

STIPULATION AND AGREEMENT OF SETTLEMENT

This Stipulation and Agreement of Settlement is entered into by and between plaintiffs SUYAPA ALLEN, GLENDA MEDINA, FREDDIE RAMON CHAVEZ TORUNO, DEMETRIE DOIRON and ROSALIND CAVERO, individually and as putative representatives of the Settlement Class (defined in Section 3.2 below), on the one hand, and HSBC Defendants, on the other hand, subject to preliminary and final approval by the District Court.¹

I. RECITALS

This Agreement is made with reference to and in contemplation of the following facts and circumstances.

A. The Pending Actions

In the Allen, Toruno and Doiron Actions, Plaintiffs allege that, in making mortgage loans, HSBC Defendants discriminated against minority borrowers through a pricing system in which loan officers and/or mortgage brokers had discretion to increase interest rates and/or charge additional fees to particular borrowers. Plaintiffs allege that these policies led minority borrowers to obtain higher-cost loans than similarly situated non-minority borrowers. Based on these allegations, Plaintiffs allege causes of action for violations of: (1) the Civil Rights Act; (2) the Fair Housing Act; and (3) the Equal Credit Opportunity Act. Plaintiffs seek, among other things, compensatory and punitive damages, declaratory and injunctive relief, disgorgement and reasonable attorneys' fees and costs on behalf of themselves and on behalf of a putative nationwide class of African-American and Hispanic persons who obtained residential closed-end real estate secured loans from HSBC Defendants.

¹ Section II below contains the definitions of capitalized terms utilized herein unless otherwise noted.

B. Settlement Through Mediation

On or about May 2008, following substantial exchange of discovery by agreement between the parties, Plaintiffs' Counsel and counsel for HSBC Defendants began an extensive, good faith arm's-length negotiation concerning the possible settlement of the Allen, Toruno and Doiron Actions, including without limitation by participating in mediation sessions with the Honorable Edward A. Infante (Ret.) of JAMS. The Parties' negotiations and the mediation sessions resulted in an MOU executed on or about August 19, 2009, which MOU is superseded and replaced by this Agreement. It is the Parties' desire and intention to effect a full, complete and final settlement and resolution of all existing disputes and claims that relate to or arise out of the Allen, Toruno and Doiron Actions.

C. Plaintiffs' Counsel's Investigation

Plaintiffs' Counsel have concluded that a settlement with HSBC on the terms set forth herein is fair, reasonable, adequate and in the best interests of the Settlement Class based upon their investigation and continuing discovery, and taking into account the sharply contested issues involved, HSBC Defendants' arguments that problems of proof and legal defenses may be an impediment to the claims asserted by Plaintiffs, the risks, uncertainty and cost of further prosecution of the Allen, Toruno and Doiron Actions, and the substantial benefits to be received pursuant to this Agreement.

D. HSBC Defendants' Denial Of Liability

HSBC Defendants vigorously deny all claims asserted in the Allen, Toruno and Doiron Actions, deny all allegations of wrongdoing and liability, and have denied the material allegations and asserted numerous defenses. HSBC Defendants nevertheless desire to settle all claims that are asserted, or which could have been asserted, in the Allen, Toruno and Doiron Actions, on the terms and conditions set forth herein, solely for the purpose of avoiding the burden, expense and uncertainty of continuing litigation and for the purpose of putting to rest the controversies

engendered by these actions. Nothing in this Agreement or any document shall be construed as an admission or concession by HSBC Defendants of the allegations raised in the Allen, Toruno and Doiron Actions, or any other action, of any fault, wrongdoing or liability of any kind, nor are HSBC Defendants estopped from challenging those allegations in further proceedings in these or in any other action, if the settlement is not finally approved. Moreover, nothing in this Agreement shall be construed as an admission that the District Court has personal jurisdiction over Finance or HNAH, nor are Finance and HNAH estopped from challenging personal jurisdiction in further proceedings in the Allen, Toruno and Doiron Actions, or in any other action, if the settlement is not finally approved.

NOW, THEREFORE, in consideration of the promises and agreements set forth herein, it is hereby STIPULATED AND AGREED, subject to the District Court's approval, that each and every claim that has been alleged, or could have been alleged, in the Allen, Toruno and Doiron Actions, including any other currently pending or later filed actions making these same claims, shall be fully and finally settled and compromised and dismissed with prejudice, and shall be fully discharged and released, upon and subject to the following terms and conditions:

II. DEFINITIONS

- 2.1 "Agreement" means this Stipulation and Agreement of Settlement.
- 2.2 "Allen Action" means the putative class action entitled Allen, et al. v. Decision One Mortgage, LLC, et al., United States District Court, District of Massachusetts, Case No. 07-11669-GAO.
- 2.3 "Civil Rights Act" means 42 U.S.C. §§ 1981, 1982.
- 2.4 "Confidential Letter Agreement" means the document described in Section 7.5(d) below related to the Opt-Out Limit.
- 2.5 "Consolidated Amended Complaint" means the complaint to be filed in the District Court as set forth in Section 7.1 below.

2.6 “Decision One” means Decision One Mortgage Company, LLC.

2.7 “Decision One Borrower” means a Settlement Class Member who qualifies for membership in the Settlement Class by reason of obtaining a loan from Decision One.

2.8 “Direct Mail Notice” means the method of notice set forth in Section 6.2 below.

2.9 “District Court” means the United States District Court for the District of Massachusetts, Boston Division.

2.10 “Doiron Action” means the putative class action entitled Doiron, et al. v. HSBC North America Holdings, et al., United States District Court, Eastern District of California, Case No. 08-00605-FCD.

2.11 “Equal Credit Opportunity Act” means 15 U.S.C. §§ 1691 et seq.

2.12 “Effective Date” means ten (10) business days after the Judgment has become Final.

2.13 “FAP” means a foreclosure avoidance/foreclosure mitigation program or programs.

2.14 “Fair Housing Act” means 42 U.S.C. §§ 3601 et seq.

2.15 “Final” means the date the Judgment becomes final for all purposes because either (i) no appeal has been filed and the time within which an appeal may be filed has lapsed, or (ii) if a timely appeal has been filed, the appeal is finally resolved, with no possibility of further appellate or other review, resulting in final judicial approval of the settlement.

2.16 “Final Approval Order” means the order to be entered by the District Court in the Allen Action finally approving this settlement and resolving all issues between the Parties, as provided for in Section 8.1 below, substantially in the form attached hereto as Exhibit C.

2.17 “Final Fairness Hearing” means the hearing at which the District Court will consider and finally decide whether to approve the settlement provided for in this Agreement, enter Judgment and make such rulings as are contemplated by this Agreement.

2.18 “Finance” means HSBC Finance Corporation.

2.19 “HFC/Beneficial” means Household Finance Company LLC and Beneficial Company LLC, and any and all current or former licensed affiliates or subsidiaries (direct or indirect) thereof engaged in retail branch-based residential lending operations.

2.20 “HMDA” means the Home Mortgage Disclosure Act, 12 U.S.C. §§ 2801 et seq.

2.21 “HNAH” means HSBC North America Holdings Inc.

2.22 “HSBC” means the entities identified in the attached Exhibit A.

2.23 “HSBC Defendants” means Decision One, Finance, Mortgage Corp., Mortgage Services and HNAH.

2.24 “Judgment” means a final judgment and order of dismissal with prejudice to be entered by the District Court concurrently with the Final Approval Order.

2.25 “LRP” means an adjustable rate mortgage loan reset program or programs.

