

SETTLEMENT AGREEMENT

This Settlement Agreement is entered into between the Department of Housing and Urban Development ("HUD") and Schweitzer Real Estate, Inc., d/b/a Coldwell Banker Schweitzer Real Estate ("Coldwell Banker Schweitzer"). This Settlement Agreement applies to Coldwell Banker Schweitzer, its officers, directors, employees, successors, assignees, parents, subsidiaries, shareholders, and affiliates and their officers, directors, employees, successors, and assignees. HUD and Coldwell Banker Schweitzer together shall be referred to herein 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 CFR § 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, HUD's Statement of Policy 1996-3, *Rental of Office Space, Lock-outs and Retaliation* ("SOP 1996-3") sets forth the factors that HUD uses to determine whether conference room rental agreements between settlement service providers are legitimate room rentals or whether they constitute kickbacks for referrals of settlement services; and

WHEREAS, Coldwell Banker Schweitzer is a provider of real estate brokerage services involving federally related mortgage loans in or about the Detroit, Michigan area; and

WHEREAS, HUD has conducted an investigation of real estate brokers in or about the Detroit, Michigan area, including Coldwell Banker Schweitzer, concerning their conference room rental practices under Section 8(a) of RESPA; and

WHEREAS, following this investigation, HUD determined that Coldwell Banker Schweitzer, in HUD's estimation, received conference room rental fees from title companies in excess of the general market rate for comparable conference room rentals that did not comply with RESPA or the regulations; and

WHEREAS, Coldwell Banker Schweitzer denies the allegations that it did not comply with RESPA or the regulations; and

WHEREAS, the Parties agree that this Settlement Agreement constitutes the settlement of disputed claims between the Parties, including claims under the Act and the regulations; and

WHEREAS, the Settlement Agreement shall not constitute an admission of wrongdoing, liability, or legal fault on the part of Coldwell Banker Schweitzer for any conduct underlying this Settlement Agreement, nor shall it be construed as an admission that any person or entity acted wrongfully; 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 Coldwell Banker Schweitzer, the Parties, intending to be legally bound, agree as follows:

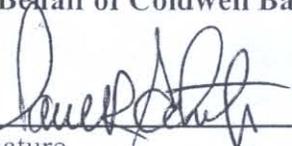
AGREEMENTS

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 Coldwell Banker Schweitzer's compliance with this Settlement Agreement, HUD will consider its investigation of Coldwell Banker Schweitzer closed, and HUD agrees to take no further enforcement action under RESPA against Coldwell Banker Schweitzer with respect to the practices described herein, or for which HUD received information during this investigation, unless such practices recur after the Effective Date.

3. Coldwell Banker Schweitzer agrees to comply with all the provisions of RESPA and the regulations, and to conduct its business in a manner consistent with HUD's policy statements.
4. Coldwell Banker Schweitzer will not suggest or require the rental of its office space by title companies or other settlement service providers in return for the referral of settlement service business.
5. In those circumstances where Coldwell Banker Schweitzer rents its conference room space to entities or persons in a position to receive settlement service business referrals, such as a title company, Coldwell Banker Schweitzer will rent its space in a one-hour block of time. In the event a closing takes more than one hour, rentals shall include a 15-minute grace period without additional charge. After the expiration of the 15-minute grace period, Coldwell Banker Schweitzer may charge for a second hour of time.
6. Within twenty (20) business days of the effective date of this Settlement Agreement, Coldwell Banker Schweitzer will remit forty-five thousand dollars (\$45,000.00) 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. It is understood and agreed that, except as otherwise stated herein, this Settlement Agreement expresses the complete settlement of Coldwell Banker Schweitzer's liabilities in connection with Coldwell Banker Schweitzer's rental of conference room space to settlement service providers as of the Effective Date of this Settlement Agreement.
8. 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.
9. Each of the Parties shall bear its own costs and attorney's fees.
10. 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, directors, officers, employees, agents, representatives and assigns.

11. 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 Coldwell Banker Schweitzer:



Signature

PAUL R. SCHWEITZER

Print Name

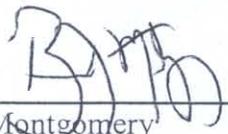
PRESIDENT

Title

AUGUST 8, 2005

Date

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



Brian D. Montgomery

Assistant Secretary for Housing-Federal
Housing Commissioner

SEP 12 2005

Date