

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

FIRSTTRUST BANK
15 East Ridge Pike, Suite 400
Conshohocken, PA 19482

Plaintiff,

v.

FIRST REPUBLIC MORTGAGE
BANKERS, INC., a/k/a 1ST
REPUBLIC MORTGAGE
BANKERS, INC.
110 Jericho Turnpike
Floral Park, NY 11001

Defendant.

Civil Action No. 09-_____

COMPLAINT IN CONFESSION OF JUDGMENT FOR MONEY DAMAGES

Firsttrust Bank, N.A. ("Plaintiff"), by and through its undersigned counsel, brings this action, pursuant to Pennsylvania Rules of Civil Procedure 2950, *et seq.*, to obtain a money judgment by confession against defendant First Republic Mortgage Bankers, Inc., a/k/a 1st Republic Mortgage Bankers, Inc. ("Defendant") for all sums due under that Amended and Restated Note dated August 28, 2008. In support thereof, Plaintiff avers as follows:

Parties, Jurisdiction and Venue

1. Plaintiff is a Pennsylvania chartered bank and trust company, having its principal place of business at 15 East Ridge Pike, Suite 400, Conshohocken, Pennsylvania 19428.

2. Defendant is incorporated in the State of New York with its principal place of business located at 110 Jericho Turnpike, Floral Park, New York 11001.

3. This Court has subject matter jurisdiction over this action pursuant to 28 U.S.C. § 1332. Plaintiff and Defendants are citizens of different states and the amount in controversy exceeds \$75,000, exclusive of interest and costs.

4. Venue in this district is proper: (a) because Defendant does business in this district and consented to the jurisdiction of United States District Court for the Eastern District of Pennsylvania; and (b) under 28 U.S.C. § 1391(a)(2) because a substantial part of the events or omissions giving rise to the claim occurred in this district.

Underlying Transaction

5. On or about April 18, 2008, the Defendant entered into that certain Warehousing Agreement with Plaintiff (as amended from time to time, the “Warehousing Agreement”), pursuant to which Plaintiff agreed to lend to Defendant amounts up to the sum of \$10,000,000.00. A true and correct copy of the Warehousing Agreement, together with all amendments thereto, is annexed hereto as Exhibit A and incorporated herein by reference.

6. On or about April 18, 2008, Defendant made, executed and delivered to Plaintiff a Note pursuant to which Defendant agreed to pay to the order of Plaintiff the lesser of \$10,000,000.00 or the outstanding principal balance pursuant to the terms of the Warehousing Agreement (the “Note”). A true and correct copy of the Note is annexed as Exhibit B and incorporated herein by reference.

7. On or about August 28, 2008, the Defendant made, executed and delivered to Plaintiff an Amended and Restated Note pursuant to which Defendant agreed to pay to the order of Plaintiff the lesser of \$12,500,000.00 or the outstanding principal balance pursuant to

the terms of the Warehousing Agreement (the “Amended Note”). A true and correct copy of the Amended Note is annexed as Exhibit C and incorporated herein by reference.

8. Plaintiff has faithfully and in good faith fulfilled all of its obligations under the Warehousing Agreement and the Amended Note and has otherwise performed all acts necessary to preserve all of its rights under the Warehousing Agreement and the Amended Note.

Averment of Default

9. Among the obligations imposed upon Defendant under the Warehousing Agreement and the Amended Note are: (a) the obligation to pay to the Plaintiff the proceeds of collateral pledged to Plaintiff; and (b) the obligation to refrain from encumbering collateral pledged to Plaintiff.

10. Defendant has defaulted under the terms of the Warehousing Agreement and the Amended Note by, among other things: (a) paying to third parties more than \$2,000,000.00 in proceeds of collateral pledged to Plaintiff; and (b) hypothecating to third parties collateral pledged to Plaintiff.

11. The Defendant’s defaults under the Warehousing Agreement and the Amended Note, as described in paragraph 10 above, constitute events of default under the Amended Note and entitle Plaintiff to exercise various legal remedies available both under the Amended Note and at law and in equity generally.

12. The Amended Note contains a warrant of attorney (the “Warrant”) whereby and upon the occurrence of an event of default under the Warehousing Agreement the Defendant authorized and empowered any attorney of any court of record to appear on its behalf and confess judgment against Defendant without prior notice to Defendant or prior opportunity

to be heard for all sums due under the Amended Note, together costs of suit, including reasonable attorneys' fees.

13. The Warrant specifies that Plaintiff is entitled to include within any judgment confessed thereunder reasonable attorneys' fees. Although Plaintiff has not included a sum certain for such reasonable attorneys' fees, Plaintiff reserves the right to do so by way of motion hereafter.

14. In connection with its execution and delivery of the Amended Note, Defendant executed a Disclosure for Confession of Judgment, a true and correct copy of which is annexed hereto as Exhibit D and incorporated herein by reference.

Averment Concerning Notice

15. Neither the Warehousing Agreement nor the Amended Note requires any notice prior to the commencement of this action or prior to the entry of judgment herein.

Itemization of Amounts Due

16. As of January 14, 2009, the sum of \$5,495,977.00 was due and owing under the Amended Note.

17. None of the above amounts have been paid.

Statement Concerning Prior Judgments

18. No prior judgments against the Defendant on the Warrant contained in the Amended Note have been entered in this or any other jurisdiction.

**Averment Regarding Fact That Judgment Is Not For
Obligation under Consumer-Credit Transaction**

19. The Amended Note executed by the Defendant is not a consumer-credit transaction and the judgment being entered herein is not related to a consumer-credit transaction.

Statement Concerning Assignments


20. There has been no assignment of the Amended Note by Plaintiff or Defendant.

Demand for Judgment

21. By virtue of the above averments and pursuant to the Warrant contained in the Amended Note, Plaintiff is entitled to immediate entry of a judgment in its favor and against Defendant for the amounts due under the Amended Note, plus interest, costs and attorneys' fees to be determined hereafter.

WHEREFORE, Plaintiff Firsttrust Bank demands that judgment be entered in its favor and against Defendant 1st Republic Mortgage Bankers, Inc. in the amount of \$5,495,977.00, together with interest at the contract rate (currently \$763.33 *per diem*) from after January 14, 2009, costs of suit and attorney's fees to be determined hereafter.

Dated: January 14, 2009



Barry E. Bressler (Atty. I.D. No. 09868)
Richard A. Barkasy (Atty. I.D. No. 53342)
Michael J. Barrie (Atty. I.D. No. 85625)

Schnader Harrison Segal & Lewis LLP
1600 Market Street, Suite 3600
Philadelphia PA 19103
(215) 751-2000

Attorneys for the Plaintiff, Firsttrust Bank

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Floral Park, NY 11001

Defendant.

Civil Action No. 09-_____

AFFIDAVIT

COMMONWEALTH OF PENNSYLVANIA

COUNTY OF MONTGOMERY

:
:
: ss.
:

I, Richard Meyers, being duly sworn in accordance with the law, hereby depose
and say:

(a) I am employed as the Executive Vice President of Firsttrust Bank, plaintiff in the
above-captioned action and, as such, am authorized by the plaintiff to issue this affidavit on its
behalf;

(b) The facts set forth in the foregoing Complaint in Confession of Judgment for
Money Damages are true and correct to the best of my knowledge, information, and belief; and

(c) The Exhibits attached to the Complaint in Confession of Judgment for Money

Damages are true and correct copies of the originals.

Richard Meyers EAP

Richard Meyers
Executive Vice President
Firsttrust Bank

Sworn to and subscribed
before me this 14th day
of January, 2009.