2.26 “Mediator” means the Honorable Edward A. Infante (Ret.), or if he becomes unable or unwilling to serve, such other person as may be mutually acceptable to Plaintiffs’ Counsel and counsel for HSBC Defendants, but in the absence of mutual agreement as to a substitute mediator, such United States Magistrate Judge as may be appointed by the District Court shall serve as “Mediator” for purposes of this Agreement.

2.27 “MOU” means the Memorandum of Understanding executed by Plaintiffs’ Counsel and counsel for HSBC Defendants on or about August 19, 2009.

2.28 “Mortgage Corp.” means HSBC Mortgage Corporation (USA).

2.29 “Mortgage Services” means HSBC Mortgage Services Inc.

2.30 “NCOA” means the National Change of Address system to provide updated address information that works directly with the United States Postal Service.

2.31 “Opt-Out Limit” means the maximum number of opt-outs agreed to by counsel for the Parties in a concurrently executed Confidential Letter Agreement as set forth in Section 7.5(d) below.

2.32 “Parties” means HSBC Defendants, Plaintiffs and, upon class certification for settlement purposes only as set forth herein, the Settlement Class.

2.33 “Plaintiffs” means named plaintiffs Suyapa Allen, Glenda Medina, Freddy Ramon Chavez Toruno, Demetrie Doiron and Rosalind Cavero, individually and as putative representatives of the Settlement Class.

2.34 “Plaintiffs’ Counsel” and “Class Counsel” mean Chavez & Gertler LLP, Roddy Klein & Ryan, Bonnett, Fairbourn, Friedman & Balint, P.C., Coughlin Stoia Geller Rudman & Robbins LLP and Barroway Topaz Kessler Meltzer & Check, LLP.

2.35 “Preliminary Approval Order” means an order to be entered by the District Court in the Allen Action, as provided for in Section 7.2 below, substantially in the form attached hereto as Exhibit B.

2.36 “Released Claims” means the claims released by this Agreement as set forth in Section 5.1 below.

2.37 “Released Parties” means HSBC and the HSBC Defendants, as well as their current, former and future direct and indirect parent companies, affiliates, subsidiaries, agents, representatives, successors, predecessors-in-interest, related entities and each of their respective officers, directors, employees, attorneys, insurers, vendors (including processing facilities) and assigns.

2.38 “Residential Loan” means any residential closed-end real estate secured loan to any Settlement Class Member originated by any of the Released Parties.

2.39 “Settlement Administrator” means such administrator as may be agreed to by the Parties and approved by the District Court. HSBC Defendants may, at their discretion, elect to self-administer the settlement as set forth in this Agreement and designate one or more of their employees or agents to fulfill the duties of Settlement Administrator.

2.40 “Settlement Class” and “Settlement Class Member” mean, include and refer to Plaintiffs and any other person and/or entity that falls within the definition of the Settlement Class, certified solely for purposes of this settlement, as provided for in Section 3.2 below.

2.41 “Settlement Fund” means the amounts paid as described in Section 3.4 below.

2.42 “Telesales” means the Telesales unit of Mortgage Services.

2.43 “Toruno Action” means the putative class action entitled Toruno v. HSBC Finance Corporation, et al., United States District Court, Central District of California, Case No. 07-05998-AG.

III. TERMS OF THE SETTLEMENT

3.1 Certification Of Settlement Class For Settlement Purposes Only. HSBC Defendants dispute that a class would be manageable and further deny that a class properly may be certified in the Allen Action or any other action. However, solely for purposes of avoiding the expense and inconvenience of further litigation, HSBC Defendants do not oppose the certification for settlement purposes only of the Settlement Class. No agreements made by HSBC Defendants in connection with the settlement may be used by Plaintiffs, any Settlement Class Member, or any other person, to establish any of the elements of class certification, other than for settlement purposes. Preliminary certification of a Settlement Class shall not be deemed a concession that certification of a litigation class is appropriate, nor are HSBC Defendants estopped from challenging class certification in further proceedings in the Allen Action or in any other action, if the settlement is not finally approved. Nor shall this agreement be deemed to limit the Plaintiffs, in the event that the Settlement Class is not certified, from later seeking certification of a different class in any litigation pursuant to Federal Rule of Civil Procedure 23.

3.2 Definition Of The Settlement Class. Solely for purposes of this Settlement, the Parties agree to preliminary certification of the following Settlement Class:

All African-American or Hispanic persons throughout the United States who, between January 1, 2004 and the date of entry of the

Preliminary Approval Order, obtained residential closed-end real estate secured loans from any of the following businesses: Decision One, HFC/Beneficial, HSBC Mortgage Corp. (USA) or HSBC Mortgage Services Telesales.

As to damages claims set forth in Section 3.4 below, the Settlement Class will be certified pursuant to Federal Rule of Civil Procedure 23(b)(3), and all Settlement Class Members shall have the right to exclude themselves by way of the opt-out procedure set forth in the Preliminary Approval Order.

As to the Additional Consideration provided to all Settlement Class Members, as set forth in Section 3.5 below, the Settlement Class will be certified as a mandatory, non-opt-out settlement class pursuant to Federal Rule of Civil Procedure 23(b)(2). Settlement Class Members will be deemed to have released all claims for injunctive and non-monetary equitable relief and may not exclude themselves from this portion of the settlement.

3.3 Identification Of The Settlement Class. Settlement Class Members will be identified by HSBC Defendants based on their HDMA reporting data. If HSBC Defendants choose to use a third-party Settlement Administrator, HSBC Defendants will make a list of Settlement Class Members available to the Settlement Administrator, solely for purposes of this settlement, with sufficient time for the Settlement Administrator to prepare and mail the Direct Mail Notice described in Section 6.2 below. HSBC Defendants also will make a list of Settlement Class Members available to Class Counsel, solely for purposes of this settlement, concurrently with the mailing of the Direct Mail Notice. The list of Settlement Class Members made available to Class Counsel will contain the name, city and state of each member of the Settlement Class, together with an indication of whether that Settlement Class Member is a Decision One Borrower and, if so, whether such Decision One Borrower's loan(s) is owned and actively serviced by Mortgage Services.

3.4 Settlement Fund.

- a. Distribution Of The Settlement Fund. HSBC Defendants will pay six million, fifty thousand dollars (\$6,050,000) for the benefit of the Settlement Class, which amount will be deposited with the Settlement Administrator within ten (10) business days following the Effective Date. The Settlement Administrator will establish the Settlement Fund with a jointly approved escrow holder as a Qualified Settlement Fund consistent with Treasury Regulation §1.468B-1. The Settlement Fund, together with any interest accrued thereon subsequent to deposit (less any fees charged by the escrow holder for maintenance of the Settlement Fund), is to be distributed as follows:
- i. First, to pay the costs of class notice and, if a Settlement Administrator is used, the costs of settlement administration;
 - ii. Second, pursuant to Section 4.1 below, to pay Class Counsel's attorneys' fees and costs and service awards to Plaintiffs in the amounts approved by the Court;
 - iii. Third, to pay \$125,000 to the National Council of La Raza and \$125,000 to the National Urban League for the purposes described in Section 3.4(c) below;
 - iv. Fourth, to pay claims as set forth in Section 3.4(b) below;
 - v. Fifth, if any residual remains after payment of Sections 3.4(a)(i)-(iv) above, to pay additional amounts to the National Council of La Raza and the National Urban League for the purposes described in Section 3.4(c) below, but in no event shall an aggregate total of more than \$750,000 (including amounts set forth in Section 3.4(a)(iii) above) be

paid to the National Council of La Raza and the National Urban League;

