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MAY 17 2009
U.S. DEPARTMENT OF JUSTICE
S.E.C. OFFICE

SETTLEMENT AGREEMENT

This Settlement Agreement ("Agreement") is entered into between the United States of America; acting through the United States Department of Justice and on behalf of the United States Department of Housing and Urban Development ("HUD") (collectively the "United States"); and U.S. Bank, National Association ("U.S. Bank") (hereafter collectively referred to as "the Parties"), through their authorized representatives.

RECITALS

A. U.S. Bank is a federal chartered bank approved by HUD to underwrite loans for insurance by the Federal Housing Administration through its Direct Endorsement Program, described at 24 C.F.R. § 203.5 (the "Program").

B. On March 31, 2006, HUD's regional Office of Audit in Chicago, Illinois issued an audit report concluding that U.S. Bank failed to comply with various Program obligations in connection with certain mortgage loans it underwrote during 2003 and 2004. Based in part on the information and findings contained in the 2006 audit report, on March 26, 2009, HUD filed an action in the Office of Administrative Law Judges captioned *U.S. Department of Housing and Urban Development v. U.S. Bank, National Association* (HUDALJ 09-F-051-PF-12/OGC Case No. 09-3574-PF) (the "Administrative Action"), which alleged that a number of specified loans submitted to HUD by U.S. Bank under the Program violated required underwriting standards and/or were submitted to HUD for insurance endorsement at a time when the loans were already in default.

C. The United States contends that it has certain civil claims – particularly,

claims for breach of contract, payment by mistake, and unjust enrichment – against U.S. Bank arising from conduct described in the Complaint in the Administrative Action during the period from January 1, 2003 through December 31, 2004. That conduct relates specifically to the loan file numbers identified in the document attached hereto as Exhibit A, and is referred to below as the Covered Conduct.

D. This Settlement Agreement is neither an admission of liability by U.S. Bank nor a concession by the United States that its claims are not well-founded.

To avoid the delay, uncertainty, inconvenience, and expense of protracted litigation of the above claims, and in consideration of the mutual promises and obligations of this Settlement Agreement, the Parties agree and covenant as follows:

TERMS AND CONDITIONS

1. U.S. Bank shall pay to the United States one million, two hundred thousand dollars (\$1,200,000.00) (the "Settlement Amount") by electronic funds transfer pursuant to written instructions to be provided by the United States Attorney's Office for the District of Minnesota simultaneous with the execution of this Agreement.

2. Subject to the exceptions in Paragraph 3 (concerning excluded claims) below, and conditioned upon U.S. Bank's full payment of the Settlement Amount, the United States releases U.S. Bank, together with its current and former parent corporations; direct and indirect subsidiaries; brother and sister corporations; divisions; current or former owners; and officers, directors and affiliates; and the successors and assigns of any of them, from any civil or administrative monetary claim the United States has or may have for the Covered Conduct under the common law theories of breach of contract, payment by mistake, and unjust enrichment.

Additionally, in consideration of the obligations of U.S. Bank in this Agreement, conditioned upon U.S. Bank's full payment of the Settlement Amount, HUD releases U.S. Bank, together with its current and former parent corporations; direct and indirect subsidiaries; brother and sister corporations; divisions; current or former owners; and officer, directors and affiliates; and the successors and assigns of any of them, from any and all claims pursuant to 24 C.F.R. Part 28 for allegations concerning any of the loans identified in the Administrative Action.

3. Notwithstanding the release given in paragraph 2 of this Agreement, or any other term of this Agreement, the following claims of the United States are specifically reserved and are not released:

- a. Any liability arising under Title 26, U.S. Code (Internal Revenue Code);
- b. Any criminal liability;
- c. Except as explicitly stated in this Agreement, any administrative liability, including the suspension and debarment rights of any federal agency;
- d. Any liability to the United States (or its agencies) for any conduct other than the Covered Conduct;
- e. Any liability based upon obligations created by this Agreement;

4. U.S. Bank waives and shall not assert any defenses U.S. Bank may have to any criminal prosecution or administrative action relating to the Covered Conduct that may be based in whole or in part on a contention that, under the Double Jeopardy Clause in the Fifth Amendment of the Constitution, or under the Excessive Fines Clause

in the Eighth Amendment of the Constitution, this Agreement bars a remedy sought in such criminal prosecution or administrative action. Other than as specifically set forth in this paragraph, U.S. Bank maintains and may assert any other applicable defense should the United States bring any claim set forth in paragraph 3 of this Agreement. Nothing in this paragraph or any other provision of this Agreement constitutes an agreement by the United States concerning the characterization of the Settlement Amount for purposes of the Internal Revenue laws, Title 26 of the United States Code.

