

Verne, B. Michael

7ALC)(1)

From: [REDACTED]
Sent: Wednesday, January 24, 2007 8:32 AM
To: Verne, B. Michael
Subject: The Facts/

Mike, Company B wants me to confirm the facts with you including the OTS approval issue I did not raise in our earlier conversation. /thanks/ [REDACTED]

Company B is selling 100% of the stock of a subsidiary that originates, funds, services and wholesales sub prime mortgages. Company B intends to retain a retail mortgage business that is currently held by this subsidiary; Company B plans to transfer this retail mortgage business out of the subsidiary being sold and to hold the retail mortgage business in another subsidiary that Company B will retain. Company B will continue to generate new mortgage loans at the retail level through that retained subsidiary. The transfer of the retail business will be subject to OTS approval. Although Company B expects to receive OTS approval, there is a possibility that OTS approval will not be obtained until a month or two after the sale of the subsidiary that originates, funds, services and wholesales sub prime mortgages. As a result there is a possibility that Company B will not originate new loans during period in which it is awaiting OTS approval.

*This is exempt under
ORDINARY COURSE.*

[Signature]
1/29/07



=====
This e-mail (including any attachments) may contain information that is private, confidential, or protected by attorney-client or other privilege. If you received this e-mail in error, please delete it from your system without copying it and notify sender by reply e-mail, so that our records can be corrected.