- vi. Sixth, if any residual remains after payment of Sections 3.4(a)(i)-(v) above, to contribute to a charitable organization or organizations engaged in providing housing assistance or consumer credit education. In the event such amounts remain, the Parties agree to meet and confer in good faith to jointly propose a charity or charities to the District Court for approval, and if no agreement can be reached as to a joint proposal, then the Parties agree to submit their choices to the Mediator for a recommendation, and thereafter to jointly submit the Mediator's recommendation to the District Court for approval.
- b. Payment To Settlement Class Members. Decision One Borrowers will be entitled to claim \$200 per loan against the Settlement Fund as set forth in Section 3.4(a)(iv) above. In the event that the amounts contained in the Settlement Fund are insufficient to pay \$200 per loan per each valid claim, the Decision One Borrower's claims are subject to proration as set forth in Section 3.4(d) below. If Mortgage Services owns and is actively servicing a Decision One Borrower's loan(s) at the time claims are to be paid pursuant to the settlement, the Decision One Borrower shall be deemed to have presented a valid claim, and the Decision One Borrower's share of the Settlement Fund shall be credited against the outstanding principal balance on his loan(s) within sixty (60) days after the Effective Date. Such Decision One Borrower credits will be applied whether or not the Decision One Borrower has submitted a claim form. If Mortgage Services does not own and actively service the loan(s) at the time claims are to be paid pursuant to the settlement,

the Decision One Borrower will not be paid unless he or she has timely submitted a valid claim form. Such Decision One Borrower shall be paid within sixty (60) days after the Effective Date by check mailed to the address provided by the Decision One Borrower on the returned claim form (or to any later forwarding address provided by the Decision One Borrower to the Settlement Administrator). If checks distributed to Decision One Borrowers are not cashed within six months of the check issue date, such checks will not be re-issued and the money in question will be distributed instead pursuant to Sections 3.4(a)(v) and (vi) above.

- c. Organization Funding. All payments made to the National Council of La Raza or the National Urban League under the Agreement will be used to support financial education, homeownership education and/or foreclosure counseling activities. The first payment to each organization pursuant to Section 3.4(a)(iii) above shall be \$125,000, and thereafter, payments shall be made during succeeding years to each organization pursuant to Section 3.4(a)(v) above and shall not exceed \$83,000 annually. Prior to receiving money pursuant to Sections 3.4(a)(iii) or (v) above, the National Council of La Raza and the National Urban League must provide HSBC Defendants with a business plan describing proposed uses of the funding, and must agree that no funds so provided will be used for any advocacy, litigation, lobbying or legislative efforts. Additionally, each organization must provide quarterly reports to HSBC Defendants and Class Counsel regarding the actual use of money received. The names of the Released Parties, as well as logos, trademarks or service marks, may not be used in connection with or in association with any of the funded programs in the absence of the Released

Parties' advance express written consent. The National Council of La Raza and the National Urban League may not issue a press release or otherwise disclose the source of this funding.

- d. Proration Of Claims. If amounts remaining in the Settlement Fund after payments made pursuant to Sections 3.4(a)(i) through (iii) above are insufficient to pay all valid claims pursuant to Section 3.4(a)(iv) above, the \$200 claim amount shall be reduced pro rata based on the number of loans for which valid claims are submitted (or deemed submitted) so that the Settlement Fund will be depleted but that no payments from the Settlement Fund will be made pursuant to Sections 3.4(a)(v) or (vi) above.
- e. Quarterly Reports Regarding Distribution Of Settlement Fund. The Settlement Administrator will provide quarterly reports to Class Counsel, counsel for HSBC Defendants and the District Court on the distribution of the Settlement Fund until such time as the Settlement Fund is fully paid to eligible recipients and depleted.
- f. Credit For Advances On Behalf Of The Settlement Fund. The HSBC Defendants shall be responsible for advancing any notice and administration costs that become due and payable prior to creation of the Settlement Fund. Advances by HSBC Defendants of any notice and administration costs or expenses directly to the Settlement Administrator are to be treated as contributions to the Settlement Fund as set forth above in Section 3.4(a) and shall be credited in their entirety (100%) towards HSBC Defendants' obligation thereunder. In lieu of depositing money into the Settlement Fund as set forth in Section 3.4(a) above, HSBC Defendants may at their sole discretion apply the principal balance credits described in Section 3.4(b)

above on or before the Effective Date. HSBC Defendants shall advise the Settlement Administrator and Plaintiffs' Counsel by letter about any such principal balance credits, and one hundred percent (100%) of the principal balance credits applied shall be credited towards HSBC Defendants' obligation to the Settlement Fund. HSBC Defendants shall be entitled to prompt reimbursement from the Settlement Fund for all principal balance credits applied after deposit of the Settlement Fund.

- g. No Reversion. No portion of the Settlement Fund will revert to HSBC Defendants.

3.5 Additional Consideration To The Settlement Class. The following Additional Consideration will be provided to the Settlement Class:

- a. On behalf of HSBC, HSBC Defendants agree, as a matter of contract, to the terms described in this Section 3.5 but will not be subject to an injunction.
- b. HSBC will have an LRP until June 30, 2010, to the extent that HSBC continues to own a sufficient number of adjustable rate loans with borrowers that are current and anticipate difficulty making their new monthly mortgage payment after the first interest rate adjustment date. The purpose of the LRP is to assist these borrowers in avoiding default if HSBC determines that avoidance of default is reasonably possible. HSBC will provide notice of the LRP to eligible borrowers a reasonable time prior to the first interest rate adjustment date. HSBC will not assess a fee for discussing the LRP with borrowers unless permitted or required under a government-sponsored or government-recommended program, or by a government sponsored enterprise such as Fannie Mae or Freddie Mac. Nothing contained herein shall preclude HSBC from charging borrowers for actual costs incurred in

connection with the LRP. Borrowers eligible for the LRP will be advised of the opportunity to speak with a Spanish-speaking representative of HSBC.

- c. HSBC will have a FAP until June 30, 2011. The purpose of the FAP is to help borrowers experiencing serious financial hardship avoid foreclosure when HSBC determines that avoidance of foreclosure is reasonably possible. HSBC will provide notice of the FAP to each eligible borrower a reasonable time after the borrower becomes seriously delinquent. HSBC will not assess a fee for discussing the program with its borrowers unless permitted or required under a government-sponsored or government-recommended program, or by a government sponsored enterprise such as Fannie Mae or Freddie Mac. Nothing contained herein shall preclude HSBC from charging borrowers for actual costs incurred in connection with the FAP. Borrowers eligible for FAP will be advised of the opportunity to speak with a Spanish-speaking representative of HSBC.

3.6 Representations And Warranties By HSBC.

- a. On behalf of HSBC, HSBC Defendants represent and warrant that, as of January 19, 2009, HSBC has not originated any new wholesale (unaffiliated third-party broker or unaffiliated third-party correspondent) residential real estate secured loans to consumers. If, within one year of entry of the Preliminary Approval Order, HSBC re-enters the business of originating new wholesale (unaffiliated third-party broker or unaffiliated third-party correspondent) residential real estate secured loans to consumers, HSBC Defendants will so notify Class Counsel. Notwithstanding the foregoing, HSBC Defendants have no duty to notify Class Counsel of bulk purchases of seasoned loans on any secondary market.

- b. On behalf of Mortgage Corp., HSBC Defendants represent and warrant that, as to retail residential real estate secured loans to consumers, Mortgage Corp.'s policies and procedures are, and have been at least since January 1, 2004, designed to ensure that loan originators cannot exercise discretion in pricing in a manner unfavorable to the borrower.
- c. On behalf of HFC/Beneficial and Telesales, HSBC Defendants represent and warrant that, as to retail residential real estate secured loans to consumers, HFC/Beneficial and Telesales' policies and procedures are, and have been at least since January 1, 2004, designed to ensure that loan originators cannot exercise discretion in pricing.