Renée D. McManus
Notary Public

My Commission Expires: September 19, 2010

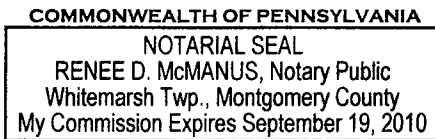


Exhibit A:
Warehousing Agreement

WAREHOUSING AGREEMENT

BY AND BETWEEN

1ST REPUBLIC MORTGAGE BANKERS, INC.

As Borrower

**FIRSTRUST BANK,
As Lender**

Dated as of April 18, 2008

WAREHOUSING AGREEMENT

This AGREEMENT made and entered into as of this 18 day of April, 2008 by and among **FIRSTTRUST BANK**, a Pennsylvania state chartered banking association ("**Lender**") and **1ST REPUBLIC MORTGAGE BANKERS, INC.**, a New York corporation (the "**Borrower**").

WITNESSETH

NOW, THEREFORE, in consideration of the mutual undertakings herein and of each advance made by Lender to Borrower hereunder and intending to be legally bound, the parties agree as follows:

1. Definitions.

1.01 For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the terms defined in this Paragraph shall have the meanings assigned to them in this Paragraph and include the plural as well as the singular.

1.02 The terms which follow have the meanings herein ascribed to them:

Agency Eligible means eligible for sale to FNMA, GNMA and/or FHLMC.

Agreement means this Agreement as executed as of the date first above written or, if amended or supplemented as herein provided, as so amended or supplemented.

Applicable Percentage means ninety-eight percent (98%).

Business Days mean days, other than a Saturday or Sunday, on which Lender is open for business.

Closing Agent means the authorized attorney or title agent for the title insurance company issuing the title insurance policy required under the applicable Investor's Take-Out Commitment.

Collateral means (a) Consumer Loans, Consumer Paper and Consumer Loan Collateral and all other property rights, proceeds and payments relating to Consumer Loans, (b) all other property of Borrower hereinafter described in Paragraph 5, including Servicing Rights, (c) all property from time to time deposited with, delivered or to be delivered to or held by or for Lender pursuant to this Agreement, and (d) all proceeds of the foregoing; all of the foregoing whether now existing or hereafter arising or acquired.

Collateral Agent means such person or entity which Lender may from time to time designate for purposes of holding Collateral on behalf of and in order to perfect the security interest herein granted in favor of Lender.

Committed Purchase Price means, with respect to a Consumer Loan, the price at which the Investor has agreed to purchase said Consumer Loan pursuant to the Take-Out Commitment.

Combined Loan to Value Ratio means, as to any Consumer Loan, the ratio expressed as a percentage that the sum of the original principal balance of such Consumer Loan bears to the appraised value of the related mortgaged property at the time such Consumer Loan was originated.

Consumer Loans means residential loans against which any Separate Bank Advance is made or secured pursuant to the terms of this Agreement.

Consumer Loan Collateral means personal or real property or guaranties of third parties granted or otherwise obtained as security for the obligations and liabilities of the obligor under a Consumer Loan.

Consumer Paper means any instrument, chattel paper, lease, installment sales contract, promissory note, mortgage, security agreement and any other document or agreement evidencing and/or securing a Consumer Loan.

Current Ratio means current assets divided by current liabilities, as would appear on a balance sheet prepared in accordance with generally accepted accounting principles consistently applied.

Eligible Loans means "retail originated" Consumer Loans each of which meets all requirements for purchase by the Investor set forth in the applicable Take-Out Commitment and the primary use of the related Property, either by the obligor on the applicable Consumer Loan or by its tenant, is for a **1-4 family occupied home**, and which (but for the amount of such Consumer Loan) is Agency Eligible, and none of which: (i) is or was in an aggregate principal amount in excess of **\$650,000** and (ii) has a Combined Loan-to-Value Ratio in excess of **97.75% for FHA and VA Loans and 95% for other Consumer Loans**.

Event of Default shall mean any of the events of default described in Section 8.01.

FHA Loan means a Consumer Loan which (i) is eligible for insurance by the Federal Housing Authority (FHA) and (ii) is so insured or is subject to a current binding and enforceable commitment for such insurance pursuant to the provisions of the National Housing Act, as now in effect and as may be hereafter amended from time to time, and is otherwise eligible for inclusion in a Government National Mortgage Association (GNMA) mortgage-backed security pool.

First Mortgage Loans means Consumer Loans secured by a first priority lien

Guarantor means Scott Sisskind.

Investor means an individual or entity acceptable to Lender in its sole business judgment who has issued a Take-Out Commitment with respect to a Consumer Loan.

Liabilities means all liabilities and indebtedness that, in accordance with generally accepted accounting principles consistently applied, should be classified as liabilities on a balance sheet.

Liquidity means unencumbered cash and cash equivalents as reflected on the Borrower's balance sheet prepared in accordance with GAAP.

Leverage Ratio means a ratio the numerator of which is all liabilities as would appear on a balance sheet prepared in accordance with generally accepted accounting principles consistently applied ("GAAP") and the denominator of which is Tangible Net Worth.

Loan means the credit facility established by Lender for the Borrower as set forth in Section 2 hereof.

Maximum Loan Amount means **\$10,000,000.00**.

Net Worth means the excess of assets over Liabilities as would be shown on a balance sheet of Borrower, prepared in accordance with generally accepted accounting principles consistently applied ("GAAP"), determined separately for Borrower without consolidation or combination with any other person or entity.

Operating Account means a demand deposit account of Borrower at Lender for use by Borrower for its general business operations and for the payment to Lender of interest, fees and other amounts payable from time to time hereunder.

Separate Bank Advance means each separate advance under the Loan.

Servicing Rights means all rights of the Borrower to service (including, without limitation, subservice) any loan, whether or not a Consumer Loan, and to receive any payment or compensation for the servicing of any such loan, and all rights under or in connection with any agreement at any time entered into by Borrower with respect to the servicing or subservicing of loans by Borrower; and including all rights to receive from any mortgagor or other obligor on whose behalf the Borrower has advanced funds, payment or reimbursement of the amount so advanced.

Subsidiary means a corporation of which 50% or more of the outstanding voting stock (except for directors' qualifying shares, if and to the extent required by law) is owned, at the time of determination, directly or indirectly, by Borrower.

Take-Out Commitment means a written commitment from an Investor by which such Investor commits to Borrower to purchase Consumer Loans.

Tangible Net Worth means, at any time, (a) Net Worth less (b) the sum of: (i) cost of treasury shares, (ii) surplus from write-up of assets, (iii) franchises, licenses, permits, patents, patent applications, experimental expense, organizational expense and other like intangibles, including the excess paid for assets acquired over their respective book values on the books of the entity from which acquired, (iv) investments in, loans to and receivables from shareholders, directors, employees, subsidiaries, affiliated entities and partners, (v) any amounts of capitalized purchase servicing or capitalized excess servicing reflected as an asset, and (vi) other intangible assets, including goodwill, determined on a combined basis for separately for Borrower in accordance with generally accepted accounting principles consistently applied.

Termination Date means April 17, 2009.

VA Loan means a Consumer Loan which is eligible for guarantee by the Veteran's Administration (VA) and is either so guaranteed or is subject to a current binding and enforceable commitment for such guarantee pursuant to the provisions of the Servicement's Readjustment Act, as now in effect and as may be hereafter amended from time to time, and is otherwise eligible for inclusion in a GNMA mortgage backed security pool.

Warehouse Account means an account of the Borrower at Lender to which proceeds of a Separate Bank Advance may be deposited and from which such proceeds may be disbursed directly to the Closing Agent in connection with Borrower's origination of an Eligible Loan, subject, however, to such escrow arrangements as Lender shall reasonably require, as more fully set forth in Section 2.01 hereof.

