

**IN THE CIRCUIT COURT OF JACKSON COUNTY, MISSOURI  
AT KANSAS CITY**

JACK L. AND HILDA M. BEAVER,  
et al.,

Plaintiffs,

vs.

U.S. BANK NATIONAL ASSOCIATION,  
et al.,

Defendants.

Case No. 1216-CV21345

Division 16

**NOTICE OF PROPOSED CLASS ACTION SETTLEMENT  
AND OF SETTLEMENT HEARING**

*A Missouri Court has authorized this Notice. This is not a solicitation from a lawyer.  
Please read this Notice carefully and completely.*

THIS NOTICE AND ANNOUNCEMENT APPLIES TO YOU BECAUSE YOU ARE AMONG A CLASS OF PERSONS WHO OBTAINED A “SECOND MORTGAGE LOAN” AS DEFINED UNDER MISSOURI LAW THAT WAS SECURED BY A MORTGAGE OR DEED OF TRUST ON RESIDENTIAL REAL PROPERTY LOCATED IN THE STATE OF MISSOURI THAT WAS PURCHASED BY, ASSIGNED TO, OR OTHERWISE ACQUIRED BY ONE OR MORE OF THE VARIOUS “TRUSTS” AND “TRUST PARTIES” IDENTIFIED ON “SCHEDULE 2” ATTACHED TO THIS NOTICE (THE “TRUST PARTIES”). THE SUBJECT LOANS ARE REFERRED TO AS THE “TRUST LOANS.”

YOU MAY BE ENTITLED TO RECEIVE A SUBSTANTIAL PAYMENT IN CONNECTION WITH A PROPOSED CLASS ACTION SETTLEMENT INVOLVING YOUR TRUST LOAN. CLASS MEMBERS WHO OBTAINED A TRUST LOAN (WHICH IS NOT ONE OF THE SIX “NON-QUALIFYING LOANS” AS DEFINED BELOW), AND WHO DO NOT EXCLUDE THEMSELVES FROM THE SETTLEMENT WILL BE ENTITLED TO RECEIVE AN INITIAL PAYMENT RANGING FROM AN ESTIMATED \$0.00 TO \$75,956.94 (\$8,786.34 ON AVERAGE), WHICH MAY INCREASE TO AN ESTIMATED \$2,451.56 TO \$86,009.17 (\$20,369.56 ON AVERAGE), IN THE AGGREGATE, IF THE “AVAILABLE TRUST ASSETS” OF THE TRUST PARTIES REMAIN SUFFICIENT TO MAKE ALL OF THE “SUBSEQUENT PERIODIC PAYMENTS” AS CONTEMPLATED BY THE AGREEMENT. YOU CAN REVIEW WHAT CLASS COUNSEL CURRENTLY ESTIMATES THE TOTAL AMOUNT OF YOUR PARTICULAR “TRUST LOANS SETTLEMENT CLASS MEMBER PAYMENTS” TO BE BY VISITING THE WEBSITE, [www.wbsvlaw.com](http://www.wbsvlaw.com), AND CLICKING THE LINK FOR “TRUST LOANS SETTLEMENT.”

**IMPORTANT: YOU MUST SIGN AND TIMELY SUBMIT A CLAIM FORM TO**

**RECEIVE THE SETTLEMENT PAYMENT TO WHICH YOU MAY BE ENTITLED. CLAIM FORMS MUST BE POSTMARKED OR DELIVERED BY DECEMBER 20, 2012. CLAIMS FORMS POSTMARKED OR DELIVERED AFTER DECEMBER 20, 2012 WILL NOT BE ACCEPTED. PLEASE SHARE THIS NOTICE WITH ANY CO-BORROWER ON YOUR LOAN.**

**THIS NOTICE MAY AFFECT YOUR RIGHTS. PLEASE READ IT CAREFULLY!**

## 1. HOW DO I FILE A CLAIM?

Sign and mail or deliver the Claim Form enclosed with this Notice (and any amended Claim Form) on or before **December 20, 2012** to:

**Walters Bender Strohbehn & Vaughan, P.C.**  
**Trust Loans Settlement**  
**P.O. Box 26188**  
**1100 Main Street, Ste. 2500**  
**Kansas City, MO 64196**

**All** borrowers on a loan (the persons who signed the Note) must sign the Claim Form included with this Notice. Co-borrowers do not have to sign the same Claim Form. Separate signed copies of the Claim Form may be submitted. If a borrower or co-borrower is deceased or unable to sign the Claim Form, the Claim Form must be signed by that person's heir, representative, successor or assign and documentation showing the authority of that person to sign the Claim Form must be provided. If the borrower or co-borrower is deceased, a copy of the Death Certificate must also be provided. If you obtained more than one Trust Loan, a separate Claim Form must be signed and submitted for **each** of the loans. **See Question 6** ("*What Do I Need to Do to Participate in the Settlement?*") for more information about filing your Claim.

You may obtain additional copies of your Claim Form(s) from Class Counsel, by calling toll free, 1-877-472-6620, or (816) 421-6620, or at Class Counsel's website: [www.wbsvlaw.com](http://www.wbsvlaw.com), or by e-mailing [trustloans@wbsvlaw.com](mailto:trustloans@wbsvlaw.com).

If the Settlement is approved, and you do not exclude yourself from the Settlement, you will be bound by the Settlement, the Agreement and the Releases whether or not you file a Claim and whether or not your Claim is approved.

## 2. WHY SHOULD I FILE A CLAIM?

You (and any co-borrower(s) on your Trust Loan) may be entitled to receive money from a proposed settlement (the "Settlement") in a class action lawsuit filed in the Circuit Court of Jackson County, Missouri styled "Beaver v. U.S. Bank National Association, Case No. 1216-CV21345" (the "Litigation").

You must sign and submit a Claim Form in order to receive the settlement payment to which you may be entitled. A signed Claim Form is necessary so that the parties can make sure that the persons to whom the settlement payments will be made are in fact persons who obtained Trust Loans, that each such person is entitled to receive a payment, and that each such person understands that payment is being made in exchange for a release of claims as a part of the Settlement.

The Notice and Claim Form have been mailed to you because the parties' records show that you obtained a residential mortgage loan, secured by a second mortgage on your Missouri home, that was purchased by, assigned to or otherwise acquired by one or more of the various trusts

identified on Schedule 2 attached to this Notice, and for which U.S. Bank National Association and, in many cases, Wilmington Trust Company acted as trustee (such loans are referred to as the “Trust Loans”).