IV. ATTORNEYS' FEES AND COSTS AND SERVICE AWARDS TO PLAINTIFFS

4.1 Subject to court approval, Class Counsel intend to seek \$1,800,000 in attorneys' fees and costs, and service awards of \$5,000 for each of Plaintiffs (plus interest actually accrued thereon from the date of the Settlement Fund's creation as described in Section 3.4(a) above, less a proportionate share of any fees charged by the escrow holder for maintenance of the Settlement Fund). Class Counsel will not request attorneys' fees and costs in excess of the foregoing amounts, and HSBC Defendants will not oppose Class Counsel's petition for fees, costs and service awards in the foregoing amounts. The service awards shall be in addition to any claims Plaintiffs may have to share in the Settlement Fund.

V. RELEASE AND DISMISSAL

5.1 Release. As of the Effective Date of the Agreement, Plaintiffs and each Settlement Class Member, their respective heirs, executors, administrators, representatives, agents, attorneys, partners, successors, predecessors-in-interest, assigns and all persons acting for or on their behalf, shall be deemed to have fully, finally and forever released all discrimination-based or

discrimination-related claims, causes of action, or liabilities, whether arising under local, state, or federal law, whether by statute, contract, common law, or equity, whether known or unknown, suspected or unsuspected, asserted or unasserted, foreseen or unforeseen, actual or contingent, liquidated or unliquidated, as alleged or as could have been alleged based upon the facts asserted in the Consolidated Amended Complaint as to the Released Parties, except for claims against non-HSBC servicers based upon their post-origination activity. Without limiting the foregoing, the Released Claims specifically extend to claims that Settlement Class Members do not know or suspect to exist in their favor at the time that the settlement, and the releases contained therein, becomes effective.

This paragraph constitutes a waiver of Section 1542 of the California Civil Code and any similar or comparable provisions, rights and benefits conferred by the law of any state or territory of the United States or any jurisdiction, and any principle of common law, which provide:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

Plaintiffs and each Settlement Class Member understand and acknowledge the significance of these waivers of California Civil Code Section 1542 and/or of any other applicable law relating to limitations on releases. In connection with such waivers and relinquishment, Plaintiffs and each Settlement Class Member acknowledge that they are aware that they may hereafter discover facts in addition to, or different from, those facts which they now know or believe to be true with respect to the subject matter of the settlement, but that they release fully, finally and forever all Released Claims, and in furtherance of such intention, the release will remain in effect notwithstanding the discovery or existence of any such additional or different facts.

5.2 Dismissal. Upon entry of the Final Approval Order, Plaintiffs shall take all actions necessary to dismiss with prejudice all litigation by Plaintiffs against HSBC Defendants in any court, including without limitation, the Allen, Toruno and Doiron Actions.

5.3 Obligations Of Settlement Class Members. All Settlement Class Members will remain fully obligated on any and all debts owed to the Released Parties, and the Released Parties' security interests and lien positions shall remain fully enforceable and unaffected by this Agreement and the settlement.

**VI. NOTICE, SETTLEMENT ADMINISTRATION
AND CONFIRMATORY DISCOVERY**

6.1 Costs Of Notice And Administration. The costs of notice and administration shall be paid from the Settlement Fund as described in Section 3.4(a)(i) above.

6.2 Class Notice. Direct Mail Notice shall be provided as soon as practicable after entry of the Preliminary Approval Order, but in no event later than sixty (60) days following entry of such Order, as follows:

- a. Direct Mail Notice, substantially in the forms attached hereto as Exhibit D1 and D2 that is approved by the District Court, will be mailed, via first class mail, to Settlement Class Members at the most recent address shown in HSBC's electronic records, as maintained in the ordinary course of business, for the loan at issue. The D1 form of Direct Mail Notice will be sent to those Settlement Class Members who, based on the HSBC Defendants' records, appear to be eligible to make claims. The D2 form of Direct Mail Notice will be sent to those Settlement Class Members who, based on the HSBC Defendants' records, appear eligible for other forms of relief under the Settlement. A Spanish translation of the class notice will be printed on the reverse side or at the end of the notice. Addresses will be run once through

the NCOA system and returned notices will be remailed if they are returned with a postmark date within twenty-five (25) days of the postmark date of the Direct Mail Notice and contain a forwarding address. HSBC Defendants shall have no responsibility with respect to Direct Mail Notices that are returned undeliverable.

- b. The D1 form of Direct Mail Notice shall include a claim form substantially in the form attached hereto as Exhibit E that is approved by the District Court. If Mortgage Services does not own and actively service the Decision One Borrower's loan(s) at the time of settlement administration, the Decision One Borrower must fully complete the claim form and return it in order for the claim form to be deemed submitted. The deadline for the submission of the claim form shall be a postmark date that is no later than one hundred and five (105) days after entry of the Preliminary Approval Order, and the Settlement Administrator will have no obligation to honor any claim form returned after that date. Although there is no obligation to accept any late claim forms, late claim forms may be accepted with the consent of HSBC Defendants and Class Counsel, if received before the settlement becomes Final and only if acceptance of the claim form would not trigger proration pursuant to Section 3.4(d) above, taking into consideration anticipated further costs and expenses of settlement administration.
- c. The notice and claims process shall be administered, in whole or in part, either by HSBC Defendants or by a mutually agreed-upon Settlement Administrator, and all valid claims will be paid. Twenty (20) days after the filing the Agreement in the District Court, the Parties will advise the District

Court of the agreed-upon Settlement Administrator or that HSBC Defendants will administer the notice and claims process.

- d. HSBC Defendants will be responsible, at their own expense, for compliance with the notice provisions of the Class Action Fairness Act (“CAFA”) and approval dates will be set in accord with CAFA. Plaintiffs will cooperate reasonably with HSBC Defendants to ensure CAFA compliance so that the releases described in Section 5.1 above are fully enforceable.

6.3 Certification To The District Court. No later than five (5) days before the Final Fairness Hearing, the Settlement Administrator and/or its designees shall file a declaration with the District Court verifying that Direct Mail Notice has been provided to the Settlement Class.

6.4 Confirmatory Discovery. HSBC Defendants agree to permit reasonable confirmatory discovery in regard to the representations and warranties above and in regard to other matters relevant to evaluating the fairness, reasonableness and adequacy of this settlement. HSBC Defendants have provided confirmatory discovery prior to execution of this Agreement. All additional confirmatory discovery must be completed by no later than thirty (30) days before the Final Fairness Hearing. If approval of the settlement is denied, all confirmatory discovery and additional confirmatory discovery previously provided or to be provided, will be subject to Rule 408 of the Federal Rules of Evidence and will not be admissible for any litigation purpose.

6.5 Processing of Claim Forms.

- a. Untimely Claims. To be treated as valid, claim forms must be postmarked within one hundred and five (105) days of the date of entry of Preliminary Approval Order. Because the settlement involves a pro rata distribution of a fixed fund as set forth in Section 3.4(a) above, claims forms that are not timely will not be allowed absent relief from the District Court specifically granting allowance prior to entry of the Final Approval Order.