Wet Advance means a Separate Bank Advance with respect to which the original Consumer Paper and copy of original Mortgage required to be delivered by Borrower pursuant to Sections 3.02.02 and 3.02.03 hereof shall instead be delivered pursuant to Section 3.03 hereof. From and after the date on which the Consumer Paper and copy of Mortgage with respect to any such Wet Advance are received by Lender, such Separate Bank Advance shall cease to be a Wet Advance for all purposes hereof.

Wet Advance Sublimit means and amount equal to 30% of the Maximum Loan Amount, provided that during the first three (3) and last two (2) Business Days of each calendar month the Wet Advance Sublimit shall be 40% of the Maximum Loan Amount.

2. The Loan.

2.01 Commitment: Borrower may from time to time prior to the Termination Date request Lender, **not less than 48 hours prior to the funding date via the Bank's First Site wire system**, to make an advance and lend to Borrower an amount (a "**Separate Bank Advance**"), in connection with any Eligible Loan and, subject to the terms and conditions of this Agreement, Lender shall make such Separate Bank Advance to Borrower. The aggregate unpaid principal amount at any one time outstanding of all the Separate Bank Advances shall not exceed the Maximum Loan Amount.

Borrower directs and irrevocably authorizes Lender to make each Separate Bank Advance by direct credit to the Borrower's Operating Account.

2.02 The Note: The Loan, which shall be in the form of a revolving credit, shall be evidenced by Borrower's promissory note (hereinafter called the "Note"), issued to Lender, in form and content satisfactory to Lender. All terms of the Note are incorporated herein. The Note shall be dated the date of this Agreement, shall bear interest payable at the rate and in the manner provided for in Sections 2.06 and 2.07 hereof, and shall evidence all advances of the Loan.

2.02.01 Borrower agrees that the date and amount of each advance of the Loan shall be as set forth in the books and records of Lender relating to such matters which shall be presumed accurate but subject to verification and correction by Borrower within thirty (30) days of Borrower's receipt of a statement.

2.03 Use of Proceeds: The proceeds of the Loan shall be used by Borrower solely to finance its origination of Eligible Loans pending sale thereof to the Investor. Use of Loan proceeds for any other purpose shall constitute an Event of Default for all purposes of this Agreement.

2.04 INTENTIONALLY OMITTED

2.05 Advance Rates Each advance of the Loan shall not exceed the Applicable Percentage of the lesser of i) the Committed Purchase Price, ii) the aggregate principal balance of the Eligible Loans with respect to which such Separate Bank Advance is made, or iii) the market value of such Consumer Loan as determined by Lender in its sole business judgment.

2.06 Payment of Interest and Principal: Lender shall receive from Borrower monthly installments of interest on the first day of each month via an automatic debit from Borrower's Operating Account. The proceeds payable to Borrower by the Investor from the sale of Consumer Loans upon which a Separate Bank Advance has been made shall (and Borrower shall, and authorizes Lender to, direct Investor that such proceeds shall) be forwarded via federal wire transfer by Investor directly to the Lender. The amount so received shall first be applied to all amounts advanced by Lender with respect to such Consumer Loans and any other amounts (including, without limitation, any amounts due upon any declaration incident to an Event of Default) due and owing Lender pursuant to this Agreement, and the balance, if any, of such proceeds shall be remitted to Borrower by crediting its Operating Account with the amount thereof; should Borrower ever receive such proceeds from the Investor, the same will be held in trust for the Lender and immediately remitted to Lender with all necessary endorsements (which Lender is authorized to make on Borrower's behalf) for application as aforesaid. Should the aggregate unpaid principal amount at any time outstanding of all Separate Bank Advances exceed the Maximum Loan Amount, the Borrower will immediately upon Lender's demand repay the principal thereof to the extent of such excess. **The entire principal balance of the Loan shall be due and payable in full on the Termination Date.**

2.07 Rate of Interest on Loan:

(a) The daily outstanding principal balance of the Loan shall bear interest at, on any day, a per annum rate equal to the **Index plus two and one-half (2.5) percentage points**, as such rate may change from time to time, **but in no event shall the Loan bear interest at a rate less than 5%**. The interest rate on the Loan is subject to change from time to time based on changes in an independent index which is the one-month Libor as published under Rates & Bonds in the Market Data section of www.Bloomberg.com, 2 Business Days prior to the 1st Business Day of each month ("**Reset Day**"), divided by a percentage equal to 100% minus the stated rate of all reserve requirements (including, without limitation, any marginal, emergency, supplemental, special or other reserves) determined by the Federal Reserve Bank in respect of "Eurocurrency liabilities" as defined in Regulation D, rounded upwards, if necessary, to the nearest 1/100th of 1% (the "**Index**"). The Index is not necessarily the lowest rate charged by Lender on its loans. If the Index becomes unavailable during the term of the Loan, Lender may designate a substitute index after notifying Borrower. Lender will tell Borrower the current Index rate upon Borrower's request. The interest rate change will not occur more often than each Reset Date. Borrower understands that Lender may make loans based on other rates as well. **The Index currently is 2.72% per annum.** The interest rate to be applied to the unpaid principal balance during this loan will be at a rate of two and one-half (2½) percentage points over the Index, resulting in an initial rate of 5.22% per annum. **NOTICE:** Under no circumstances will the interest rate on this loan be more than the maximum rate allowed by applicable law.

(b) To the extent permitted by law, upon and during the continuance of an Event of Default, the rate of interest shall increase by four (4) percentage points in excess of the otherwise applicable rate ("**Default Rate**"), without further notice to the Borrower.

(c) Interest shall continue to accrue on the unpaid principal balance of the Loan at the applicable Default Rate set forth in this Agreement even if all sums due hereunder are accelerated and reduced to judgment.

2.08 **Banker's Year:** All interest calculations shall be based on a 360 day year for the actual days elapsed.

2.09 **Direct Charge:** Borrower authorizes Lender to charge Borrower's Operating Account with the amount of any interest, fees or other sums from time to time due by Borrower to Lender.

2.10 **Administration Fee:** Borrower will pay Lender an administration fee of \$35 per Consumer Loan upon and at the time at which any Separate Bank Advance is made hereunder.

2.11 **Non-Usage Fee.** Borrower will pay to the Bank for all calendar months commencing June 1, 2008, a "**non-usage**" fee, calculated in accordance with Section 2.08 hereof, equal to .0025% of the average daily amount during each calendar month by which the Maximum Loan Amount exceeds the outstanding principal balance of the Loan during such month, payable quarterly in arrears when billed, provided, that no "non-usage" fee will accrue

with respect to any calendar month in which the average daily outstanding principal balance of the Loan during such month equals or exceeds \$5,000,000.00.

3. Conditions of Lending.

3.01 Documentation Required Prior to First Advance Only: Delivery by Borrower of each of the following to Lender shall be conditions precedent to the making of the first advance of the Loan:

3.01.01 The executed Note of Borrower;

3.01.02 A certified copy of a resolution of Borrower's Board of Directors authorizing the borrowing herein provided for, the execution and delivery of this Agreement and the Note, and the endorsing, and assigning to Lender of the Collateral as herein provided;

3.01.03 Certificates, as of the most recent dates practicable, of the Secretaries of State of New York, Pennsylvania and New Jersey, and the department of revenue or taxation of each of the foregoing states, or other evidence satisfactory to Lender, as to the good standing of Borrower.

3.01.04 A certificate, dated the date of this Agreement, signed by the president or vice president of Borrower to the effect that:

(1) The representations and warranties set forth in Section 4 of this Agreement are true, complete and correct as of the date hereof;

(2) No Event of Default hereunder, and no event which, with the giving of notice or the passage of time, or both, could become such an Event of Default, has occurred as of the date hereof; and

(3) All conditions set forth in this Section 3.01 have been fulfilled.

3.01.05 A Guaranty and Suretyship Agreement signed by Guarantor guaranteeing, as surety, any and all of Borrower's past, present and future obligations to Lender.

