

SETTLEMENT AGREEMENT

This Settlement Agreement is entered into between Prudential Locations, LLC and the United States Department of Housing and Urban Development ("HUD"). This Settlement Agreement applies to Prudential Locations LLC, its managers, members, employees, successors, assignees, and affiliated business arrangements (hereinafter, collectively referred to as "Prudential"). HUD and Prudential together shall be referred to as the "Parties."

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, 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, Prudential is a real estate broker providing settlement services involving federally related mortgage loans in or about the Honolulu, Hawaii area; and

WHEREAS, HUD initiated an investigation to determine if Prudential violated Section 8(a) of RESPA by providing illegal kickbacks for referrals of business to real estate agents who

referred at least one million dollars (\$1,000,000) worth of business to Wells Fargo Home Mortgage Hawaii, LLC (“Wells Fargo”); and

WHEREAS, following this investigation, HUD determined that beginning in approximately October 2002 and continuing through January 2003:

1. Prudential is affiliated with and has a financial interest in Wells Fargo.
2. Prudential organized, promoted, executed and paid for the “First Annual Wells Fargo Friends Party” in January 2003. Only real estate agents who referred over one million dollars (\$1,000,000) worth of business to Wells Fargo were invited to attend the party.
3. Prudential paid for and gave a real estate agent, Jim Mao, a three-year lease of a Mercedes-Benz when he won a drawing that was open only to agents who referred business to Wells Fargo.
4. Prudential paid for and gave real estate agents trips to Thailand, Las Vegas, Nevada, and San Francisco, California for their referrals of business to Wells Fargo.
5. Prudential paid for and gave real estate agents the opportunity to win a three year lease of a Mercedes-Benz, trips, and other prizes at the “First Annual Wells Fargo Friends Party” in January 2003 in return for their referrals of business to Wells Fargo.
6. Prudential paid for and gave real estate agents restaurant gift certificates in October 2003 in return for their referrals of business to Wells Fargo.
7. Prudential paid for and gave real estate agents the opportunity to win restaurant gift certificates in October 2003 for their referrals of business to Wells Fargo.

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

WHEREAS, the Parties agree that entering into this Settlement Agreement does not constitute an admission of liability or wrongdoing by Prudential; 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 mutual promises and representations set forth herein, and in further consideration of HUD's reliance upon the substantial accuracy and good faith of the representations and submissions made to it by Prudential, the Parties, intending to be legally bound, agree as follows:

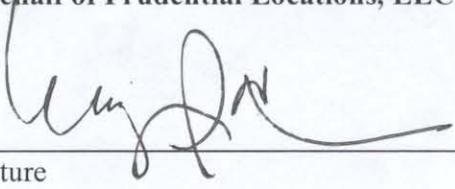
AGREEMENTS

1. This Settlement Agreement is effective on the date of signature of the last signatory to the Settlement Agreement (hereinafter the "Effective Date").
2. Based on Prudential's compliance with the terms and conditions set forth in this Settlement Agreement, HUD will consider its investigation of Prudential closed, and HUD agrees to take no further enforcement action under RESPA against Prudential with respect to the practices described herein, or for which HUD received information during its investigation, unless such practices recur.
3. Prudential agrees to comply with all the provisions of RESPA, its implementing regulations, and to conduct its business in a manner consistent with all HUD policy statements relating to RESPA.
4. Prudential agrees to abide by the requirements of RESPA and its implementing regulations, including but not limited to, not organizing or paying for parties, trips,

automobile leases, gift certificates or other things of value in return for the referral of settlement services.

5. Prudential agrees to prepare a memorandum explaining RESPA's requirements, subject to HUD's approval, that will be distributed to all Prudential employees, agents, all those who attended the Party, and those agents who received restaurant gift certificates by August 31, 2005.
6. Within twenty (20) business days of the Effective Date, Prudential will remit forty-eight thousand dollars (\$48,000) 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., SW, Room 9253, Washington, D.C. 20410.
7. 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.
8. Each of the Parties shall bear its own costs and attorney's fees.
9. This Settlement Agreement applies to and binds each of the persons or entities identified in the first paragraph of this Agreement, and their respective predecessors, successors, managers, members, employees, agents, representatives and assigns.
10. 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 Prudential Locations, LLC:



Signature

Date

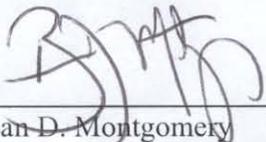
William S. Chee

Print Name

CHIEF EXECUTIVE OFFICER

Title

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



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

8/22/05

Date