- b. Claims of Deceased Persons. Claims of deceased persons will not be allowed unless a claim form is submitted by a person authorized to act on behalf of the deceased person's estate together with proof of such authorization.
- c. Claims of Joint Borrowers. For purposes of this settlement, joint borrowers on the same loan from Decision One are deemed to be a single Settlement Class Member and will be treated for the purposes of distribution as if they have a single claim. If only one claim form is timely submitted on a loan with joint borrowers, however, the entire amount of the joint borrowers' claim will be paid to the joint borrower who timely submitted the claim form. If more than one claim form is timely submitted on a loan with joint borrowers, the claim will be paid by check to the joint borrowers.
- d. Incomplete or Improper Claims. The Settlement Administrator will have final authority, in consultation with Class Counsel, to disallow any incomplete or improperly filed claim forms and will send notice of and the reasons for such disallowance, if any, with the reasons therefor, no later than twenty (20) days prior to the hearing set for the Final Fairness Hearing. To the extent that deficiencies in filed claim forms are not resolved prior to entry of the Final Approval Order, and if no relief from the District Court is obtained by the claimant at the claimant's sole cost and expense, said claim will be permanently and finally disallowed.

6.6 Dispute Resolution. The Parties agree to meet and confer in good faith in regard to any dispute relating to the settlement or to administration of the settlement, including, without limitation, the scope of confirmatory discovery and the approval or denial of claims. Any dispute that cannot be resolved by the Parties shall be submitted, not earlier than thirty (30) days after notice of the dispute was first given, to the Mediator for his recommendation as to a resolution.

Each of the Parties may seek de novo review of the Mediator's recommendation by way of a motion filed before the District Court in the Allen Action.

VII. PRELIMINARY APPROVAL ORDER AND FINAL FAIRNESS HEARING

7.1 Filing Of Consolidated Amended Complaint. In connection with this settlement, Plaintiffs shall promptly file the Consolidated Amended Complaint, encompassing all claims in the Allen, Toruno and Doiron Actions, in the District Court to effectuate the objectives of this Agreement and the settlement approval proceedings. All allegations of the Consolidated Amended Complaint shall be deemed denied and disputed by HSBC Defendants without the necessity of filing an answer.

7.2 Preliminary Approval Order. Plaintiffs will seek the District Court's approval of this Agreement by filing an appropriate Motion for Preliminary Approval and seeking entry of a Preliminary Approval Order, substantially in the form attached hereto as Exhibit B. The Parties shall cooperate in presenting such papers to the District Court as may be necessary to effectuate the intent and purposes of this Agreement. Among other things, the Preliminary Approval Order shall specifically include the following:

- a. A determination that, for settlement purposes only, the Allen Action may be maintained as a class action on behalf of the Settlement Class;
- b. A finding that Direct Mail Notice is the only notice required, and that such Direct Mail Notice satisfies the requirements of due process, the Federal Rules of Civil Procedure and any other applicable laws;
- c. A preliminary finding that this Agreement is fair, reasonable, adequate and within the range of possible approval;
- d. A preliminary finding that Plaintiffs fairly and adequately represent the interests of the Settlement Class;

- e. A preliminary appointment of Plaintiffs' Class Counsel finding that Class Counsel are adequate to act as counsel for the Settlement Class;
- f. A scheduled date for the Final Fairness Hearing, which the Parties shall request be approximately one hundred fifty (150) days after entry of the Preliminary Approval Order, to determine whether there exists any reasonable basis why the settlement should not be approved as being fair, reasonable and adequate, and in the best interests of the Settlement Class and why Judgment should not be entered thereon;
- g. Establishment of a procedure for filing claims and setting a deadline to file claims that is no later than one hundred and five (105) days after entry of the Preliminary Approval Order;
- h. Establishment of a procedure for Settlement Class Members to opt-out of the proposed settlement and setting a postmark deadline of one hundred and five (105) days after entry of the Preliminary Approval Order, after which no Settlement Class Member shall be allowed to opt-out of the Settlement Class;
- i. Establishment of a procedure for Settlement Class Members to object to the proposed settlement and setting a postmark deadline of one hundred and five (105) days after entry of the Preliminary Approval Order, after which no Settlement Class Member shall be allowed to object to the proposed settlement;
- j. Entry of a preliminary injunction as to Plaintiffs, all Settlement Class Members and any person or entity allegedly acting on behalf of Settlement Class Members, either directly, representatively or in any other capacity, enjoining them from commencing or prosecuting against the Released

Parties, any action or proceeding in any court or tribunal asserting any of the Released Claims; and

- k. Entry of a stay of all proceedings in the Allen Action except as may be necessary to implement the settlement or comply with the terms of the Agreement.

7.3 Grant Of Preliminary Approval Order. Upon entry of the Preliminary Approval Order, the Parties shall promptly cooperate in filing such papers as may be necessary to obtain a stay of the proceedings in the Toruno and Doiron Actions, except as may be necessary to implement the settlement or comply with the terms of the Agreement.

7.4 Denial Of Preliminary Approval Order. If the District Court fails for any reason to enter the Preliminary Approval Order substantially in the form attached hereto as Exhibit B or to certify the Settlement Class for settlement purposes consistent with the provisions hereof, and if all Parties do not agree jointly to appeal such ruling, this Agreement shall terminate and be of no further force or effect without any further action by the Parties. In such an event, nothing in this Agreement or filed in connection with seeking entry of the Preliminary Approval Order shall be construed as an admission or concession by HSBC Defendants of the allegations raised in the Allen, Toruno and Doiron Actions, or any other action, of any fault, wrongdoing or liability of any kind, nor are HSBC Defendants estopped from challenging those allegations in further proceedings in the Allen Action or in any other action.

7.5 Opt-Out/Requests For Exclusion From Settlement Of Damages Claims.

- a. Requests For Exclusion. Prospective Settlement Class Members shall be given the opportunity to opt-out of the Settlement Class as to the damages claims certified pursuant to Federal Rule of Civil Procedure 23(b)(3). All requests by Settlement Class Members to be excluded must be in writing and mailed to the Settlement Administrator, postmarked no later than one

hundred and five (105) days after entry of the Preliminary Approval Order.

An appropriate written request for exclusion must be personally signed by the Settlement Class Member and must include: (i) the Settlement Class Member's name, address, telephone number; (ii) the account number(s) of the Residential Loan(s); (iii) a sentence confirming, under penalty of perjury, that he or she is a Settlement Class Member; and (iv) the following statement: "I request to be excluded from the class settlement of damages claims in Allen, et al. v. Decision One Mortgage, LLC, et al., United States District Court, District of Massachusetts, Case No. 07-11669-GAO." No Settlement Class Member, or any person acting on behalf of or in concert or participation with that Settlement Class Member, may exclude any other Settlement Class Member from the Settlement Class, except in the case of joint borrowers.

- b. Delivery To Parties/Filing With Court. The Settlement Administrator shall provide copies of the original requests for exclusion to the Parties by no later than fifteen (15) days after the opt-out deadline. Not later than ten (10) days before the Final Fairness Hearing, the Settlement Administrator shall file with the District Court a declaration that lists all of the opt-outs received.
- c. Effect. All prospective Settlement Class Members who timely exclude themselves from the Settlement Class certified pursuant to Federal Rule of Civil Procedure 23(b)(3) as to damages will not be eligible to receive any payment pursuant to settlement of the damages claims or be bound by any further orders or judgments in the Allen Action with respect to damages, and will preserve their ability to independently pursue any individual claims for damages they may have against HSBC Defendants by filing their own lawsuit

or arbitration at their own expense. In the event of ambiguity as to whether a Settlement Class Member has requested to be excluded (such as through a submission of both a request for exclusion and a claim form), the Settlement Class Member shall be deemed not to have requested exclusion. Settlement Class Members may not opt-out of the Additional Consideration provided pursuant to Section 3.5 above, for which the Settlement Class is to be certified pursuant to Federal Rule of Civil Procedure 23(b)(2).