3.02 Documentation Required In Connection With All Advances: Borrower shall deliver to Lender or Collateral Agent a Schedule of Eligible Loans and a Loan Cover Sheet, each in form provided by Lender or Collateral Agent for this purpose and duly completed and executed by Borrower. Subject to Section 3.03 hereof, concurrently with the making of each Separate Bank Advance, Borrower shall deliver to Lender or Collateral Agent the following, as applicable:

3.02.01 A written commitment from the Investor confirming the Investor's commitment to purchase the related Consumer Loan,

- 3.02.02 The original Consumer Paper, duly endorsed in blank, without recourse;
- 3.02.03 Copy of the original Mortgage, together with an original assignment thereof in recordable form and assigned in blank, duly executed by the mortgagee;
- 3.02.04 An assignment by Borrower in blank in recordable form for each Consumer Loan;
- 3.02.05 Such additional documents or instruments as may be required by Lender and/or Investor.

3.03 Wet Advances: Notwithstanding Section 3.02 hereof to the contrary, Lender will permit Wet Advances up to an aggregate principal amount at any time outstanding equal to the Wet Advance Sublimit. If on any date the aggregate principal amount outstanding of Wet Advances exceeds the Wet Advance Sublimit, Borrower shall immediately prepay the principal of Wet Advances in an amount equal to such excess. In the event that for any reason the original Consumer Paper and copy of Mortgage is not received by Lender within **5 Business Days** following the date on which such Wet Advance was made, Borrower shall within one (1) day of the first to occur of Borrower's actual knowledge thereof or Lender's written demand with respect thereto prepay the full principal amount of such Wet Advance.

3.04 Continuing Warranties: At the time any Separate Bank Advance is requested by Borrower, and as a precondition to the making of any advance hereunder, no Event of Default shall have occurred and be continuing, and no event shall have occurred which, with the lapse of time or the giving of notice or both, shall constitute such Event of Default; and Borrower shall have paid all fees and charges due and payable by Borrower hereunder.

3.05 Other Requested Documents: Borrower shall deliver directly to Lender and/or Collateral Agent any documents pertaining to the Eligible Loan which Lender and/or the Investor reasonably specifically requests.

4. Continuing Representations and Warranties.

In order to induce Lender to enter into this Agreement and to induce Lender to make each Separate Bank Advance, Borrower warrants and represents that as of the date hereof, at the time of the making of each Separate Bank Advance hereunder, at the time each Consumer Paper is delivered to the Collateral Agent, and at the time of sale of each Consumer Loan to Investor, that:

4.01 Borrower's Organization: Borrower is a corporation, duly organized and existing and in good standing under the laws of the state of its organization, and Borrower is qualified to do business in and in good standing in every other jurisdiction where its business or operations requires such qualification. The execution, delivery and performance of this Agreement, the Note and other documents required of Borrower have been duly authorized by all requisite action and will not violate the Borrower's charter or by-laws or any applicable statutes or regulations or any agreements of judgements to which Borrower is a party or by which it or its property is bound.

This Agreement and the Note are valid and binding obligations of Borrower, enforceable in accordance with their terms except as may be limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws or equitable principles affecting the enforcement of creditors' rights generally, and the consent or approval of governmental authorities or of third parties is not required for the validity of Borrower's obligations hereunder or thereunder or, if required, has been obtained and remains in full force and effect.

4.02 Financial Statements: All financial statements and financial information heretofore delivered to Lender are true and correct in all material respects as of the date made. As of the date of this Agreement and as of the date of any borrowing hereunder, there has not been, nor does Borrower anticipate the occurrence of, nor is Borrower aware of any circumstance which with the passage of time could reasonably be expected to result in, any Event of Default or any material change of an adverse nature sufficient to impair Borrower's ability to repay every Separate Bank Advance or to continue to conduct its business as it is being conducted on the date hereof. Borrower has no material contingent liabilities or unusual forward or long-term commitments which are not disclosed by or reserved against in said financial statements furnished to Lender or have not been disclosed to Lender in writing. At the date of this Agreement and at the date of each advance requested by Borrower hereunder, Borrower warrants and reaffirms there are no material unrealized or anticipated losses from any commitments of the Borrower except as previously disclosed in writing to Lender.

4.03 Authority: All requisite action for the authorization, execution and delivery by Borrower of this Agreement and the Note, and for the assigning and endorsing by Borrower of the Collateral as provided for hereunder, has been duly taken and has not been rescinded.

4.04 Title to Collateral: Borrower is or will be the legal and beneficial owner (subject only to potential claims of the Investor arising solely out of the Take-Out Commitment) of the Collateral at the time pledged, free and clear of all security interests, liens and encumbrances, and has the right to assign the same to Lender as contemplated by this Agreement.

4.05 Warranties as to Each Consumer Loan: Each Consumer Loan upon which any Separate Bank Advance is made is, unless otherwise agreed to by Lender in connection with a particular Consumer Loan, an Eligible Loan and will remain as such until the related Separate Bank Advance is repaid in full.

4.06 Third Party Claims: The Borrower is unaware of any actual, pending or threatened repurchase demands or loan indemnification claims against it by any person or entity.

4.07 Borrower's Locations: The address of Borrower set forth above in this Agreement is its chief executive office;

4.08 No Default: Borrower has no knowledge of any default under any material term or provision or any agreement to which it is a party or by which it is bound or to which any of its property is subject, which default would have a material adverse effect on Borrower's

creditworthiness. It is agreed that a material breach of the terms of any mortgage warehouse loan agreement with any other lender shall be deemed to have such a material adverse effect.

4.09 Outstanding Judicial Proceedings: There are no outstanding criminal proceedings pending or to the best of Borrower's knowledge threatened, or judgments, actions or proceedings pending or to the best of Borrower's knowledge threatened before any court or governmental authority, bureau or agency, with respect to or affecting the Borrower wherein damages alleged or owed exceed \$10,000 in any such proceeding, judgment or action or in the aggregate for all such proceedings, judgments or actions, nor are there any such actions, judgments or proceedings in which Borrower is a plaintiff or complainant (excepting routine foreclosures) wherein damages alleged or owed exceed \$10,000 in any such proceeding, judgment or action or in the aggregate for all such proceedings, judgments or actions.

4.10 Accuracy of Submitted Information; No Material Omissions: No certificate, opinion, financial statement or any other statement made or furnished to Lender by or on behalf of the Borrower in connection with this Agreement or the transaction contemplated herein, contains any untrue statement of a material fact, or omits a material fact necessary in order to make the statements contained therein or herein not misleading.

4.11 Loans Not Usurious: The Consumer Loans are not usurious.

4.12 Subsidiaries: Borrower has no Subsidiaries and is not a Subsidiary of any other entity.

5. Collateral.

5.01 Security Interest: Borrower hereby grants to Lender, as collateral security for all Separate Bank Advances and for the Loan and the Note and all other present and future obligations, liabilities and indebtedness of Borrower of every kind (whether principal, interest, fees, costs and expenses or otherwise) under this Agreement (the "**Secured Obligations**"), a security interest in all assets now owned and hereafter acquired or arising, including without limitation accounts, accounts receivable and loans receivable, including, but not limited to loans receivable in respect of which any Separate Bank Advance is made by Lender, now existing or hereafter acquired or arising, and in all notes, instruments, mortgages and chattel paper, including, without limitation, all Consumer Paper and Consumer Loan Collateral, evidencing or securing each said account, account receivable, loan receivable and Consumer Loans, and in all contracts, documents, files, instruments, general intangibles, property, rights, proceeds and payments relating thereto, including without limitation the following:

5.01.01 All payments and prepayments of principal, interest, and other income due or to become due thereon and all proceeds therefrom, and all the right, title and interest of every nature whatsoever of Borrower in and to the same and every part of such property including, without limitation, the following:

(a) All rights, liens and security interests existing with respect thereto or as security therefor;

(b) All hazard insurance (including without limitation flood insurance) policies, title insurance policies or condemnation proceeds with respect thereto;

(c) All prepayment premiums and late payment charges with respect thereto;

5.01.02 All real estate acquired, and not thereafter sold, by Borrower by deed in lieu of foreclosure or by foreclosure attributable thereto;

5.01.03 All of Borrower's right and interest (but none of its obligations) under the Take-Out Commitment, including the proceeds resulting from sales by Borrower pursuant thereto;

5.01.04 All right, title and interest of Borrower in and to all files, surveys, certificates, correspondence, appraisals, computer programs, tapes, discs, cards, accounting records, and other records, information, and data of Borrower relating thereto;

5.01.05 The proceeds from the sale or other disposition of any Collateral;

5.01.06 Any other property and proceeds thereof that may, from time to time hereafter, be subject to the security interests created hereby;

5.01.07 All business records, computer tapes, software, microfiche, etc., necessary to identify and locate the Collateral and protect or enforce Lender's or any Lender's rights therein.

All Collateral shall be delivered directly to Collateral Agent upon the closing of each Eligible Loan.

5.02 Separate Assignments: Prior to making each Separate Bank Advance, Lender and/or Collateral Agent may require Borrower to deliver a separate assignment in a reasonable form to Lender of all of Borrower's right, title and interest in the Consumer Paper and Consumer Loan Collateral and other property, right, proceeds or payment forming part of the Collateral.

5.03 Deposit and Other Accounts: Borrower hereby grants to Lender, as security for the Secured Obligations, a lien and security interest in, and assignment of, all amounts at any time standing to Borrower's account in any and all deposit, restricted, operating or other accounts now or hereafter maintained by Borrower with Lender, including without limitation the Operating Account and Warehouse Account, which lien and security interest is in addition to, and not in lieu of, any right of set-off otherwise available to Lender under applicable law.

5.04 Other Collateral: Borrower hereby grants to Lender, as security for the Secured Obligations, a lien and security interest in, and assignment of, all of Borrower's now owned or hereafter acquired or arising accounts, accounts receivable, machinery, inventory, furniture, fixtures, equipment, general intangibles, chattel paper, documents, instruments, deposit accounts and investment property, and all cash and non-cash proceeds (including, without limitation, insurance proceeds) thereof and proceeds of proceeds.

5.05 Servicing Rights: Borrower hereby grants to Lender, as security for the Secured Obligations, a first lien security interest in all Servicing Rights, if any, and all proceeds thereof.

5.06 Financing Statements: Borrower will execute one or more financing statements covering the Collateral pursuant to the Uniform Commercial Code, in form satisfactory to Lender, and will pay the cost of filing the same in all public offices. A copy of this Agreement may be recorded as a financing statement.

5.07 Limited Power of Attorney: Borrower hereby irrevocably makes, constitutes and appoints Lender its attorney-in-fact with full power of substitution for and on behalf and in the name of Borrower (which Lender is under no obligation to use) to endorse any checks, instruments or other papers in Lender's possession representing payments on or proceeds of Consumer Paper and Consumer Loan Collateral; to complete, execute, deliver and record any assignment or other document, including financing statements, covering the Collateral; upon the occurrence of an Event of Default and during the continuance thereof, to endorse any Consumer Paper in the name of Borrower and do every other act or thing necessary or desirable to effect transfer of Consumer Paper, Consumer Loan Collateral or any related Collateral and/or to protect the interest of Lender in the Collateral; upon the occurrence of an Event of Default and during the continuance thereof, to take all necessary and appropriate action in Borrower's name with respect to any Separate Bank Advances hereunder and servicing of Consumer Paper and Consumer Loan Collateral or sale of Collateral under the Take-Out Commitment; upon the occurrence of an Event of Default and during the continuance thereof to take any and all action which Lender deems appropriate to commence prosecute, settle, discontinue, defend or otherwise dispose of any claim relating to the Take-Out Commitment, insurance or guarantee, Consumer Paper, Consumer Loan Collateral or other Collateral; upon the occurrence of an Event of Default and during the continuance thereof, and to sign Borrower's name whenever and wherever appropriate to the performance of this Agreement, including, but not limited to, execution in Borrower's name of any document necessary to perfect or protect Lender's security interest granted hereunder. This appointment shall be deemed coupled with an interest but shall only extend to dealings with regard to the Collateral.

5.08 Delivery in Trust: Should Lender or Collateral Agent ever deliver any Consumer Paper or other Collateral to Borrower for purposes of correction thereof or otherwise, or to the Investor in connection with the Investor's purchase thereof, or to any other person or entity for any reason, the same shall be delivered subject to Lender's liens and security interest therein and upon an express trust for the benefit of Lender until the same is returned to Lender or the Separate Bank Advance to which such Consumer Paper relates has been repaid in full with accrued interest.

6. Affirmative Covenants.

Borrower covenants and agrees:

6.01 Note Payments: To pay the Loan (as provided in the Note and this Agreement) when due including but not limited to interest upon the Loan.

6.02 Circumstances Requiring Immediate Repayment of Separate Bank Advance: To repay in full within three (3) days after the first to occur of Borrower's actual knowledge thereof or Lender's written demand with respect thereto, any Separate Bank Advance, plus accrued interest, if the Consumer Loan with respect to which such Separate Bank Advance was made (a) shall be rejected as unsatisfactory for purchase by the Investor; (b) has not been purchased within the **earliest** of (i) 60 days after funding by Lender, (ii) within the time permitted under the applicable Take-Out Commitment or (iii) 45 days after the related Consumer Paper is sent to the applicable Investor; (c) said Consumer Loan becomes 31 or more days contractually past due or in default; (d) as provided in the final sentence of Section 3.03 hereof; (e) the improvements covered by the applicable Mortgage have sustained a casualty loss in excess of 5% of the appraised value of the land and improvements, whether or not covered by insurance; or (f) said Consumer Loan fails to conform to the definition of Eligible Loan.

6.03 Casualty Insurance: To place, or cause to be placed, and maintained at all times, such fire and extended coverage insurance on all real estate or other property covered by any Consumer Loan Collateral as may be required by the Investor or by Lender.

6.04 Other Insurance: To maintain (a) liability insurance and fire and other hazard insurance on its properties, with responsible insurance companies approved by the Lender, in such amounts and against such risks as is customarily carried by similar businesses operating in the same vicinity; and (b) within thirty (30) days after notice from Lender, will obtain such additional insurance as Lender shall reasonably require, all at the sole expense of the Borrower. Copies of such policies, as well as copies of errors and omissions policies and Fidelity Bonds, if any, maintained by Borrower, shall be furnished to the Lender without charge upon request of the Lender. Lender is satisfied with the amounts and coverages of the insurance policies currently maintained by Borrower and the insurance companies providing such policies.

6.05 Enforcement of Consumer Paper: To enforce payment and collection, at Borrower's expense, of all Consumer Paper.

6.06 Costs of Collection: To pay the reasonable costs of collection (including reasonable attorneys' fees) of any of the Collateral, the enforcement or collection of which has been undertaken by Lender.

6.07 Notation of Assignments: To make appropriate notations on its books of all assignments and liens granted to Lender hereunder, and to give such notice thereof as Lender may from time to time reasonably require.

6.08 Execution of Additional Documents: To execute such additional instruments or assignments of the Collateral as Lender may from time to time reasonably require.