Your Trust Loan along with other Trust Loans are currently the subject of the Litigation. Your Trust Loan may also be the subject of an earlier-filed class action lawsuit currently pending before a Missouri court including, but not limited to: *Baker v. Century Financial Group, Inc.*, Case No. CV100-4294, filed June 28, 2000 (Cir. Ct. Clay County, Missouri); *Couch v. SMC Lending, Inc.*, Case No. 7CV-100-4332, filed June 29, 2000 (Cir. Ct. Clay County, Missouri); *Gilmor v. Preferred Credit Corporation*, Case No. CV100-4263, filed June 27, 2000 (Cir. Ct. Clay County, Missouri), *removed*, Case No. 10-0189-CV-W-ODS (W.D. Mo.); *Beaver v. First Consumers Mortgage, Inc.*, Case No. 00-CV-215097-01, filed June 23, 2000 (Cir. Ct. Jackson County, Missouri) (consolidated with *Beaver v. First Consumers Mortgage, Inc.*, Case No. 03-CV-213643, filed May 28, 2003 (Cir. Ct. Jackson County, Missouri)); *Scherich (Smith) v. Premier Associates Mortgage Co.*, Case No. 01-CV-201263, filed January 12, 2001 (Cir. Ct. Jackson County, Missouri) (consolidated with *Scherich (Smith) v. Premier Associates Mortgage Co.*, Case No. 03-CV-216423, filed June 23, 2003 (Cir. Ct. Jackson County, Missouri)); *Hall v. American West Financial*, Case No. 00CV218553-01, filed July 28, 2000 (Cir. Ct. Jackson County, Missouri); *Schwartz (now Wong) v. Bann-Cor Mortgage*, Case No. 00-CV-22639, filed October 31, 2000 (Cir. Ct. Jackson County, Missouri), *removed*, Case No. 10- 01038-CV-FJG (W.D. Mo.); and *Thomas v. U.S. Bank Nat. Ass’n, ND*, Case No. 04-CV-83549-01, filed June 02, 2004 (Cir. Ct. Platte County, Missouri), *removed and currently pending before* the United States District Court for the Western District of Missouri as Case No. 11-6013-CV-SJ-SOW (W.D. Mo.) (collectively referred to in this Notice as the “Missouri Cases”).

### **3. WHAT IS THE LITIGATION ABOUT?**

The Litigation was filed on August 20, 2012 in the Circuit Court of Jackson County, Missouri at Independence (the “Court”). Plaintiffs Jack L. and Hilda M. Beaver, and others (the “Plaintiffs”) filed the Litigation on their own behalf, and on behalf of a proposed class of Missouri homeowner-borrowers who, like the Plaintiffs, obtained a junior or “second” mortgage loan secured by their Missouri home on or after May 16, 1994 that was purchased by, assigned to, or otherwise acquired by one or more of the various Trust Parties.

Plaintiffs filed the Litigation in order to consolidate and expeditiously and efficiently resolve in a single proceeding more than 1,800 individual but similar claims arising from the Trust Loans.

The Plaintiffs allege in the Litigation that the Trust Loans violated Missouri law, specifically the Missouri Second Mortgage Loans Act (“MSMLA”), §§ 408.231-408.241 RSMo. The alleged Missouri law violations stem from the fact that the various originating lenders that made the Trust Loans directly or indirectly charged, contracted for or received a number of loan fees in connection with the loans in violation of § 408.233.1 RSMo. The Plaintiffs allege that each of the challenged Trust Loans was sold and assigned to one or more of the Trust Parties and that, as the purchasers or assignees of the Trust Loans, the Trust Parties, and the trustees of the Trusts in both their individual and representative capacities are derivatively liable for the originating lender’s violations of the MSMLA. The Plaintiffs additionally assert that the Trust Parties,

themselves, and the trustees of the Trusts in both their individual and representative capacities, violated the MSMLA by directly or indirectly charging, contracting for, collecting or receiving the challenged loan fees, as well as interest, on the Trust Loans. The Plaintiffs contend that, because the loans violated the MSMLA, the Plaintiffs, and every other Missouri borrower like them, are entitled to recover the challenged fees and all of the interest paid (or to be paid) on the Trust Loans, together with “prejudgment” interest on the challenged fee and interest paid amounts, plus punitive damages, reasonable attorneys’ fees and equitable relief as determined by the Court.

The Trust Parties deny that all of the alleged settlement charges assessed in connection with the Trust Loans violated the MSMLA. The Trust Parties further deny that they are derivatively liable for any violations of Missouri law. The Trust Parties still further deny that they directly or indirectly charged, contracted for or received any settlement charges or loan fees in violation of the MSMLA and also deny that there is liability under the MSMLA for interest on the loans.

Plaintiffs, as members and representatives of the proposed Trust Loans Settlement Class whose Missouri Second Mortgage Loans were purchased by, assigned to, otherwise acquired by the Trust Parties have agreed to settle and resolve the Litigation pursuant to the terms and conditions that are summarized in this Notice. The complete details of the proposed Settlement are contained in a “Settlement and Release Agreement” filed with the Court (the “Agreement”). The parties to this Agreement are Plaintiffs and U.S. Bank National Association and Wilmington Trust Company, each in its Representative Capacities respectively as trustees on behalf of each of the Trust Parties as set forth on the signature pages of the Agreement (collectively, the “Settling Defendants”).

#### **4. WHO IS COVERED BY THE PROPOSED SETTLEMENT?**

According to the parties’ records, you are a member of the “Trust Loans Settlement Class” and will be covered by the Settlement unless you choose to exclude yourself from (“opt out of”) the Settlement. The Trust Loans Settlement Class is comprised of all persons who,

- (1) Obtained a “Second Mortgage Loan,” as defined in Mo.Rev.Stat. § 408.231.1, on or after May 16, 1994, that was purchased by, assigned to, or otherwise acquired by any one of the Trust Parties identified on Schedule 2 (see copy attached to this Notice)

and

- (2) Did not timely exclude themselves from a litigation class previously certified in any of the following cases:
  - *Baker v. Century Financial Group, Inc.*, Case No. CV100-4294, filed June 28, 2000 (Cir. Ct. Clay County, Missouri);
  - *Couch v. SMC Lending, Inc.*, Case No. 7CV-100-4332, filed June 29, 2000 (Cir. Ct. Clay County, Missouri);