- d. Right To Withdraw For Excessive Opt-Outs. If the number of Settlement Class Members who request exclusion exceeds the Opt-Out Limit contained in the Confidential Letter Agreement, HSBC Defendants may terminate the Agreement in their sole discretion and the Parties shall be returned to the status quo ante as of October 6, 2008, for all litigation purposes, as if no settlement had been negotiated or entered into. If HSBC Defendants exercise this right to declare the Agreement void, they shall provide Plaintiffs' Counsel with written notice of this election no later than twenty (20) days after the opt-out deadline. If HSBC Defendants declare this Agreement void, then the terms of the Agreement and the fact that the Agreement was reached shall not be referred to by the Parties in connection with any further proceedings. The Parties agree to maintain the Opt-Out Limit and the Confidential Letter Agreement concerning it in strict confidence, except as necessary for *in camera* review by the District Court and/or as otherwise agreed by the Parties.

7.6 Objections To Settlement.

- a. Right To Object. Any Settlement Class Member, who has not previously opted-out in accordance with the terms of this Agreement, may appear at the

Final Fairness Hearing to argue that the proposed settlement should not be approved and/or to oppose the application of Class Counsel for an award of attorneys' fees and costs and the service awards to Plaintiffs.

- b. Deadline. Any such objection must be filed with the Clerk of the United States District Court for the District of Massachusetts, 1 Courthouse Way, Suite 2300, Boston, Massachusetts 02210, postmarked no later than one hundred and five (105) days after entry of the Preliminary Approval Order. Copies of all objections also must be mailed to each of the following, postmarked by the last day to file the objection: Class Counsel: Gary Klein, Roddy Klein & Ryan, 727 Atlantic Ave., Boston, MA 02111; and counsel for HSBC Defendants: Julia B. Strickland, Esq., Stroock & Stroock & Lavan LLP, 2029 Century Park East, 16th Floor, Los Angeles, California 90067.
- c. Content Of Objections. All objections must include: (i) the objector's name, address and telephone number; (ii) the account number of the Residential Loan(s); (iii) a sentence confirming, under penalty of perjury, that he or she is a Settlement Class Member; (iv) the factual basis and legal grounds for the objection to the settlement; (v) the identity of witnesses whom they may call to testify at the Final Fairness Hearing; and (vi) copies of exhibits they intend to offer into evidence at the Final Fairness Hearing.

VIII. FINAL APPROVAL OF SETTLEMENT AND OTHER CONDITIONS

8.1 Final Approval Order. On a date to be set by the District Court, Plaintiffs will petition the District Court for an order granting final approval of this settlement and entering Judgment in the Allen Action, substantially in the form attached hereto as Exhibit C. The Final Approval Order will provide:

- a. That the Allen Action, for purposes of this settlement, may be maintained as a class action on behalf of the Settlement Class;
- b. That Plaintiffs fairly and adequately represent the interests of the Settlement Class;
- c. That Class Counsel adequately represent Plaintiffs and the Settlement Class;
- d. That Direct Mail Notice satisfied the requirements of due process, the Federal Rules of Civil Procedure and any other applicable laws;
- e. That the settlement is fair, reasonable and adequate to the Settlement Class and that each Settlement Class Member shall be bound by the settlement, including the releases contained in Section 5.1 above;
- f. That the settlement represents a fair resolution of all claims asserted on behalf of the Settlement Class and should fully and finally resolve all such claims;
- g. Conclude that this Agreement should be, and is, approved;
- h. The amount of attorneys' fees and costs, and service awards that may be paid from the Settlement Fund;
- i. Confirm the opt-outs from the settlement;
- j. Overrule any objections;
- k. Dismiss, on the merits and with prejudice, all claims in the Allen Action, and permanently enjoin each and every Settlement Class Member (except those who have obtained proper and timely exclusion from the Settlement Class of the damages claims pursuant to Federal Rule of Civil Procedure 23(b)(3)) from bringing, joining or continuing to prosecute against the Released Parties any Released Claims and enter Judgment thereon; and

1. Retain jurisdiction of all matters relating to the modification, interpretation, administration, implementation, effectuation and enforcement of this Agreement and the settlement.

8.2 Dismissal of Toruno and Doiron Actions. Once the judgment becomes Final, the Parties shall promptly cooperate in filing such papers as may be necessary to obtain dismissal, on the merits and with prejudice, of the proceedings in the Toruno and Doiron Actions.

IX. TERMINATION OF AGREEMENT

9.1 Non-Approval Of Agreement. This Agreement is conditioned upon final approval without material modification by the District Court in the Allen Action. In the event that the Agreement is not so approved, the Parties shall return to the status quo ante as of October 6, 2008 as if no Agreement had been negotiated or entered into. Moreover, the Parties shall be deemed to have preserved all of their rights or defenses as of October 6, 2008, and shall not be deemed to have waived any substantive or procedural rights of any kind that they may have as to each other or any member of the proposed Settlement Class, including without limitation the right to move to compel arbitration as to any claims that might be asserted by any of the Plaintiffs or by any member of the proposed Settlement Class. Likewise, in the event that the Agreement is approved without material modification by the District Court, but is later reversed or vacated on appeal, each of the Parties shall have the right to withdraw from the Agreement and return to the status quo ante as of October 6, 2008, for all litigation purposes, as if no Agreement had been negotiated or entered into, and shall not be deemed to have waived any substantive or procedural rights of any kind that they may have as to each other or any member of the proposed Settlement Class, including without limitation the right to move to compel arbitration as to any claims that might be asserted by any of the Plaintiffs or by any member of the proposed Settlement Class.

X. MISCELLANEOUS PROVISIONS

10.1 Further Assurance. Each of the Parties shall execute all documents and perform all acts necessary and proper to effectuate the terms of this Agreement.

10.2 Publicity And Non-Disparagement. Plaintiffs and Plaintiffs' Counsel shall refrain from disparaging HSBC, any related entity or the HSBC brand publicly or taking any action designed to harm the public perception of HSBC regarding any issue related to the settlement or the Allen, Toruno and Doiron Actions. None of the Parties or their counsel shall issue press releases or otherwise communicate with the media regarding this Agreement or the settlement except as set forth herein. Prior to submission of the settlement to the District Court for preliminary approval, the Parties shall work in good faith to develop a joint agreed statement regarding the settlement which may be made publicly available (following mailing to the Settlement Class of the Direct Mail Notice) and develop joint agreed responses to likely questions from Settlement Class Members, as well as to provide informational materials to be used by the Settlement Administrator. Class Counsel may respond to direct communications from Settlement Class Members regarding the settlement. Inquiries other than those from Settlement Class Members seeking legal advice may be responded to only by reference to information contained in the public record and/or agreed upon by the Parties.

10.3 Entire Agreement. This Agreement constitutes the entire agreement between and among the Parties with respect to the settlement of the Allen, Toruno and Doiron Actions. This Agreement supersedes all prior negotiations and agreements, including, without limitation, the MOU. The Parties, and each of them, represent and warrant that no other party or any agent or attorney of any of the Parties has made any promise, representation or warranty whatsoever not contained in this Agreement and the other documents referred to in this Agreement to induce them to execute the same. The Parties, and each of them, represent and warrant that they have not executed this Agreement or the other documents referred to in this Agreement in reliance on any

promise, representation or warranty not contained in this Agreement and the other documents referred to in this Agreement.

10.4 Confidentiality. Any and all drafts of this Agreement and other settlement documents relating to the negotiations between the Parties will remain confidential and will not be disclosed or duplicated except as necessary to obtain preliminary and/or final court approval. This provision will not prohibit the Parties from submitting this Agreement to the District Court in order to obtain preliminary and/or final approval of the settlement. It is agreed that, within thirty (30) days after the Effective Date, the originals and all copies of all confidential or highly confidential documents and/or information subject to all confidentiality agreements and any protective order in the Allen, Toruno and Doiron Actions shall be destroyed or returned to the designating Parties.