6.09 Submission of Financial Statements:

6.09.01 INTENTIONALLY OMITTED

6.09.02 Submission of Monthly Financial Statements: To furnish to Lender within **45 days** after the close of calendar month, Borrower's financial statements, to include a balance sheet and income statement and statement of cash flow of the Borrower for such period, subject to year end audit adjustments, prepared by Borrower in accordance with generally accepted accounting principles consistently applied and certified true and correct by Borrower's Chief Financial Officer.

6.09.03 Submission of Year End Financial Statement: To furnish to Lender within **90 days** after the close of each fiscal year of Borrower: (a) a statement of shareholders' equity; (b) an income statement for such fiscal year; (c) a cash flow statement for such fiscal period; and (d) a balance sheet as of the end of such fiscal year, all in reasonable detail, including all supporting schedules and comments; the statements and balance sheet to be audited by an independent certified public accountant selected by the Borrower and acceptable to Lender and accompanied by such accountant's opinion letter reasonably satisfactory to Lender and certified true and correct by Borrower's Chief Financial Officer.

6.09.04 Covenant Compliance: That each financial statement submitted pursuant to this Section 6.09 shall include the then current Tangible Net Worth, Adjusted Tangible Net worth, the Adjusted Leverage Ratio, the Loss Reserve and Liquidity. All such numbers shall be accompanied by work sheet calculations used to arrive at reported result. Borrower shall also provide Lender with a Covenant Compliance Worksheet in the form provided by the Lender for this purpose, certified as true, correct and complete by Borrower's Chief Financial Officer, and together therewith (i) current month and year-to-date loan production including a breakdown by government, conventional, Jumbo and second mortgage loans (ii) a report detailing each demand by Investors for repurchase or indemnity.

6.09.05 Personal Financial Statements: To furnish to Lender, on or before April 15 of each year, a personal financial statement of the Guarantor and a copy of the Guarantor's federal income tax return for the year then ended.

6.09.06 Projections: To furnish to Lender, as requested by Lender not more often than on a quarterly basis, a projected balance sheet, income statement and cash flow statement for each of the upcoming twelve (12) months.

6.09.07 Management Letters: To furnish to Lender, all reports, including management letters, from time to time issued to Borrower by its accountants performing a year-end audit relating to Borrower's financial and accounting policies and procedures.

6.10 Maintenance of Books and Records; Audits: To maintain adequate books, accounts and records in accordance with generally accepted accounting practices with appropriate notations thereon of all assignments to Lender; and to permit Lender or its representatives at any reasonable time to inspect or examine or audit and make copies and abstracts of the books, accounts and records of Borrower at Borrower's offices or such other location at which said documents are kept. Borrower shall be responsible to Lender for such audit fees as Lender may reasonably assess in connection with any such audit or examination.

6.11 Compliance with Administrative Requests of Lender: To comply with such reasonable administrative directions as Lender may give in order to provide proper servicing of the Separate Bank Advances hereunder.

6.12 Submission of Pipeline Report: To provide when requested by Lender, a copy of the Borrower's pipeline report in form and substance reasonably satisfactory to Lender.

6.13 Notification of Default: In connection with any Consumer Loan in respect of which a Separate Bank Advance has been made, to notify Lender within two (2) Business Days of Borrower's discovery of any default thereunder or any claim asserted in connection therewith.

6.14 Notification of Borrower's Default: To advise Lender in writing within three (3) Business Days after the expiration of any applicable cure period, of any uncured material default known to Borrower in connection with any material agreement to which Borrower is bound.

6.15 Maintenance of the Take-Out Commitment: To keep the Take-Out Commitment in full force and effect and subject to no lien, assignment or other interest (other than that of the Lender).

6.16 Financial Covenants: To at all times maintain (tested monthly):

- (a) Tangible Net Worth of not less than \$1,000,000.00;
- (b) a Leverage Ratio of not more than 12 to 1;
- (d) a Current Ratio of not less than 1.05 to 1.

6.17 Tax Returns: To furnish Lender with copies of federal income tax returns filed by the Guarantor, annually within 15 days after filing.

6.18 Payment of Taxes: To pay or cause to be paid when due, all taxes, assessments and charges or levies imposed upon it or on any of its property or which it is required to withhold and pay over, except, as to taxes other than such as to which any lien which attaches with respect thereto has or would with the passage of time have priority over the liens and security interests granted to Lender, where contested in good faith by appropriate proceedings with adequate reserves therefor having been set aside on its books provided, however that the Borrower shall

pay or cause to be paid all such taxes, assessments, charges or levies forthwith whenever foreclosure on any lien that attaches (or security therefor) appears imminent.

6.19 New Locations: To furnish Lender with the name and addresses of all new offices and locations, including relocations of existing offices, no later than thirty (30) days prior to the date Borrower commences occupation of said premises.

6.20 Additional Reports: To promptly furnish Lender with such reports and information as it deems reasonably necessary from time to time.

6.21 Accounts: To maintain an Operating Account and Warehouse Account with Lender.

6.22 Compliance With Laws: To substantially comply with all present and future laws applicable in a material way to it in the operation of its business, and all material agreements to which it is subject.

6.23 Notice of Litigation: To give immediate notice to Lender after Borrower becomes aware of: (1) any litigation in which it is a party if an adverse decision therein would require it to pay over more than \$10,000 in such litigation or in the aggregate for all such litigation or deliver assets the value of which exceeds such sum (whether or not the claim is considered to be covered by insurance); and (2) the institution of any other suit or any administrative proceeding involving it that might materially and adversely affect its operations, financial conditions, property or business.

6.24 Payment of Obligations When Due: To pay when due (or within applicable grace periods) all material indebtedness due third persons, except when the amount thereof is being contested in good faith, by appropriate proceedings and with adequate reserves therefor being set aside on the books of Borrower.

6.25 Landlord's Waiver: To use its best efforts to obtain from the landlord of each premises leased by Borrower, if any, a waiver of all rights in or to the Collateral.

6.26 ERISA: If required under applicable laws, Borrower will (1) fund all its Employee Benefit Plans in accordance with no less than the minimum funding standards of Section 302 of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), (2) furnish Lender, promptly after the filing of the same, with copies of all reports or other statements filed with the United States Department of Labor, the Pension Benefit Guaranty Corporation ("PBGC") or the Internal Revenue Service ("IRS") with respect to all such Plans, or which Borrower, or any member of a Controlled Group, may receive from the United States Department of Labor, the IRS or the PBGC, with respect to all such Employee Benefit Plans, and (3) promptly advise Lender of the occurrence of any Reportable Event or Prohibited Transaction with respect to any such Employee Benefit Plan(s) and the action which Borrower proposes to take with respect thereto; or (4) promptly advise Lender of any claim for withdrawal liability made against it or a member of its Controlled Group.

6.27 Management: To maintain Scott Sisskind in a senior management capacity.

7. Negative Covenants.

Without the prior written consent of Lender, Borrower will not:

7.01 No Compromise of Collateral: Make any compromise, adjustment or settlement in respect of any of the Consumer Loan Collateral or accept anything other than cash in payment of the Consumer Loan Collateral.

7.02 Improper Use of Proceeds: Use the proceeds of the Loan, or permit them to be used, for any purpose other than to purchase or originate Eligible Loans pursuant to the terms of this Agreement.

7.03 [intentionally omitted]

7.04 No Misleading Information: Knowingly furnish to Lender any certificate or document that contains any untrue statement of material fact or omits a material fact necessary to make it not misleading in light of the circumstances under which it was furnished.

7.05 No Change in Ownership: Permit or suffer any change in the ownership of the outstanding capital stock of Borrower.

7.06 No Change in Organization: Change its name, enter into any merger, consolidation, reorganization or recapitalization, or reclassify or redeem its capital stock, or liquidate or dissolve or acquire any stock in or all or substantially all of the assets of or any partnership or joint venture interest in, or make any loan to or investment in, any other person or entity, other than consumer loans made in the ordinary course of its business.