- *Gilmor v. Preferred Credit Corporation*, Case No. CV100-4263, filed June 27, 2000 (Cir. Ct. Clay County, Missouri), *removed*, Case No. 10-0189-CV-W-ODS (W.D. Mo.);
  - *Beaver v. First Consumers Mortgage, Inc.*, Case No. 00-CV-215097-01, filed June 23, 2000 (Cir. Ct. Jackson County, Missouri) (consolidated with *Beaver v. First Consumers Mortgage, Inc.*, Case No. 03-CV-213643, filed May 28, 2003 (Cir. Ct. Jackson County, Missouri));
  - *Scherich (Smith) v. Premier Associates Mortgage Co.*, Case No. 01-CV-201263, filed January 12, 2001 (Cir. Ct. Jackson County, Missouri) (consolidated with *Scherich (Smith) v. Premier Mortgage Associates*, Case No. 03-CV-216423, filed June 23, 2003 (Cir. Ct. Jackson County, Missouri));
  - *Hall v. American West Financial*, Case No. 00CV218553-01, filed July 28, 2000 (Cir. Ct. Jackson County, Missouri);
  - *Schwartz (now Wong) v. Bann-Cor Mortgage*, Case No. 00-CV-22639, filed October 31, 2000 (Cir. Ct. Jackson County, Missouri), *removed*, Case No. 10-01038-CV-FAG (W.D. Mo.); and
  - *Thomas v. U.S. Bank Nat. Ass'n, ND*, Case No. 04-CV-83549-01, filed June 02, 2004 (Cir. Ct. Platte County, Missouri), *removed and currently pending before* the United States District Court for the Western District of Missouri as Case No. 11-6013-CV-SJ-SOW (W.D. Mo.).
- (3) If any of the persons meeting the requirements of (1) and (2) above has died, became a debtor in a bankruptcy case under Chapter 7 or Chapter 13 after obtaining his or her Trust Loan, or in some other way voluntarily or involuntarily transferred his or her rights under a Trust Loan, that person's heir, representative, bankruptcy trustee, successor or assign also shall be deemed a member of the "Trust Loans Settlement Class."

## 5. WHAT ARE THE TERMS OF THE PROPOSED SETTLEMENT?

On August 21, 2012, the Court preliminarily approved the proposed Settlement as fair, reasonable, and adequate. The Court will conduct a "fairness hearing" on **November 26, 2012** to consider, among other things, whether the Settlement should be finally approved. The proposed Settlement will become effective only if it is finally approved by the Court after the Fairness Hearing, provided all of the other terms and conditions of the Settlement are met.

The following is only a summary of some of the terms and conditions of the proposed Settlement. For more information, you may obtain a copy of the complete Agreement by contacting Class Counsel at the address in the answer to Question 7 of this Notice, or by visiting

the website of Class Counsel, [www.wbsvlaw.com](http://www.wbsvlaw.com), and clicking the link “Trust Loans Settlement.”

- A. **Gross Settlement Amount:** If the Court approves the Settlement, the Trust Parties will make available to the members of the Trust Loans Settlement Class a gross settlement amount of \$68.3 million subject to the terms of the Agreement, which shall consist of a \$30 million “Initial Payment” and multiple “Subsequent Periodic Payments.” Each of the “Subsequent Periodic Payments” is contingent upon the amount of “Available Trust Assets,” if any, available from each Trust Party, as defined in Section 2.8 of the Agreement. It is important to note that there is no guarantee that the Available Trust Assets for any particular Trust will be sufficient to make all or any portion of the Subsequent Periodic Payments that the Parties have contemplated for that Trust.
- B. **Trust Loans Settlement Class Member Payments:** If approved by the Court, the Settlement will provide the members of the Trust Loans Settlement Class who do not exclude themselves, and whose loan is not a “Non-Qualifying Loan” described in Subparagraph E below, with an anticipated initial settlement payment ranging from an estimated \$0.00 to \$74,058.94 (\$8,786.34 on average), which may increase to an estimated \$2,451.56 to \$86,009.17 (\$20,369.56 on average), in the aggregate, if the “Available Trust Assets” of the Trust Parties are sufficient to make all of the “Subsequent Periodic Payments” as contemplated by the Agreement. The initial and any subsequent periodic settlement payments to be made to Trust Loans Settlement Class Members” represent a pro rata share of the “Initial Net Distributable Settlement Amount” and “Subsequent Period Net Distributable Settlement Amounts” (defined below) respectively per loan, based on: (a) the amount of the challenged loan fees charged, contracted for or received in connection with the loan; (b) the interest paid on the loan; and (c) prejudgment interest on those amounts.

Trust Loans Settlement Class Members can review what Class Counsel currently estimates the total amount of their particular Trust Loans Settlement Class Member Payments to be by visiting the website of Class Counsel, [www.wbsvlaw.com](http://www.wbsvlaw.com), and clicking on the link “Trust Loans Settlement.” When reviewing these figures, you should keep in mind that the amounts stated are presumed to be valid, but are (1) contingent in part on the amount of “Available Trust Assets,” if any, available from each Trust Party and (2) subject to challenge and may be different. If there is a successful challenge to your Claim, then the amount you may receive for your Claim could be less, nothing, or more than the estimate shown.

- C. **Claim Challenges:** Class Counsel has estimated the amount of each Trust Loans Settlement Class Member Payment to be made available for each Trust Loan based on the loan fees and payment data described above (the “Estimated Claim Amount”). The Settling Defendants have agreed that the Estimated Claim Amounts are accurate for purposes of the Settlement. The Settling Defendants have the right to challenge your Claim on the grounds that (i) the Claim is fraudulent, (ii) the Claim Form was not signed and submitted by every “Trust Loans Settlement Class Member” who must sign the Claim Form, or (iii) the Claim Form was not timely mailed or delivered to Class Counsel. If a borrower or co-borrower who signed your note is deceased or unable to sign the Claim

Form, the Settling Defendants may also challenge your Claim on the grounds that: (i) the Claim Form has not been signed by a heir, representative, successor or assign of the borrower or co-borrower; or (ii) an affidavit, declaration, Power of Attorney, Order or other documentation showing the authority of the heir, representative, successor or assign to sign the Claim Form and, if the borrower or co-borrower is deceased, a copy of the death certificate, has not been provided within the time limits set by the Court. The Settling Defendants may not challenge your Claim for any other reason. As a member of the Trust Loans Settlement Class, you have the right to challenge the Estimated Claim Amount if you think there is a mistake. A successful challenge may increase or decrease the amount of the Estimated Claim Amount. For more details about challenges and how challenges will be resolved, review Section 9 of the Agreement.

- D. **Initial Net Distributable Settlement Amount:** The “Initial Net Distributable Settlement Amount” will be a percentage of the “Initial Net Settlement Amount,” which is determined by deducting the following amounts from the \$30 million “Initial Payment”: (a) the amount of any incentive awards made to Plaintiffs by the Court; and (b) the amount of any litigation expenses and/or court costs awarded to Class Counsel by the Court. The portion of the Initial Net Distributable Settlement Amount to be made available to the members of the Trust Loans Settlement Class is estimated to be \$16,070,210.79 or 55% of the Initial Net Settlement Amount. Plaintiffs and Class Counsel will ask the Court to award the remaining 45% of the Initial Net Settlement Amount or \$13,148,354.29 as an attorneys’ fee to Class Counsel for their services and work with respect to the Settlement, the Litigation and their prior work in the eight (8) Missouri Cases combined. The amount of the incentive, expense and attorneys’ fees awards that Plaintiffs and Class Counsel will ask the Court to approve are explained in the answer to Question 10 below (“*What are the Reasons for Settlement?*”).
- E. **Subsequent Periodic Net Distributable Settlement Amounts:** Any “Subsequent Periodic Net Distributable Settlement Amount” will be equal to the amount of any “Subsequent Periodic Payment” made by a Trust Party, and any interest on said amount while held in the Settlement Fund, less the attorney’s fees to which Class Counsel is entitled by virtue of the Court’s attorney’s fees award. If the “Available Trust Assets” of the Trust Parties remains sufficient to make all of the “Subsequent Periodic Payments” as contemplated by the Agreement (1) the “Total Subsequent Periodic Net Distributable Settlement Amount” to be made available to the members of the Trust Loans Settlement Class is estimated to be \$21,065,000.00 or 55% of the Subsequent Periodic Net Settlement Amounts in the aggregate, and (2) the amount of attorney’s fees to which Class Counsel will be entitled as an attorneys’ fee to Class Counsel for their services and work with respect to the Settlement, the Litigation and their prior work in the eight (8) Missouri Cases combined is estimated to be \$17,235,000.00 or 45% of the Subsequent Periodic Net Settlement Amounts in the aggregate.

