

## STIPULATION

This Stipulation is entered into between American Home Mortgage Corp. doing business as American Brokers Conduit, Mortgageselect, Marina Mortgage, and/or Columbia National, Inc. ("American Home Mortgage") and American Home Mortgage Servicing, Inc. doing business as American Home Mtg Servicing ("American Servicing"), on the one hand, and the California Corporations Commissioner ("Commissioner"), on the other hand, and is made with respect to the following facts:

### **RECITALS**

A. American Home Mortgage is licensed by the Commissioner as a finance lender and broker under Article 3 of the California Finance Lenders Law ("CFL"). According to records maintained on file with the Department of Corporations ("Department"), the Commissioner initially issued a finance lender and brokers license to American Home Mortgage to engage in the business of finance lending and brokering, including residential mortgage lending and brokering, on September 13, 2004, license number 603-9862. American Home Mortgage's main office is located at 538 Broadhollow Road, Melville, New York, 11747.

B. According to records maintained on file with the Department, American Home Mortgage currently possesses eighteen (18) additional finance lender and/or brokers licenses from the Commissioner for locations both in California as well as outside the State.

C. American Servicing is licensed by the Commissioner as a finance lender and broker under Article 3 of the CFL. American Servicing's main office is located at 4600 Regent Boulevard, Irving, Texas 75063. According to records maintained on file with the Department, the Commissioner initially issued a finance lender and brokers license to American Servicing to engage in the business of finance lending and brokering, including residential mortgage lending and brokering, on July 5, 2005, (license number 603-A869), but American Servicing is not currently engaged in either lending or brokering residential mortgage loans.

D. American Home Mortgage and American Servicing are wholly owned subsidiaries of American Home Mortgage Holdings, Inc., which, in turn, is a wholly owned subsidiary of American Home Mortgage Investment Corp., a publicly traded company listed on

the New York Stock Exchange.

E. Alan B. Horn is the Executive Vice-President and General Counsel of American Home Mortgage Holdings, Inc. and is authorized to enter into this Stipulation on behalf of American Home Mortgage and American Servicing.

F. On August 3, 2007, the Commissioner issued a Desist and Refrain Order against American Home Mortgage and American Servicing pursuant to Financial Code section 22712 ("Desist and Refrain Order"). A hearing before the Office of Administrative Hearings on the Desist and Refrain Order is scheduled to commence on December 20, 2007.

G. On August 6, 2007, American Home Mortgage and American Servicing each filed voluntary petitions for relief under Title 11, Chapter 11 of the United States Code in the United States Bankruptcy Court for the District of Delaware, Wilmington Division.

H. American Home Mortgage has ceased all operations in California, including solicitation and/or origination of residential mortgage loans and/or any other lending allowed under the CFLL.

I. On or about September 16, 2007, American Servicing filed a declaration with the Commissioner setting forth facts establishing its ability to continue to service customers' loans in the normal course of business, and further establishing that American Servicing has not engaged in originating loans and does not intend to engage in originating loans notwithstanding retention of its CFLL license.

NOW, THEREFORE, in consideration of the foregoing, and the terms and conditions set forth herein, the parties agree as follows:

#### **TERMS AND CONDITIONS**

1. The Commissioner hereby agrees to set aside the Desist and Refrain Order as to American Servicing immediately upon execution of this Stipulation by all the parties. A true and correct copy of the Order Setting Aside Desist and Refrain Order is attached and incorporated as Exhibit A.

2. The Commissioner further agrees to accept the surrender of the CFLL licenses of American Home Mortgage tendered by American Home Mortgage on or about September 14, 2007

immediately upon execution of this Stipulation by all the parties. The Commissioner shall not impose any monetary penalties, fees or assessments against American Home Mortgage or against any individuals, employees, officers or directors of American Home Mortgage in connection with the surrender of its license.

3. The parties hereby agree that as a result of the surrender of the CFLL licenses of American Home Mortgage, any hearing regarding the Desist and Refrain Order, including the hearing currently scheduled at the Office of Administrative Hearings for December 20, 2007, is moot. Accordingly, the Commissioner and American Home Mortgage agree that they will file such documents as are necessary with the Office of Administrative Hearings to take the December 20, 2007 hearing off calendar permanently. This Stipulation along with a copy of the surrender acceptance shall be sufficient to take the December 20, 2007 off calendar permanently if the Commissioner and/or American Home Mortgage otherwise fail to execute the necessary documents to take the hearing off calendar within ten (10) days of the date of this Stipulation.

4. Each of the parties represents, warrants, and agrees that it has received independent advice from its attorney(s) and/or representatives with respect to the advisability of executing this Stipulation.

5. Each of the parties represents, warrants, and agrees that in executing this Stipulation it has relied solely on the statements set forth herein and the advice of its own counsel and/or representative. Each of the parties further represents, warrants, and agrees that in executing this Stipulation it has placed no reliance on any statement, representation, or promise of any other party, or any other person or entity not expressly set forth herein, or upon the failure of any party or any other person or entity to make any statement, representation or disclosure of anything whatsoever. The parties have included this clause: (1) to preclude any claim that any party was in any way fraudulently induced to execute this Stipulation; and (2) to preclude the introduction of parol evidence to vary, interpret, supplement, or contradict the terms of this Stipulation.