7.07 No Sale of Assets: Borrower will not sell, transfer, lease or otherwise dispose of all or (except for the sale of loans and other financial products in the ordinary course of its business and the disposition of equipment or other fixed assets which in Borrower's reasonable judgment is no longer needed in the ordinary course of its business) any part of its assets.

7.08 No Liens: Borrower will not mortgage, pledge, grant or permit to exist a security interest in or lien on any of its assets of any kind, real or personal, tangible or intangible, now owned or hereafter acquired including without limitation the Collateral, except (i) for purchase money liens in equipment, (ii) liens in favor of Lender hereunder and (iii) liens on Consumer Paper financed by the Borrower's other warehouse lenders.

7.09 No Guaranties: Borrower will not become liable, directly or indirectly, as guarantor, surety, endorser or other-wise, for any obligation or indebtedness of any other person, except for endorsement of commercial paper for deposit or collection in the ordinary course of business.

7.10 No Indebtedness: Borrower will not incur, create, assume or permit to exist any indebtedness of any nature, except (i) to Lender pursuant hereto, (ii) trade indebtedness incurred in the ordinary course of business, (iii) purchase money indebtedness for equipment and capital lease obligations and (iv) warehouse indebtedness owing to the Borrower's other warehouse lenders.

8. Default.

8.01 Events of Default: Borrower shall be in default under this Agreement upon the happening of any of the following events or conditions:

8.01.01 Failure to pay any principal or interest when due or any fee, expense or other amount required to be paid by Borrower hereunder when due;

8.01.02 Default in the performance of any other obligation, covenant or liability of Borrower contained or referred to herein which default is not cured in 10 days after the first to occur of Borrower's receipt of notice thereof from Lender or actual knowledge thereof by Borrower;

8.01.03 Any warranty, representation or statement furnished to Lender by or on behalf of Borrower in connection with this Agreement proves to have been false in any material respect when made or furnished;

8.01.04 Loss, theft, substantial damage, destruction, abandonment, sale or encumbrances to or of the Collateral or any part thereof, or the making of any levy, seizure or attachment thereof or thereon, provided that if such collateral is other than Consumer Loan Collateral, the same could be reasonably be expected to have a material adverse effect on the financial or operating condition of Borrower;

8.01.05 Dissolution, termination of existence, insolvency, business failure, appointment of a receiver for benefit of creditors by, or the commencement of any case or proceeding under any bankruptcy or insolvency law by or against Borrower unless said proceeding, if commenced against Borrower is dismissed within sixty (60) days from the date it is filed;

8.01.06 Occurrence of any material adverse change in the financial or operating condition of Borrower;

8.01.07 Five (5) business days or more shall elapse from the date of release of any Consumer Paper and any other item of Collateral to Borrower made at Lender's sole discretion subject to such terms and conditions as Lender may from time to time require and such Collateral has not been returned to Lender;

8.01.08 Five (5) business days or more (or such greater time as Lender may approve) shall elapse from the date of shipment or delivery of Collateral to an Investor without Lender having received full payment of the Separate Bank Advance(s) or portions thereof secured thereby;

8.01.09 [intentionally omitted]

8.01.10 If presently held or later obtained, subsequent loss of FNMA, GNMA and/or FHLMC certification;

8.01.11 Failure of Borrower to observe or perform any agreement of any nature whatsoever with Lender, subject to applicable notice and grace periods;

8.01.12 Borrower's default under the terms and conditions of any other loan or credit agreement or other material agreement with Lender or the Take-Out Commitment, and including further Borrower's failure to repurchase any loan to the extent required to do so under the Take-Out Commitment.

8.02 Remedies Upon Default: Upon any such Event of Default, at Lender's election, no additional advances shall be made by Lender and/or this Agreement may be terminated and/or all sums now or hereafter owed by Borrower to Lender may be declared to be immediately due and payable, and Lender may charge Borrower's DDA account for any or all sums due and owing to Lender. Lender shall have the rights and remedies of a secured party under the Uniform Commercial Code in addition to the rights and remedies provided herein or in any other instrument or paper executed by Borrower, including, at its option and in its sole discretion, after the occurrence of such default and during the continuance thereof and until all sums now or hereafter owed to the Lender are paid in full, the right or rights to:

8.02.01 Communicate with and notify the obligors under any Consumer Loans of Borrower's assignments hereunder, and note any such assignment on Borrower's records;

8.02.02 Take over the exclusive right to collect the Collateral at the sole expense of the Borrower, without any obligation to preserve rights against third parties. For any acts done or not done incident to such collection or liquidation, Lender shall not be liable in any manner. Lender shall have the right to settle, compromise, or adjust Collateral and the claims or right of Borrower thereunder and accept return of the real estate or other Consumer Loan Collateral involved, and in turn sell and dispose of all said real estate without notice to or approval of Borrower, Lender may employ agents and attorneys to collect or liquidate any Collateral, and Lender shall not be liable for such Collateral or defaults of any such Lenders and attorneys;

8.02.03 To effect collection of any Consumer Loan, take possession of and open any mail addressed to Borrower whether on Borrower's premises or elsewhere and to remove, collect, and apply all payments therein contained and as attorney in fact for Borrower,

sign the Borrower's name to any receipts, checks, notes, agreements, assignments or other instruments or letters, in order to collect, sell or liquidate the Collateral. This power shall be irrevocable;

8.02.04 Require Borrower to assemble all books and records of account relating to the Collateral and make them available to Lender at its office herein set forth or such other place as may be designated by Lender.

8.02.05 Enter the office of Borrower and take possession of any of the Collateral including any records that pertain to the Collateral; and

8.02.06 Undertake to service any Consumer Loans and upon the happening of such, Borrower shall transfer to Lender all escrow funds, records, and any other documents relating to any such Consumer Loans then held by it.

8.03 Remedies Cumulative: All remedies available to Lender shall be cumulative and not alternate in that the exercise of one or more of them shall not preclude exercising one or more of the others.

8.04 Indemnity: (a) Borrower agrees to defend, protect, indemnify and hold harmless Lender and/or Collateral Agent and their officers, directors, employees and attorneys (including, without limitation, those retained in connection with the satisfaction or attempted satisfaction of any of the conditions set forth herein) (collectively, the "Indemnities") from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, claims, costs, expenses and disbursements of any kind or nature whatsoever (including, without limitation, the reasonable fees and disbursements of counsel for such Indemnities in connection with any investigative, administrative or judicial proceeding, whether or not such Indemnities shall be designated a party thereto), imposed on, incurred by, or asserted against such Indemnities (whether direct, indirect or consequential and whether based on any federal or state laws or other statutory regulations, including, without limitation, securities and commercial laws and regulations, under common law or at equity, or on contract or otherwise) in any manner relating to or arising out of this Agreement, or any act, event or transaction related or attendant thereto, the making of the Loan, the management of the Loan or the use or intended use of the proceeds of the Loan (collectively, the "Indemnified Matters"); provided, that Borrower shall have no obligation to an Indemnitee hereunder with respect to (i) Indemnified Matters caused by or resulting from the willful misconduct or gross negligence of that Indemnitee, as determined by a court of competent jurisdiction, or (ii) any loss directly resulting from and which would not have occurred but for the failure of Lender to perform its obligations under this Agreement. To the extent that the undertaking to indemnify, pay and hold harmless set forth in the preceding sentence may be unenforceable because it is violative of any law or public policy, Borrower shall contribute the maximum portion which it is permitted to pay and satisfy under applicable law, to the payment and satisfaction of all Indemnified Matters incurred by the Indemnities.

(b) Without prejudice to the survival of any other obligation of Borrower hereunder, the obligations and indemnities of Borrower contained in this Section shall survive

the termination of this Agreement and payment in full of principal and interest hereunder and under the Notes.