The parties acknowledge that the ability of most of the Trust Parties to pay the Subsequent Periodic Payments as required by this Agreement will depend upon future events that are not assured to happen. The ability of each Trust Party to pay the full amount of its Allocated Maximum Cash Settlement Amount is based upon the Parties’ good faith assumptions that (1) the data contained in the reports provided by the loan servicers is



accurate and complete; (2) the Available Trust Assets to be produced in the future from the respective loan portfolio for each Trust Party should be at least equal to the aggregate principal amount of that portfolio; and (3) all potentially Valid Claims against that Trust Party have been identified in the Exhibits to the Agreement; provided further, however, that the ability of certain Trust Parties to pay their Allocated Maximum Settlement Cash Amount depends upon the additional assumption that the percentage of Claims to result in Valid Claims against them by way of the claims process contemplated by the Agreement will not exceed the level anticipated in good faith by those Trust Parties, in consultation with Plaintiffs' Counsel, based upon the reported and historical percentages of valid claims made by class members in similar class settlements. All holders of Valid Claims against any Trust Party that is not able to pay its full Allocated Maximum Settlement Cash Amount will receive proportionately less money under this Agreement.

- F. **Non-Qualifying Loans:** The Trust Parties have agreed to make available and pay \$250.00 to those Trust Loan Settlement Class Members who obtained a Trust Loan, even if the loan was not subject to the MSMLA because the interest rate charged for the loan was less than 10% or because the loan documents show that the loan did not violate the prohibition against excessive fees as provided in the MSMLA, Mo. Rev. Stat. § 408.233.1. Such payments will be made to those members of the Trust Loans Settlement Class who obtained such Non-Qualifying Loans as provided in Sub-paragraph G below. Any person who obtained a Non-Qualifying Loan and who does not request to be excluded from the Settlement, must timely file a valid Claim to obtain this payment.
- G. **Distribution of Payments:** If the Court approves the Settlement and it becomes effective according to the terms and conditions of the Agreement, the members of the Trust Loans Settlement Class who do not exclude themselves from the Settlement will receive their Trust Loans Settlement Class Member Payment(s) for the loan by check. The check will be mailed by first-class mail, postage prepaid, to the Trust Loans Settlement Class Members, or to the bankruptcy trustee for those Trust Loans Settlement Class Members who filed a Chapter 7 or Chapter 13 bankruptcy after obtaining their loan. The check will be mailed by the Settlement Administrator and will not come from the Trust Parties directly. **Joint borrowers, such as a husband and wife, will receive a single payment per loan, even if they are separated or divorced. Any Trust Loans Settlement Class Member who receives a payment under the Settlement is personally and solely responsible for distributing or allocating the payment between or among any co-borrower(s), regardless of whether the check is made payable to all or only some of the Trust Loans Settlement Class Member's co-borrowers. Trust Loans Settlement Class Members will also be responsible for paying any taxes due on any Trust Loans Settlement Class Member Payment received. Trust Loans Settlement Class Members are strongly encouraged to consult with their own tax advisor concerning the tax effects of any money received pursuant to this Settlement. Class Counsel cannot provide you with any tax advice.**
- H. **Approval of Settlement:** The proposed Settlement will become effective only if approved by the Court and all other terms and conditions as to effectiveness as stated in the Agreement are met. Among other terms and conditions, the Agreement is subject to the

entry of a Trustee Approval Order covering each of the Trust Parties after notice of the Agreement is provided to the current Trust Investors in accordance with the Trust Documents. Unless and until the requisite Trustee Approval Order is entered, the Agreement may not be submitted to the Court for final approval. If the proposed Settlement is approved and becomes effective, the Court will enter a judgment that releases and discharges the Trust Parties and certain other persons as of the Effective Date from certain claims that were or could have been asserted against them in the Litigation. The Releases are further discussed and set out in Question 11 of this Notice (“*Will Plaintiffs or Class Counsel be Compensated?*”).

## **6. WHAT DO I NEED TO DO TO PARTICIPATE IN THE SETTLEMENT?**

Sign and mail or deliver the Claim Form enclosed with this Notice (and any amended Claim Form) to Class Counsel on or before **December 20, 2012**. The Claim Form (and any amended Claim Form) must be signed by every borrower who signed the note for the second mortgage loan. Every borrower must sign the Claim Form or Amended Claim Form even if they are no longer living together. If a borrower has died or is no longer able to sign a Claim Form, his or her heir, representative, successor or assign may do so. If a heir, representative, successor or assign of a deceased borrower or co-borrower signs a Claim Form, a copy of the death certificate and an affidavit, declaration or other documentation showing the authority of such heir, representative, successor or assign to sign the Claim Form must be mailed or delivered to Class Counsel on or before **December 20, 2012**. If a representative, successor or assign of a borrower or co-borrower who is not deceased signs the Claim Form, he or she must mail or deliver to Class Counsel on or before **December 20, 2012**, a copy of the Power of Attorney, Order or other documentation showing his or her authority to sign the Claim Form. **A valid Claim Form (and any amended Claim Form) must be signed and timely submitted and any required documentation must also be timely submitted for you to participate in the Settlement and receive your Trust Loans Settlement Class Member Payment.**

If you filed for bankruptcy protection after you obtained your Trust Loan, you are still a member of the Trust Loans Settlement Class. Your bankruptcy trustee will also receive a copy of this Notice. If you filed for bankruptcy protection after you obtained your Trust Loan, you should consult with a bankruptcy attorney about this Notice and your options.

## **7. CAN I EXCLUDE MYSELF FROM THE SETTLEMENT?**

Yes. However, if you exclude yourself from the Settlement, you will **not** receive any payment from the Settlement.