10.5 Successors And Assigns. The Agreement shall be binding upon, and inure to the benefit of, the heirs, successors and assigns of the Parties.

10.6 Competency Of Parties. The Parties, and each of them, acknowledge, warrant, represent and agree that in executing and delivering this Agreement, they do so freely, knowingly and voluntarily, that they had an opportunity to and did discuss its terms and their implications with legal counsel, that they are fully aware of the contents and effect of the Agreement and that such execution and delivery is not the result of any fraud, duress, mistake or undue influence whatsoever.

10.7 Authority. The person signing this Agreement on behalf of HSBC Defendants warrants and represents that he or she is authorized to sign on HSBC Defendants' behalf. Each of the Plaintiffs has personally signed this Agreement.

10.8 Modification. No modification of or amendment to this Agreement shall be valid unless it is in writing and signed by all Parties hereto or agreed to on the record in the District Court.

10.9 Construction. Each of the Parties has cooperated in the drafting and preparation of this Agreement. Hence, in any construction to be made of this Agreement, the same shall not be

construed against any of the Parties. Before declaring any provision of this Agreement invalid, the District Court shall first attempt to construe the provision valid to the fullest extent possible consistent with applicable precedent so as to find all provisions of this Agreement valid and enforceable. After applying this rule of construction and still finding a provision invalid, the District Court shall thereupon interpret the invalid provision to the fullest extent possible to otherwise enforce the invalid provision. The invalidity of any one provision shall not render this Agreement otherwise invalid and unenforceable unless the provision found to be invalid materially affects the terms of this Agreement after application of the rules of construction set forth in this paragraph.

10.10 No Waiver. The failure of any of the Parties to enforce at any time any provision of this Agreement shall not be construed to be a waiver of such provision, or any other provision, nor in any way to affect the validity of this Agreement or any part hereof, or the right of any of the Parties thereafter to enforce that provision or each and every other provision. No waiver of any breach of this Agreement shall constitute or be deemed a waiver of any other breach.

10.11 Governing Law. This Agreement shall be governed by, construed and enforced in accordance with the laws of the State of Massachusetts.

10.12 Notices/Communications. All requests, demands, claims and other communications hereunder shall: (a) be in writing; (b) be delivered by U.S. Mail and facsimile; (c) be deemed to have been duly given on the date received; and (d) be addressed to the intended recipient as set forth below:

If to Plaintiffs or the Settlement Class:

Gary Klein, Esq.
Roddy Klein & Ryan
727 Atlantic Ave.
Boston, MA 02111

If to HSBC Defendants:

Julia B. Strickland, Esq.
Stroock & Stroock & Lavan LLP

2029 Century Park East
Los Angeles, California 90067

Each of the Parties may change the address to which requests, demands, claims or other communications hereunder are to be delivered by giving the other Parties notice in the manner set forth herein.

10.13 Counterparts. This Agreement may be executed in one or more counterparts and, if so executed, the various counterparts shall be and constitute one instrument for all purposes and shall be binding on each of the Parties that executed it, provided, however, that none of the Parties shall be bound unless and until all Parties have executed this Agreement. For convenience, the several signature pages may be collected and annexed to one or more documents to form a complete counterpart. Photocopies of executed copies of this Agreement may be treated as originals.

Agreed and accepted:

Dated: *November 23*, 2009

Suyapa Allen
Suyapa Allen

Dated: *November 20*, 2009

Glenda Medina
Glenda Medina

Dated: *November* __, 2009

Freddie Ramon Chavez Toruno

Dated: *November* __, 2009

Demetrie Doiron

Dated: *November* __, 2009

Rosalind Cavero

Dated: *November* __, 2009

Decision One Mortgage Company LLC
By: _____

Dated: *November* __, 2009

Its: _____
HSBC North America Holdings Inc.
By: _____

Dated: *November* __, 2009

Its: _____
HSBC Mortgage Corporation (USA)
By: _____

Dated: *November* __, 2009

Its: _____
HSBC Mortgage Services Inc.
By: _____

Dated: *November* __, 2009

Its: _____
HSBC Finance Corporation
By: _____

Its: _____

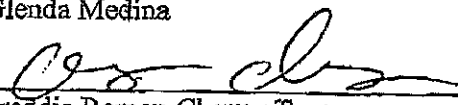
Dated: *November* __, 2009

Suyapa Allen

Dated: *November* __, 2009

Glenda Medina

Dated: *November 25*, 2009



Freddie Ramon Chavez Toruno

Dated: *November* __, 2009

Demetrie Doiron

Dated: *November* __, 2009

Rosalind Cavero

Dated: *November* __, 2009

Decision One Mortgage Company LLC
By: _____

Dated: *November* __, 2009

Its: _____
HSBC North America Holdings Inc.
By: _____

Dated: *November* __, 2009

Its: _____
HSBC Mortgage Corporation (USA)
By: _____

Dated: *November* __, 2009

Its: _____
HSBC Mortgage Services Inc.
By: _____

Dated: *November* __, 2009

Its: _____
HSBC Finance Corporation
By: _____

Its: _____

Agreed and accepted:

Dated: *November* __, 2009

Suyapa Allen

Dated: *November* __, 2009

Glenda Medina

Dated: *November* __, 2009

Freddie Ramon Chavez Toruno

Dated: *November* 23, 2009



Demetrie Doiron

Dated: *November* __, 2009

Rosalind Cavero

Dated: *November* __, 2009

Decision One Mortgage Company LLC
By: _____

Dated: *November* __, 2009

Its: _____
HSBC North America Holdings Inc.
By: _____

Dated: *November* __, 2009

Its: _____
HSBC Mortgage Corporation (USA)
By: _____

Dated: *November* __, 2009

Its: _____
HSBC Mortgage Services Inc.
By: _____

Dated: *November* __, 2009

Its: _____
HSBC Finance Corporation
By: _____

Its: _____

Agreed and accepted:

Dated: *November* __, 2009

Snyapa Allen

Dated: *November* __, 2009

Glenda Medina


Dated: *November* __, 2009

Freddie Ramon Chavez Toruno

Dated: *November* __, 2009

Demetrie Doiron

Dated: *November 20*, 2009



Rosalind Cavero

Dated: *November* __, 2009

Decision One Mortgage Company LLC
By: _____

Dated: *November* __, 2009

Its: _____
HSBC North America Holdings Inc.
By: _____

Dated: *November* __, 2009

Its: _____
HSBC Mortgage Corporation (USA)
By: _____

Dated: *November* __, 2009

Its: _____
HSBC Mortgage Services Inc.
By: _____

Dated: *November* __, 2009

Its: _____
HSBC Finance Corporation
By: _____

Its: _____

Agreed and accepted:

Dated: November __, 2009

Suyapa Allen

Dated: November __, 2009

Glenda Medina

Dated: November __, 2009

Freddie Ramon Chavez Toruno

Dated: November __, 2009

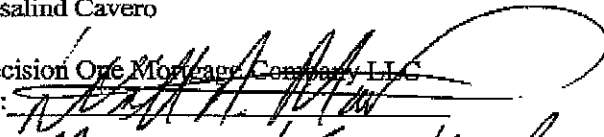
Demetrie Doiron

Dated: November __, 2009

Rosalind Cavero

Dated: November th 20, 2009

Decision One Mortgage Company LLC

By: 

Its: *Manager and Senior Vice President*
HSBC North America Holdings Inc.