6. This Stipulation is the final written expression and the complete and exclusive statement of all the agreements, conditions, promises, representations, and covenants between the parties with respect to the subject matter hereof, and supercedes all prior or contemporaneous

agreements, negotiations, representations, understandings, and discussions between and among the parties, their respective representatives, and any other person or entity, with respect to the subject matter covered hereby.

7. In that the parties have had the opportunity to draft, review and edit the language of this Stipulation, no presumption for or against any party arising out of drafting all or any part of this Stipulation will be applied in any action relating to, connected, to, or involving this Stipulation. Accordingly, the parties waive the benefit of California Civil Code section 1654 and any successor or amended statute, providing that in cases of uncertainty, language of a contract should be interpreted most strongly against the party who caused the uncertainty to exist.

8. This Stipulation may be executed in one or more counterparts, each of which shall be an original but all of which, together, shall be deemed to constitute a single document.

9. Each signator hereto covenants that he/she possesses all necessary capacity and authority to sign and enter into this Stipulation.

Dated: 10/9/07 PRESTON DuFAUCHARD  
California Corporations Commissioner

By \_\_\_\_\_  
ALAN S. WEINGER  
Lead Corporations Counsel

Dated: \_\_\_\_\_ AMERICAN HOME MORTGAGE CORP.

By \_\_\_\_\_  
ALAN B. HORN  
Executive Vice-President and General Counsel  
AMERICAN HOME MORTGAGE HOLDINGS, INC.

Dated: \_\_\_\_\_ AMERICAN HOME MORTGAGE SERVICING, INC.

By \_\_\_\_\_  
ALAN B. HORN  
Executive Vice-President and General Counsel  
AMERICAN HOME MORTGAGE HOLDINGS, INC.

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Dated: \_\_\_\_\_ PRESTON DuFAUCHARD  
California Corporations Commissioner

By \_\_\_\_\_  
ALAN S. WEINGER  
Lead Corporations Counsel

Dated: 10-11-07 AMERICAN HOME MORTGAGE CORP.

By \_\_\_\_\_  
ALAN B. HORN  
Executive Vice-President and General Counsel  
AMERICAN HOME MORTGAGE HOLDINGS, INC.

Dated: 10-11-07 AMERICAN HOME MORTGAGE SERVICING, INC.

By \_\_\_\_\_  
ALAN B. HORN  
Executive Vice-President and General Counsel  
AMERICAN HOME MORTGAGE HOLDINGS, INC.

APPROVED AS TO FORM:

WEINER BRODSKY SIDMAN KIDER PC

By \_\_\_\_\_

MITCHEL H. KIDER

DAVID M. SOUDERS

Attorneys for AMERICAN HOME MORTGAGE CORP. &  
AMERICAN HOME MORTGAGE SERVICING, INC.

PRESTON DuFAUCHARD

California Corporations Commissioner

By \_\_\_\_\_

JUDY L. HARTLEY

Senior Corporations Counsel

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Attorneys for AMERICAN HOME MORTGAGE CORP. &  
AMERICAN HOME MORTGAGE SERVICING, INC.

PRESTON DuFAUCHARD

California Corporations Commissioner

By \_\_\_\_\_

JUDY L. HARTLEY

Senior Corporations Counsel

1 PRESTON DuFAUCHARD  
California Corporations Commissioner  
2 WAYNE STRUMPFER  
Deputy Commissioner  
3 ALAN S. WEINGER (CA BAR NO. 86717)  
Lead Corporations Counsel  
4 JUDY L. HARTLEY (CA BAR NO. 110628)  
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5 Department of Corporations  
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6 Los Angeles, California 90013-2344  
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7 Attorneys for Complainant  
8

9 BEFORE THE DEPARTMENT OF CORPORATIONS

10 OF THE STATE OF CALIFORNIA

11  
12 In the Matter of THE CALIFORNIA )  
CORPORATIONS COMMISSIONER, )

File Nos.: 603-9862, 603-A869, et al.

13 )  
14 Complainant, )

ORDER SETTING ASIDE DESIST AND  
REFRAIN ORDER AGAINST AMERICAN  
HOME MORTGAGE SERVICING, INC.

15 vs. )  
16 )

17 AMERICAN HOME MORTGAGE CORP. )  
doing business as AMERICAN BROKERS )  
18 CONDUIT, MORTGAGESELECT, MARINA )  
MORTGAGE, and/or COLUMBIA )  
19 NATIONAL, INC. and AMERICAN HOME )  
MORTGAGE SERVICING, INC. doing )  
20 business as AMERICAN HOME MTG )  
SERVICING )  
21 )

22 Respondents. )

23 GOOD CAUSE APPEARING THEREFORE, and pursuant to the Stipulation entered into  
24 between American Home Mortgage Corp., American Home Mortgage Servicing, Inc. and the  
25 California Corporations Commissioner on October , 2007, a copy of which is attached and  
26 incorporated herein as Exhibit A:  
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**EXHIBIT A**

1           The Desist and Refrain Order issued by the Commissioner on August 3, 2007 is hereby set  
2 aside as to American Home Mortgage Servicing, Inc. only. This order is effective as of the date set  
3 forth below.

4 Dated: October , 2007  
5           Los Angeles, CA

PRESTON DuFAUCHARD  
California Corporations Commissioner

6  
7 By \_\_\_\_\_  
8           Alan S. Weinger  
9           Lead Corporations Counsel  
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