If you want to receive your Trust Loans Settlement Class Member Payment as described in Question 5 of this Notice (“*What are the Terms of the Proposed Settlement?*”), **SIGN AND SUBMIT THE CLAIM FORM AND ANY REQUIRED DOCUMENTATION ON OR BEFORE DECEMBER 20, 2012. DO NOT SUBMIT A REQUEST FOR EXCLUSION.**

If, however, you do wish to exclude yourself from the Settlement, you must send a request for exclusion by first-class mail, postage prepaid, to Class Counsel and Trust Parties’ Counsel (the

names and addresses are provided in Question 8 below). To be effective, your request for exclusion must be in writing and be **received** by Class Counsel and Trust Parties' Counsel at the addresses below on or before **October 22, 2012**. The request for exclusion must include: (a) your name, address, telephone number and the last four digits of your social security number; (b) a statement that you and all other borrowers named on the promissory note for your loan are seeking exclusion from the Settlement; (c) your signature and the signature of any other borrower(s) named on the promissory note for your loan; and (d) a reference to "Beaver v. U.S. Bank National Association, Case No. 1216-CV21345." The request for exclusion must be signed personally by you and any other borrower(s) named on the promissory note for your loan or the heir, representative, successor or assign of any such person who has died or in some other way has voluntarily or involuntarily transferred his or her rights under the Trust Loan. If the request for exclusion is signed by the heir, representative, successor or assign, sufficient documentation showing his or her authority to sign must be received on or before **October 22, 2012**. No request for exclusion may be made on behalf of a group of Trust Loans Settlement Class members. Nor may any member(s) of the Trust Loans Settlement Class opt out or exclude themselves from the Trust Loans Settlement Class by having an agent or attorney sign and submit an exclusion request form on their behalf. A request for exclusion form must be signed personally by you and any other borrower(s) named on the promissory note for your loan. Your request for exclusion must be timely **received** to be effective.

If you exclude yourself from the Settlement, you will not be bound by any final orders or judgments that may be entered with respect to the Trust Loans Settlement Class. You will be free to pursue whatever legal rights you have against the Trust Parties at your own risk and expense.

#### **8. WHY, WHEN, AND WHERE WILL A FAIRNESS HEARING BE HELD?**

A hearing on whether to grant final approval of the Settlement will be held before the Honorable Marco A. Roldan of the Circuit Court of Jackson County, Missouri (Division 16) on **November 26, 2012 at 8:30 a.m.**, in the Jackson County Courthouse, 308 W. Kansas, Independence, Missouri 64050 (the "Fairness Hearing"). There is no need for you to attend the Fairness Hearing if you simply wish to benefit from the Settlement. The purpose of the Fairness Hearing is to determine, among other things: (a) whether the terms and conditions of the Settlement are fair, reasonable and adequate; (b) whether Plaintiffs are adequate representatives of the proposed Trust Loans Settlement Class; (c) whether Class Counsel is entitled to attorneys' fees and expenses and, if so, how much; (d) whether Plaintiffs should be entitled to a payment for their services as class representatives and, if so, how much; and (e) whether the Final Approval Order and Final Judgment as proposed by the Parties should be entered to dismiss the Litigation and claims against the Trust Parties and Settling Defendants with respect to the Trust Loans on the merits and with prejudice.

At the Fairness Hearing, the Court will consider the statements of the Parties and any objections that may have been made. Any member of the Trust Loans Settlement Class who has not filed a timely written request for exclusion has the right to object to the proposed Settlement. If you want to object, you must file a written objection with the Clerk of Court, Jackson County Courthouse, 308 W. Kansas, Independence, Missouri 64050, no later than **October 22, 2012**. All persons wishing to object must also send a copy of their written objection to Class Counsel

and Trust Parties' Counsel (the names and addresses are stated below). The objection must include: (a) your name, address, and telephone number; (b) a statement of each objection to the proposed Settlement that you wish to assert; (c) a detailed description of the facts supporting each of the objections; (d) copies of any loan documents in your possession or control that you rely on as a basis for your objections; (e) the names of all witnesses, and the report(s) from any proposed experts you intend to call at the Fairness Hearing; (f) copies of any exhibits that you intend to rely on at the hearing; (g) a reference to "Beaver v. U.S. Bank National Association, Case No. 1216-CV21345"; (h) a statement of whether you intend to appear at the Fairness Hearing in person or through an attorney; and (i) if you are represented by an attorney, a detailed description of the legal authorities supporting each of your objections.

Any member of the Trust Loans Settlement Class who has not filed a timely written request for exclusion has the right to appear and/or enter an appearance at the Fairness Hearing. Attendance at the final hearing is not necessary. If you do wish to appear at the Hearing, you or your attorney must: (a) file a Notice of Appearance with the Clerk of Court no later than **October 22, 2012**; and (b) serve the Notice of Appearance on Class Counsel and Trust Parties' Counsel. Any subjects to be raised at the Fairness Hearing must be contained in a written objection filed with the Court in the manner set out above. If you wish to call witnesses or present other evidence at the Fairness Hearing, you must identify the witnesses in your written objection. You must also attach any documents to your objection and describe any other evidence you intend to present at the Hearing.

The addresses for Class Counsel and Trust Parties' Counsel are as follows:

**Class Counsel**

R. Frederick Walters  
Kip D. Richards  
Walters Bender Strohbehn & Vaughan, P.C.  
2500 City Center Square  
1100 Main Street  
Kansas City, MO 64105

**Trust Parties' Counsel**

Peter W. Carter  
Dorsey & Whitney LLP  
50 South Sixth Street  
Suite 1500  
Minneapolis, MN 55402

and

Randolph Willis  
Rasmussen, Willis, Dickey & Moore, LLC  
9200 Ward Parkway  
Suite 400  
Kansas City, MO 64114

Any member of the Trust Loans Settlement Class who has not filed a timely written request for exclusion may also request to intervene in the Litigation, in person or through an attorney retained at the Trust Loans Settlement Class Member's own expense. A request or motion to intervene must be in writing and reference "Beaver v. U.S. Bank National Association, Case No. 1216-CV21345" and otherwise comply with the Missouri Rules of Civil Procedure and applicable law. A request to intervene must be filed with the Clerk of Court, Jackson County Courthouse, 308 W. Kansas, Independence, Missouri 64050, no later than **October 22, 2012**. Any persons wishing to intervene must also send a copy of their written request to intervene to Class Counsel and Trust Parties' Counsel at the above addresses.

Any member of the Trust Loans Settlement Class who does not comply with the above requirements shall be deemed to have waived all objections to and shall be forever barred from challenging the proposed Settlement.

The Court has the power to adjourn or reschedule the Fairness Hearing from time to time without further notice of any kind.

#### **9. WHO REPRESENTS THE SETTLEMENT CLASS?**

The Trust Loans Settlement Class is represented by Class Counsel: R. Frederick Walters, Kip D. Richards, David M. Skeens, and J. Michael Vaughan of the law firm Walters Bender Strohhahn & Vaughan, P.C. If you have questions regarding the Settlement, this Notice or your options, you can contact Class Counsel without charge by writing to them at the address provided above, or by calling toll free, 1-877-472-6620, or (816) 421-6620, or by visiting the website of Class Counsel, [www.wbsvlaw.com](http://www.wbsvlaw.com) and clicking on the link "Trust Loans Settlement."