5. U.S. Bank fully and finally releases the United States, and its agencies, employees, servants, and agents from any claims (including attorney's fees, costs, and expenses of every kind and however denominated) that U.S. Bank has asserted, could have asserted, or may assert in the future against the United States, and its agencies, employees, servants, and agents, related to the Covered Conduct and the United States's investigation and prosecution thereof.

6. a. Unallowable Costs Defined: All costs (as defined in the Federal Acquisition Regulation, 48 C.F.R. § 31.205-47) incurred by or on behalf of U.S. Bank, and its present or former officers, directors, employees, shareholders, and agents in connection with:

- (1) the matters covered by this Agreement;
- (2) the United States's audit(s) and civil investigation(s) of the matters covered by this Agreement;
- (3) U.S. Bank's investigation, defense, and corrective actions undertaken in response to the United States's audit(s) and civil investigation(s) in connection with the matters covered

by this Agreement (including attorney's fees);

- (4) the negotiation and performance of this Agreement;
- (5) the payment U.S. Bank makes to the United States pursuant to this Agreement,

are unallowable costs for government contracting purposes (hereinafter referred to as Unallowable Costs).

b. Future Treatment of Unallowable Costs: Unallowable Costs will be separately determined and accounted for by U.S. Bank, and U.S. Bank shall not charge such Unallowable Costs directly or indirectly to any contract with the United States.

c. Treatment of Unallowable Costs Previously Submitted for Payment: Within 90 days of the Effective Date of this Agreement, U.S. Bank shall identify and repay by adjustment to future claims for payment or otherwise any Unallowable Costs included in payments previously sought by U.S. Bank or any of its subsidiaries or affiliates from the United States. U.S. Bank agrees that the United States, at a minimum, shall be entitled to recoup from U.S. Bank any overpayment plus applicable interest and penalties as a result of the inclusion of such Unallowable Costs on previously-submitted requests for payment. The United States, including the Department of Justice and/or the affected agencies, reserves its rights to audit, examine, or re-examine U.S. Bank's books and records and to disagree with any calculations submitted by U.S. Bank or any of its subsidiaries or affiliates regarding any Unallowable Costs included in payments previously sought by U.S. Bank, or the effect of any such Unallowable Costs on the amount of such payments.

7. This Agreement is intended to be for the benefit of the Parties and their

successors, transferees, heirs, and assigns only.

8. Each Party shall bear its own legal and other costs incurred in connection with this matter, including the preparation and performance of this Agreement.

9. Each party and signatory to this Agreement represents that it freely and voluntarily enters in to this Agreement without any degree of duress or compulsion.

10. This Agreement is governed by the laws of the United States. The exclusive jurisdiction and venue for any dispute relating to this Agreement is the United States District Court for the District of Minnesota. For purposes of construing this Agreement, this Agreement shall be deemed to have been drafted by all Parties to this Agreement and shall not, therefore, be construed against any Party for that reason in any subsequent dispute.

11. This Agreement constitutes the complete agreement between the Parties. This Agreement may not be amended except by written consent of the Parties.

12. The undersigned counsel represent and warrant that they are fully authorized to execute this Agreement on behalf of the persons and entities indicated below.

13. This Agreement may be executed in counterparts, each of which constitutes an original and all of which constitute one and the same Agreement.

14. This Agreement is binding on U.S. Bank's successors, transferees, heirs, and assigns.

15. All parties consent to the United States's disclosure of this Agreement, and information about this Agreement, to the public.

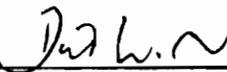
16. This Agreement is effective on the date of signature of the last signatory to

the Agreement (Effective Date of this Agreement). Facsimiles of signatures shall constitute acceptable, binding signatures for purposes of this Agreement.