By: _____

Dated: November __, 2009

Its: _____
HSBC Mortgage Corporation (USA)

By: _____

Dated: November __, 2009

Its: _____
HSBC Mortgage Services Inc.

By: _____

Dated: November __, 2009

Its: _____
HSBC Finance Corporation

By: _____

Dated: November __, 2009

Its: _____

Agreed and accepted:

Dated: *November* __, 2009

Suyapa Allen

Dated: *November* __, 2009

Glenda Medina

Dated: *November* __, 2009

Freddie Ramon Chavez Toruno

Dated: *November* __, 2009

Demetrie Doiron

Dated: *November* __, 2009

Rosalind Cavero

Dated: *November* __, 2009

Decision One Mortgage Company LLC

By: _____

Dated: *November* 23, 2009

Its: Deputy Chief Executive officer
HSBC North America Holdings Inc.

By: [Signature]

Dated: *November* __, 2009

Its: _____

HSBC Mortgage Corporation (USA)

By: _____

Dated: *November* __, 2009

Its: _____

HSBC Mortgage Services Inc.

By: _____

Dated: *November* 23, 2009

Its: Chief Executive officer
HSBC Finance Corporation

By: [Signature]

Its: _____

Agreed and accepted:

Dated: *November* __, 2009

Suyapa Allen

Dated: *November* __, 2009

Glenda Medina

Dated: *November* __, 2009

Freddie Ramon Chavez Toruno

Dated: *November* __, 2009

Demetrie Doiron

Dated: *November* __, 2009

Rosalind Cavero

Dated: *November* __, 2009

Decision One Mortgage Company LLC
By: _____

Dated: *November* __, 2009

Its: _____
HSBC North America Holdings Inc.
By: _____

Dated: *November* 19, 2009

Its: Executive Vice President
HSBC Mortgage Corporation (USA)
By: [Signature]

Dated: *November* __, 2009

Its: _____
HSBC Mortgage Services Inc.
By: _____

Dated: *November* __, 2009

Its: _____
HSBC Finance Corporation
By: _____

Its: _____

Agreed and accepted:

Dated: *November* __, 2009

Suyapa Allen

Dated: *November* __, 2009

Glenda Medina

Dated: *November* __, 2009

Freddie Ramon Chavez Toruno

Dated: *November* __, 2009

Demetrie Doiron

Dated: *November* __, 2009

Rosalind Cavero

Dated: *November* __, 2009

Decision One Mortgage Company LLC
By: _____

Dated: *November* __, 2009

Its: _____
HSBC North America Holdings Inc.
By: _____

Dated: *November* __, 2009

Its: _____
HSBC Mortgage Corporation (USA)
By: _____

Dated: *November* 20, 2009

Its: _____
HSBC Mortgage Services Inc.
By: *Katryn Maseron*

Dated: *November* __, 2009

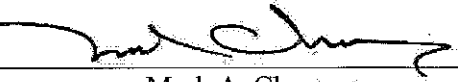
Its: *President*
HSBC Finance Corporation
By: _____

Its: _____

Approved as to form and content:

Dated: *November 24*, 2009

CHAVEZ & GERTLER, L.L.P.

By 
Mark A. Chavez
Attorneys for Plaintiffs

Dated: *November __*, 2009

BONNETT, FAIRBOURN, FRIEDMAN &
BALINT, P.C.

By _____
Attorneys for Plaintiffs

Dated: *November __*, 2009

RODDY KLEIN & RYAN

By _____
Attorneys for Plaintiffs

Dated: *November __*, 2009

COUGHLIN STOIA GELLER RUDMAN &
ROBBINS LLP

By _____
Attorneys for Plaintiffs

Dated: *November __*, 2009

BARROWAY TOPAZ KESSLER MELTZER
& CHECK LLP

By _____
Attorneys for Plaintiffs

Approved as to form and content:

Dated: *November* __, 2009

CHAVEZ & GERTLER, L.L.P.

By _____

Attorneys for Plaintiffs

Dated: *November* 24, 2009

BONNETT, FAIRBOURN, FRIEDMAN &
BALINT, P.C.

By _____

Attorneys for Plaintiffs

Dated: *November* __, 2009

RODDY KLEIN & RYAN

By _____

Attorneys for Plaintiffs

Dated: *November* __, 2009

COUGHLIN STOIA GELLER RUDMAN &
ROBBINS LLP

By _____

Attorneys for Plaintiffs

Dated: *November* __, 2009

BARROWAY TOPAZ KESSLER MELTZER
& CHECK LLP

By _____

Attorneys for Plaintiffs

Approved as to form and content:

Dated: *November* __, 2009

CHAVEZ & GERTLER, L.L.P.

By _____

Attorneys for Plaintiffs

Dated: *November* __, 2009

BONNETT, FAIRBOURN, FRIEDMAN &
BALINT, P.C.

By _____

Attorneys for Plaintiffs

Dated: *November* , 2009

RODDY KLEIN & RYAN

By  _____

Attorneys for Plaintiffs

Dated: *November* __, 2009

COUGHLIN STOIA GELLER RUDMAN &
ROBBINS LLP

By _____

Attorneys for Plaintiffs

Dated: *November* __, 2009

BARROWAY TOPAZ KESSLER MELTZER
& CHECK LLP

By _____

Attorneys for Plaintiffs

Approved as to form and content:

Dated: *November* __, 2009

CHAVEZ & GERTLER, L.L.P.

By _____

Attorneys for Plaintiffs

Dated: *November* __, 2009

BONNETT, FAIRBOURN, FRIEDMAN &
BALINT, P.C.

By _____

Attorneys for Plaintiffs

Dated: *November* __, 2009


RODDY KLEIN & RYAN

By _____

Attorneys for Plaintiffs

Dated: *November 15*, 2009

COUGHLIN STOIA GELLER RUDMAN &
ROBBINS LLP

By  _____

Attorneys for Plaintiffs

Dated: *November* __, 2009

BARROWAY TOPAZ KESSLER MELTZER
& CHECK LLP

By _____

Attorneys for Plaintiffs

Approved as to form and content:

Dated: *November* __, 2009

CHAVEZ & GERTLER, L.L.P.

By _____

Attorneys for Plaintiffs

Dated: *November* __, 2009

BONNETT, FAIRBOURN, FRIEDMAN &
BALINT, P.C.

By _____

Attorneys for Plaintiffs

Dated: *November* __, 2009

RODDY KLEIN & RYAN

By _____

Attorneys for Plaintiffs

Dated: *November* __, 2009

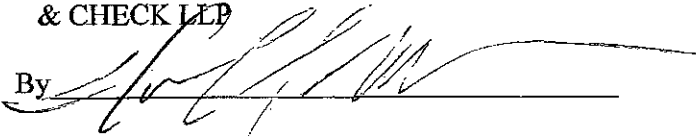
COUGHLIN STOIA GELLER RUDMAN &
ROBBINS LLP

By _____

Attorneys for Plaintiffs

Dated: *November* 24, 2009

BARROWAY TOPAZ KESSLER MELTZER
& CHECK LLP

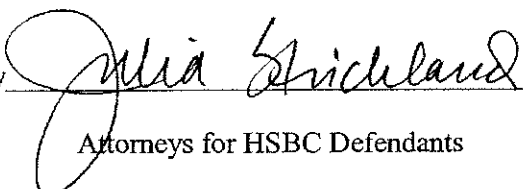
By  _____

Attorneys for Plaintiffs

Approved as to form:

Dated: November 15, 2009

STROOCK & STROOCK & LAVAN LLP

By  _____
Attorneys for HSBC Defendants