#### **10. WHAT ARE THE REASONS FOR SETTLEMENT?**

The Plaintiffs and Settling Defendants have agreed to the Settlement after considering, among other things: (i) the substantial benefits being made available to the Trust Loans Settlement Class pursuant to the Settlement; (ii) the attendant risks and uncertainty of litigation, especially in complex litigation such as this, as well as the difficulties and considerable delays inherent in such litigation; (iii) the possibility and risk of beneficial or adverse future rulings that could affect the Parties' respective claims and defenses; (iv) the vigorousness of the defenses asserted by the Trust Parties; (v) the possible effect of a judgment for penalties and damages being entered in the Missouri Cases against the Trust Parties on the Trust Parties' ability to continue operations and Plaintiffs' ability to collect any such judgment that might be entered; (vi) the desirability of consummating the Settlement at this time to provide effective relief to the Trust Loans Settlement Class prior to the additional dissipation of "Available Trust Assets"; and (vii) the perceived relative merits, risks and available recoveries associated with the loans at the time of the Settlement.

The Court has not ruled on the merits of the claims or defenses in this case, and the Trust Parties have denied and continue to deny each and every claim asserted against them. The Trust Parties deny and continue to deny all charges of wrongdoing or liability against them arising out of or

relating to any of the conduct, statements, acts, or omissions alleged, or that could have been alleged in the Litigation or the Missouri Cases. Nonetheless, the Trust Parties have concluded that further litigation and a trial of the claims in the Litigation and the Missouri Cases would be protracted, burdensome, and expensive, and that it is desirable that the Litigation and all claims arising from the Trust Loans be fully and finally settled as against them in the manner and on the terms and conditions set forth in the Agreement.

#### **11. WILL PLAINTIFFS OR CLASS COUNSEL BE COMPENSATED?**

Yes. Plaintiffs, as representatives of the Trust Loans Settlement Class, will make applications to the Court for approval of what is called an “incentive award.” Such awards are used and made in class action lawsuits to provide an “incentive” to individuals like Plaintiffs to file and prosecute class action lawsuits for the benefit of a class of people they do not know. The award also compensates the representatives of a class for their work and time as class representatives. Plaintiffs will ask the Court to approve and make incentive awards not to exceed a total of \$288,000.00, to be apportioned among the twenty-seven (27) different sets of Plaintiffs for their time, efforts and service in the Litigation and the Missouri cases as representatives on behalf of the Trust Loans Settlement Class, which included being interviewed, deposed by the defendants, reviewing documents, meeting and conferring with Class Counsel, etc. The Settling Defendants do not object to Plaintiffs’ applications, but the Court must still determine and approve the amount of any incentive award to be made as “reasonable.” Any incentive award made to Plaintiffs will be paid from the Initial Payment in order to determine the Initial Net Settlement Amount and Initial Net Distributable Settlement Amount, the latter of which will be distributed to the Trust Loans Settlement Class Members as an initial “Trust Loans Settlement Class Member Payment” as described in the answer to Question 5 above (“*What are the Terms of the Proposed Settlement?*”).

Class Counsel has prosecuted the subject claims against the Trust Parties in the eight (8) Missouri Cases and the Litigation on a contingency fee basis and has incurred and advanced all of the costs associated with the claims for over 12 years. Class Counsel has not yet been paid for the work attributable to the claims against the Trust Parties or received reimbursement for the expenses incurred and advanced on behalf of Plaintiffs and the Trust Loans Settlement Class in connection with those claims. The Court must determine and approve the amount of any such awards of attorneys’ fees and litigation expenses to be made to Class Counsel. The amount of any such award must be reasonable based on a number of factors including, but not limited to, the nature and extent of the work involved, the difficulty of the case and the issues presented, the skill needed to conduct the case properly, the experience, reputation and ability of the lawyers, the contingency or certainty of compensation, the customary charges for similar work, and the amount involved in the controversy, and the benefits resulting to the client.

Based on these and other factors, and as a part of the Settlement, Class Counsel and/or Plaintiffs will request the Court to approve an award of attorneys’ fees and litigation expenses not to exceed the following amounts: (a) \$493,434.92, representing the allocated share of the more than \$1,027,589.32 of total litigation expenses and court costs that Class Counsel has incurred and advanced in connection with the eight (8) Missouri Cases as of June 1, 2011; and (b) 45% of the

“Initial Net Settlement Amount” attributable to the Trust Loans as explained in the answer to Question 5 above. The amounts of any such expense and attorneys’ fees awards made to Class Counsel will be deducted and paid from the Initial Payment and Initial Net Settlement Amount, respectively, before the Trust Loans Settlement Class Member Payments are distributed to the Trust Loans Settlement Class Members as described in the answer to Question 5 above. The remaining amount of any attorney’s fees awarded to Class Counsel by the Court shall be deducted and paid from any Subsequent Periodic Net Settlement Amounts arising from any Subsequent Periodic Payments made by the Trust Parties. The balance of any such Subsequent Periodic Net Settlement Amounts shall be distributed to the Trust Loans Settlement Class as an additional Trust Loans Settlement Class Member Payment such that the payments to the Trust Loans Settlement Class Members and Class Counsel are fully paid from any Subsequent Periodic Payments at the same time.

The Settling Defendants do not object to the above applications for expenses and attorneys’ fees by Class Counsel, but the Court must still determine and approve the amount of any expense and attorneys’ fee awards as “reasonable.”

If the Court approves and makes the expense and attorneys’ fees awards as proposed, and if the “Available Trust Assets” of the Trust Parties are sufficient to make all of the “Subsequent Periodic Payments” as contemplated by the Agreement, the sum of the Initial Net Distributable Settlement Amount and the Subsequent Periodic Net Distributable Settlement Amounts to be paid to Trust Loans Settlement Class Members pursuant to the Settlement will compensate the Trust Loans Settlement Class Members, with the exception of those Class Members who obtained a “Non-Qualifying Loan” described in Question 5.F – net of the proposed attorney’s fees award – for: (1) all (100%) of the challenged loan fees sought from the Trust Parties for the Trust Loans; and (2) between 82.33% and 100% of the interest that the Trust Loans Settlement Class Members paid on the Trust Loans, depending on the status of the loan (whether repaid or active) and the date of repayment. Ninety (90%) of the loans will receive 100% of the interest paid on their respective loan and the remaining 172 or approximately 10% of the loans will receive from 82.33% to 99.99% (93.83% average) of the interest paid on their respective loan. In addition, the great majority of Class Members (90%) will receive an additional amount constituting a portion of the prejudgment interest on the loan fee and interest paid amounts at the legal rate of 9% per year. This additional amount and the lesser percentage of interest paid will not be paid on the approximately 172 loans that remain active or were later paid in order to ensure that the proportionate share of each Class Member’s recovery is the same per loan. Those Class Members whose Trust Loans remain active as of June 1, 2011, however, will be entitled to receive a refund of any interest paid on their loan on or after June 1, 2011 in addition to the recoverable amount of past interest paid on the active loans through May 31, 2011,