THE UNITED STATES OF AMERICA

DATED: 5/17/11

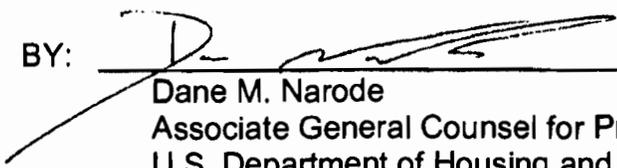
B. TODD JONES
United States Attorney
District of Minnesota

BY: 

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600 U.S. Courthouse
300 S. Fourth Street
Minneapolis, MN 55415
(612) 664-5627

UNITED STATES DEPARTMENT OF HOUSING
AND URBAN DEVELOPMENT

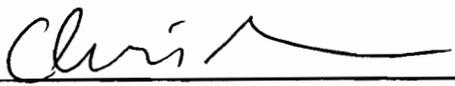
DATED: 5/13/11

BY: 

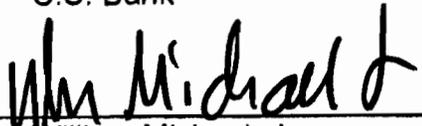
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Associate General Counsel for Program Enforcement
U.S. Department of Housing and Urban Development
1250 Maryland Avenue, SW, Suite 200
Washington, D.C. 20024
(202) 708-2350

U.S. BANK, NATIONAL ASSOCIATION

DATED: 5/17/11

BY: 

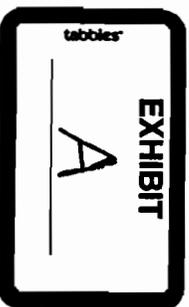
Christopher T. Shaheen
Vice President & Chief Litigation Counsel
U.S. Bank

DATED: 5/17/11 BY: 

William Michael, Jr.
Counsel for U.S. Bank

HUD, Office of Inspector General
 Audit # 2006-CH-1008

HUD File No.	Borrower	Property Address	US Bank Loan File No.
105-1094457	Gichura, Stephen W.	4988 Stone Hollow NW Acworth, GA 30101	7810297262
105-1149958	Mullis, Joshua	167 Park Lane Dallas, GA 30157	7810308407
105-1171434	Adinnu, Assumpta	3540 Imperial Hill Snellville, GA 30039	7810313586
105-1326233	Perez, Maria	3317 Pennington Point Dr. Gainesville, GA 30507	7810358721
105-1531547	Milton, Dorothy J.	1805 Sharon Drive Albany, GA 31763	7810362872
105-1569440	Garcia, Jose Cruz	3349 Pennington Point Dr. Gainsville, GA 30507	7810365466
105-1963963	Ortega, Guillermo	2075 Ravinia Court Lawrenceville, GA 30044	7810404756
105-1980706	Hoffard, Jennifer	926 Hobson Road Jasper, GA 30143	7810409732
121-2119152	Sato, Jennifer	2306 N Linder Rd Meridian, ID 83642	7884121779



HUD File No.	Borrower	Property Address	US Bank Loan File No.
137-1631874	Friske, Peter R.	822 Alexander Boulevard Crystal Lake, IL 60014	7810291481
137-2415145	Jenkins, Chad M.	102 E Locust Polo, IL 61064	9500068729
137-2500362	Johnson, Reginald	1739 N. Menard Street Chicago, IL 60639	7810340908
161-2019530	Gilmore, Crystal K.	2203 S 7th Council Bluffs, IA 51501	7891350626
201-3157213	Fellows, Lloyd	152 Walnut Street Stugis, KY 42437	7892280050
201-3197655	Haack, Dwayne	1132 Bob Road Mayfield, KY 42066	9500036122
201-3328730	Over, William A.	3835 Fowler Road Gracey, KY 42232	7891200578
292-4413031	McGuire, Michelle D.	6 Anna Drive Saint Charles, MO 63304	7810358219
413-4139834	Worthy, Megan M.	5638 Andrea Lane Hilliard, OH 43026	7810322329
482-3598939	Capps, Jeffrey W.	8157 Cairn Drive Cordova, TN 38018	7810321901

HUD File No.	Borrower	Property Address	US Bank Loan File No.
483-3412941	Buckalew, James L.	7023 Legacy Drive Antioch, TN 37013	7891215518
491-7920423	Lambert, Dennis	502 Hunters Ridge Dr. Melissa, TX 75454	7810299061
521-5537765	Jeremy Larsen	3728 W. Christy Ann Drive Taylorsville, UT 84118	unknown
521-5562435	Mylar, Jared L.	7116 South Sextant Lane, #B West Jordan, UT 84084	7810317963
521-5930290	Gabaldon, Jesse S.	2245 South 400 East Clearfield, UT 84015	7810392923
581-2457784	Noe, David A.	1124 Poppy Lane Winneconne, WI 54986	7810286437
061-2590508	Castella, C.	14 Grassy Plain Terrace Bethel, CT 06801	7810290839
061-2639092	Hamlin, ML	36 Arnold Street Middletown, CT 06457	7810343292