State Mortgage Banking Law(s) or any written complaint involving the mortgage banking business. Notice

shall be deemed given upon placing same in the U.S. Mail to the address of the Department as set forth below via regular first class mail postage prepaid: Director, Department of Banking & Finance, The Atrium, Suite 311, 1200 "N" Street, Lincoln, Nebraska 68508. This provision shall automatically expire December 31, 2003, unless the Department, for good cause shown, and upon thirty (30) days written notice to Freedom, extends the time frame for a period not to exceed six (6) months.

5. Freedom agrees to provide six (6) hours training from a qualified third party trainer to all of its loan officers within six (6) months of the date of execution of this Settlement Agreement regarding general Federal and State mortgage loan requirements which trainer and subject matter shall be approved, in writing, by the Department.

6. Freedom hereby represents and warrants that Mr. Kevin Perry is no longer employed by the company nor is he is serving in any capacity as an agent for the company, nor will Mr. Kevin Perry be associated with Freedom in any capacity in the future.


7. This Agreement shall not serve as an indication by either party as to the merits of the original Order to Show Cause which was filed against Freedom and both parties hereto acknowledge that Freedom, by virtue of its execution of this Settlement Agreement, admits no liability of any sort for any of the allegations contained in the original Order to Show Cause which was filed in this matter and the Findings of Fact and Conclusions of Law and Order entered on October 7, 2002, and that said payments of fines referenced above and additional terms of this Settlement Agreement are made in compromise to terminate any further controversy respecting the parties hereto as to the subject matter contained herein.

8. Freedom acknowledges that a violation of this Settlement Agreement may subject Freedom to administrative action under the Mortgage Bankers Registration and Licensing Act.

9. Within ten (10) days after Freedom's compliance with Paragraph 3 above, the Department will remove the restrictions on Freedom's Mortgage Banker License.

Dated: November 6th, 2002

Freedom Lending, L.L.C.

By: 
Partner

Dated: November 6th, 2002

Ginsburg, Meisinger & Filewicz

By: 
William T. Ginsburg, Attorney

Dated: November 6, 2002

State of Nebraska
Department of Banking & Finance

By: 
Samuel P. Baird, Director