The amounts of the settlement payments described above and in the answer to Question 5 above have been estimated with the expectation that the Court will approve as reasonable the applications for the above stated incentive, expense and attorneys’ fees awards given, among other things, Plaintiffs’ service and work in all of the Missouri Cases and the Litigation, the complexity of the Missouri Cases, the nature and extent of the legal work provided by Class Counsel since 2000, the extraordinary results obtained for the Trust Loans Settlement Class pursuant to the Settlement, the complexity of the Settlement and Agreement, and the simplicity

of the Claims Process. If the Court approves an incentive award or an award of expenses or attorneys' fees in an amount less than that applied for, the difference shall be reallocated to the Initial Net Settlement Amount or the Initial Net Distributable Settlement Amount, and any Subsequent Periodic Net Settlement Amount(s), as applicable.

## 12. WHAT CLAIMS WILL BE RELEASED UNDER THE SETTLEMENT?

If approved by the Court and effective in accordance with its terms, the proposed Settlement will be legally binding upon all members of the Trust Loans Settlement Class who did not timely request exclusion from the Trust Loans Settlement Class. The Settlement will fully, finally and forever release, settle, compromise, relinquish and discharge any and all of the Released Persons from the Released Claims as of the Effective Date, all as defined in the Agreement.

The Releases will mean that you will not be able to bring any lawsuit against the Trust Parties or any of the other Released Persons identified in the Agreement for any reason whatsoever relating to the Released Claims; but you will of course be able to enforce your rights under the Agreement, if necessary. If you are currently litigating any claims against any of the Trusts or Trust Parties, or any other Released Person, in any other lawsuit or proceeding, either individually or as part of a class, you may be barred from continuing to pursue those claims if you do not timely exclude yourself in this case from the Trust Loans Settlement Class. If you are currently litigating any such claims, you should consult with an attorney concerning your rights immediately.

You should also note that the Settlement does not cover or discharge the claims that you may have against any person, association or entity, other than the Trust Parties and other "Released Persons" as defined in the Agreement with respect to the Trust Loans. All other Claims with respect to all of the Missouri Second Mortgage Loans are preserved and will not be released. This includes, but is not limited to any claims of the Plaintiffs or the Trust Loans Settlement Class Members against the Trust Parties and other any person, association, entity, whether or not a "Released Person" as defined in the Agreement, for any Missouri Second Mortgage Loans that are not Trust Loans.

The term "**Releasers**" is defined in the Agreement at Paragraph 2.37 as:

"[T]he Named Plaintiffs and all Trust Loans Settlement Class Members, and each of their respective heirs, executors, administrators, assigns, legal representatives, trustees, guardians, predecessors, and successors, and any other person claiming by or through any or all of them. The Releasers shall not include any of the following: (a) any members of the Trust Loans Settlement Class, whether or not identified on **Exhibit F**, who opt out of and exclude themselves from the Settlement in accordance with Section 12; and (b) the Non-Trust Loans Borrowers, including but not limited to DeAnthony Thomas and Susan Jelinek-Thomas as to their October 5, 1998 Missouri Second Mortgage Loan. It is understood that the releases to be given by the Named Plaintiffs and other Releasers shall only release the Released Persons from the Released Claims, and nothing more, as provided herein."

The term "**Released Persons**" is defined in the Agreement at Paragraph 2.38 as:



“(a) the Trust Parties and the Trustees in their individual and Representative Capacities, together with the affiliates parent companies, and subsidiary companies listed on **Exhibit G**; (b) all Trust Investors; (c) all underwriters of any securities issued by the Trusts to past or present Trust Investors, but solely as to the Trust Loans; (d) the Cityscape Home Loan Owner Trusts 1997-2, 1997-3 and 1997-4 (the “Terminated Cityscape Trusts”) along with: (i) all trust indenture arrangements evidenced by any indenture to which the Terminated Cityscape Trusts were parties; (ii) U.S. Bank National Association and Wilmington Trust Company in their individual capacities and in their relevant Representative Capacities on behalf of the Terminated Cityscape Trusts, related trust indenture arrangements, or any registered or beneficial holders of any residual interest, certificate or note issued by any of the Terminated Cityscape Trusts; and (iii) all registered or beneficial holders of any residual interest, certificate or note issued by any of the Terminated Cityscape Trusts; (e) all other trustees, co-owner trustees, grantor trustees, indenture trustees, paying agents, administrators, loan servicers and other entities who provided services to the Trusts or who served any role under the applicable Trust Documents, including Wells Fargo Delaware Trust Company, N.A. as Owner Trustee of the Republic Bank Home Loan Owner Trusts 1997-1 and 1998-1, but solely as to the Trust Loans; (f) any person, association, or entity to whom any of the Trusts or Trust Parties sold, assigned, or conveyed the Trust Loans, and any subsequent purchaser or assignee of the Trust Loans; (g) any loan servicer who serviced the Trust Loans after they were conveyed to another person, association, or entity by any of the Trusts or Trust Parties; and (h) said Released Persons’ respective past and present officers, directors, shareholders, employees, attorneys (including any consultants hired by counsel), accountants, insurers, heirs, executors, and administrators, and any predecessors, successors, and assigns. Notwithstanding anything in this Agreement to the contrary, the term “Released Persons” **does not include any of the following**: (i) U.S. Bank National Association ND; (ii) U.S. Bank National Association as the trustee, indenture trustee, owner trustee or co-owner trustee of any trusts other than the Trusts, other trusts included within the definition of Trust Parties or the Terminated Cityscape Trusts, or in its individual capacity as the purchaser, assignee, owner or holder, servicer and/or master servicer of any loans other than the Trust Loans; (iii) Wilmington Trust Company as the trustee or owner trustee of any trusts other than the Trusts or individually as the purchaser, assignee, owner or holder, servicer and/or master servicer of any loans other than the Trust Loans; (iv) FirstPlus Bank, FirstPlus Financial, Inc., Century Financial Group, SMC Lending, Inc., Preferred Credit Corporation, First Consumers Mortgage Corporation FCMC Financial, Premier Associates Mortgage Co., American West Financial, Bann-Cor Mortgage or any other person, association and/or entity that originated or made any Missouri Second Mortgage Loans who is not a Released Person; (v) Wells Fargo Bank, N.A., including any predecessor or other companies acquired or merged into Wells Fargo, except to the extent that it is a Released Person as to a Trust Loan (e.g., Wells Fargo Delaware Trust Company, N.A. with respect to the Trust Loans); (vi) the Master Financial Defendants, Franklin Credit Management Corporation, Bank of New York Mellon, German American Capital Corporation (“GACC”), Ace Securities Corporation (“Ace”), Ace Securities Corp. Home Loan Trust 1999-A and its trustees with respect to the loans sold to, assigned to or otherwise acquired by the Ace Securities Corp. Home Loan Trust 1999-A (collectively “Ace Trust”), Sovereign Bank, and any other current and/or former defendant named in the Missouri Cases, other than the Trust Parties and the Trustees and the other Released Persons as defined herein; (vii) any person, association or entity, who is not a Released Person, that serviced any of the

Trust Loans before the Trust Loans were sold, assigned, transferred or conveyed to the Trust Parties; (viii) any person, association or entity that serviced any of the loans of any of the Non-Trust Loans Borrowers as to those loans; (ix) any person, association or entity, who is not a Released Person, to whom any of the Trust Loans were sold, assigned, transferred and/or conveyed before the sale, assignment, transference or conveyance to the Trust Parties,; or (x) any person, association or entity, who is not a Released Person, to whom any of the loans of any of the Non-Trust Loans Borrowers were sold, assigned or otherwise transferred or conveyed.”

The term “**Released Claims**” is defined in the Agreement at paragraph 2.39 as:

“[A]ny and all claims, demands, actions, causes of action, rights, offsets, setoffs, suits, damages, lawsuits, liens, costs, surcharges, losses, attorney’s fees, expenses or liabilities of any kind whatsoever, in law or in equity, for any relief whatsoever, including monetary, injunctive or declaratory relief, rescission, general, compensatory, special, liquidated, indirect, incidental, consequential or punitive damages, as well as any and all claims for treble damages, penalties, interest, attorney’s fees, costs or expenses, whether known or unknown, alleged or not alleged in the Missouri Cases or the Litigation, suspected or unsuspected, contingent or vested, accrued or not accrued, liquidated or unliquidated, matured or unmatured, that in any way concern, relate to, or arise out of any Trust Loan and which any of the Releasors have had, or now have, from the beginning of time up through and including the Effective Date, against the Released Persons, including but not limited to, any and all claims arising out of or relating to: (1) allegations that were or could have been asserted against the Released Persons in the Missouri Cases or the Litigation in any way relating to the Trust Loans; (2) any activities of the Released Persons with respect to the Trust Loans including, without limitation, any alleged representations, misrepresentations, disclosures, incorrect disclosures, failures to disclose, acts (legal or illegal), omissions, failures to act, deceptions, acts of unconscionability, unfair business practices, breaches of contract, usury, unfulfilled promises, breaches of warranty or fiduciary duty, conspiracy, excessive fees collected, or violations of any consumer protection statute, any state unfair trade practice statute, or any other body of case, statutory or common law or regulation, federal or state, including but not limited to the Missouri Second Mortgage Loans Act, Mo.Rev.Stat. §§ 408.231, *et seq.*, or any other similar state statute; the Truth in Lending Act, 15 U.S.C. §§ 1601, *et seq.*, and its implementing regulations, 12 C.F.R. part 226; the Home Ownership and Equity Protection Act, 15 U.S.C. §§ 1639, *et seq.*, and its implementing regulation, 12 C.F.R. part 226.31-32; the Real Estate Settlement Procedures Act, 12 U.S.C. § 2601, and its implementing regulation, 24 C.F.R. part 3500; the Equal Credit Opportunity Act, 15 U.S.C. §§ 1691, *et seq.*, and its implementing regulation, 12 C.F.R. part 202; the Home Mortgage Disclosure Act, 12 U.S.C. §§ 2801, *et seq.*, and its implementing regulation, 12 C.F.R. part 203; the Fair Housing Act, 42 U.S.C. §§ 3601, *et seq.*; the Fair Credit Reporting Act, 15 U.S.C. §§ 1681, *et seq.*; the Fair Debt Collection Practices Act, 15 U.S.C. §§ 1692, *et seq.*; and the Federal Trade Commission Act, 15 U.S.C. §§ 45, *et seq.*; and/or (3) any conduct undertaken by any of the Released Persons to defend the Missouri Cases or the Litigation, including but not limited to, any alleged improper discovery conduct and/or any request for sanctions in this Litigation. It is the intention of the Releasors to provide a general release of the Released Claims against the Released Persons; provided, however, that anything in this Agreement to the contrary notwithstanding, the term Released Claims does not include: (1) any claims of any kind or type by the Named Plaintiffs and/or any other Releasor against any person, association or entity that is

not a Released Person, whether such claims arise out of or relate to Trust Loans or some other conduct, transaction, loan or occurrence; or (2) any claims of any kind or type by any Non-Trust Loans Borrower including, but not limited to, any claims against the Trusts and/or Trustees with respect to any Missouri Second Mortgage Loan that is not a Trust Loan.”

**13. WHAT IF THE SETTLEMENT IS NOT FINALLY APPROVED BY THE COURT OR DOES NOT BECOME EFFECTIVE?**

If the proposed Settlement is not approved by the Court as being fair, reasonable, and adequate, or if the Settlement does not become effective in accordance with the terms and conditions of the Agreement, the Settlement and the Agreement will be null and void and Plaintiffs will dismiss the Litigation without prejudice and will continue to prosecute their claims against the Settling Defendants and other defendants in the Missouri Cases. In such event, no payments will be made pursuant to the Settlement; however, the Settling Defendants and Plaintiffs could attempt to enter into another settlement.

**14. WHERE DO I GET ADDITIONAL INFORMATION?**

This Notice is only a summary of the proposed Settlement and does not describe all of the terms and conditions of the Agreement. You are encouraged to review the Agreement and other related documents, all of which are available upon request from Class Counsel, or by visiting Class Counsel’s website, [www.wbsvlaw.com](http://www.wbsvlaw.com), and clicking on the link to “Trust Loans Settlement.”

**IMPORTANT DATES TO REMEMBER**

- **December 20, 2012 – Deadline to mail or deliver your Claim Form or any Amended Claim Form.**
- **October 22, 2012 – Deadline for mailing any requests for exclusion.**
- **October 22, 2012 – Deadline for filing and serving any written objections motions to intervene and/or notices of appearance.**
- **November 26, 2012 at 8:30 a.m. – Date and Time of Fairness Hearing.**

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This Notice provides only a summary of matters about the Litigation. If you have any questions or concerns, please contact Class Counsel in writing at the address listed in Question 8 of this Notice or call toll free, 1-877-472-6620, or (816) 421-6620.

**DO NOT CALL OR CONTACT THE COURT FOR INFORMATION.**

BY ORDER OF THE COURT

This notice is sent pursuant to Rule 52.08  
of the Missouri Rules of Civil Procedure and

DATED: August 21,2012