9. Sale of Consumer Paper.

So long as no Event of Default has occurred hereunder, Lender shall:

9.01 Deliver of Consumer Paper by Lender: Promptly upon sale by Borrower of any Consumer Loan on which a Separate Bank Advance has been made hereunder and receipt by Lender of the entire proceeds thereof in an amount sufficient to repay in full the Separate Bank Advance related thereto, Lender shall deliver the Consumer Paper as requested by Borrower to the Investor. Lender agrees to send the original Consumer Paper directly to the pertinent Investor no later than one Business Day after receipt of said sale proceeds. Proceeds received by Lender from the Investor shall be deposited in the Warehouse Account for application to the related Separate Bank Advance and any other amounts then due by Borrower hereunder, and any sums remaining after full repayment of the pertinent Separate Bank Advance and such other amounts will, provided no event which with the passage of time and/or the giving of notice would constitute an Event of Default hereunder has occurred and is continuing, be promptly credited to Borrower's Operating Account. Lender may require Borrower to deliver a cover letter, in form reasonably satisfactory to Lender, directing Investor to make payment directly to Lender.

9.02 Reassignment of Consumer Paper by Lender. Reassign to Borrower any Consumer Paper referred to in Paragraph 6.02 hereof, and to deliver to Borrower all supporting papers, upon payment in full to Lender of the respective Separate Bank Advance, plus accrued interest.

9.03. Repayment of Separate Bank Advance. In the event Borrower repays in full a Separate Bank Advance without selling the Consumer Loan to the Investor, Lender shall, provided that no event which with the passage of time and/or the giving of notice would constitute an Event of Default hereunder has occurred and is continuing, deliver the Consumer Paper to Borrower promptly after Lender's receipt of such payment.

9.04. Borrower's Obligations on Returned Paper. Borrower's obligations set forth in this Agreement with respect to a Consumer Loan for which Bank is required to return the related Consumer Paper in accordance with this Section 9 shall terminate and cease; and all of Lender's right, title and interest in such Consumer Loan, the Consumer Paper and other instruments and documents relating thereto shall terminate and cease without the need for any further action. If reasonably requested by the Investor or Borrower, Lender shall execute and deliver such instruments as are reasonably required to acknowledge and evidence the termination of any interest, right or title in, to and under such Consumer Loan, Consumer Paper and other instruments and documents relating thereto.

10. Collections.

Upon the occurrence of any Event of Default hereunder if so requested by Lender, in writing, Borrower shall act as the representative of, and in trust for, Lender and Collateral Agent in receiving and collecting all monies payable on any Consumer Loan and after collection thereof shall deposit the same in the Warehouse Account, and the same shall be held by Lender as part of the Collateral hereunder. Lender, upon deposit in the Warehouse Account of any monies payable on any such Consumer Loan, may, in its sole discretion, apply all or any part thereof to the payment of Borrower's obligation arising out of the related Separate Bank Advance or toward any other Secured Obligation.

11. Miscellaneous.

11.01 Notices: Except as to routine business matters, any and all communications between the parties hereto or notices provided herein to be given in writing shall be i) delivered in person, ii) sent by both certified or registered mail, return receipt requested, and by regular mail, iii) by overnight courier service that provides for proof of delivery; or iv) via facsimile transmission; addressed as follows:

If to Lender: Firsttrust Bank
15 E. Ridge Pike
Conshohocken, PA 19428
Attention: John White
Fax No. 610-238-5065

If to Borrower: 1st Republic Mortgage Bankers, Inc.
110 Jericho Turnpike
Floral Park, New York 11001
Attention: Scott Siskind, President
Fax No. 516-354-6858

or to such other address any party may by notice indicate to the others from time to time. Unless sooner received, all notices shall be deemed delivered two (2) days after mailing, as herein set forth. Actual knowledge of the contents of the notice, however received, shall constitute proper notice hereunder.

11.02 Successors and Assigns: The terms and provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. All representations, warranties, covenants (affirmative and negative) and agreements herein contained on the part of Borrower shall survive the making of any Separate Bank Advance and the execution of Borrower's Note, and shall be effective as long as any sums remain due and owing to Lender.

11.03 Assignment by Lender; Participations: (a) Lender may, at any time, transfer or assign its Note and its rights under this Agreement in whole or in part, without the prior written

consent of Borrower; (b) Lender may grant participations in its Note and in rights under this Agreement and may, provided that Lender first has such participant sign Lender's standard confidentiality agreement, furnish to its participants or prospective participants financial and other information concerning the Borrower in connection therewith.

11.04 Delay - No Waiver: No delay in exercising, or failure to exercise any right, power or remedy accruing to Lender through any breach or default of Borrower under this Agreement, or any acquiescence to any such breach or default, or to any similar breach or default thereafter occurring, shall impair any such right, power or remedy of Lender nor shall any waiver of any single breach or default be deemed a waiver of any breach or default thereafter occurring. Any waiver, permit, consent or approval of any kind or character on the part of Lender of any provision or condition of the Agreement, must be in writing and shall be effective only to the extent of such writing specifically set forth. In the event Lender is required to take any action to collect sums due under the Note or to enforce, renegotiate, restructure or modify the terms of this Agreement, or is required to institute, defend or otherwise participate in any action at law or suit in equity arising from this Agreement, or any Consumer Loan or Consumer Loan Collateral forming part of the Collateral, Borrower, in addition to all other sums which it may be called upon to pay, will pay Lender's actual fees, expenses and costs, including the reasonable attorney's fees, incurred by Lender in connection therewith. Nothing in this Agreement shall be deemed any waiver or prohibition of Lender's right of set-off, except that Lender agrees to not set-off against any legitimate custodial or escrow account in which Borrower accumulates funds owned by individual mortgagors or other third parties.

11.05 (a) Entire Agreement-Supplemental Policies and Procedures: This Agreement, together with the Note and other documents executed in connection herewith, sets forth the entire agreement among the parties hereto, and there are no other agreements, express or implied, written or oral, except as set forth herein and thereon. This Agreement may not be amended, altered or changed except in writing by all parties hereto. It is contemplated that from time to time Borrower and Lender will enter into supplemental agreements establishing policies and procedures to carry out the terms of this Agreement. Such agreements shall constitute amendments hereto provided they are signed by Borrower and Lender.

(b) Partial Invalidity: The inapplicability or unenforceability of any provision of this Agreement shall not limit or impair the operation or validity of any other provisions of this Agreement.

(c) Counterparts: This Agreement may be executed in any number of counterparts, each of which, when executed and delivered, shall be an original, but such counterparts shall together constitute one and the same instrument.

(d) No Assignment by Borrower: This Agreement shall not be assignable by Borrower without the express written approval of Lender.

(e) Materiality; Reliance by Lender and Collateral Agent: All covenants, agreements and representations made herein and in documents delivered in support of this

Agreement, now or in the future, shall be deemed to have been material and relied on by Lender and shall not merge with this Agreement.

(f) No Third Party Beneficiary: The parties hereto understand and agree that there is no intention to confer any benefits upon any person or legal entity not a party to this Agreement.

(g) Confidentiality: All information and materials provided to Lender by Borrower shall be treated with the same degree of confidentiality as Lender maintains with regard to similar information of its other customers generally. Nothing contained herein shall prevent Lender from releasing to actual or proposed loan participants such information regarding Borrower as Lender may deem pertinent and necessary, provided that Lender first has such proposed participant sign Lender's standard confidentiality agreement.

11.06 Interpretation of Accounting Terms: Each accounting term used in this Agreement which is not specifically defined shall have the meaning customarily given to it in accordance with generally accepted accounting principles.

11.07 PENNSYLVANIA LAW, CONSENT TO JURISDICTION AND SERVICE: THIS AGREEMENT AND THE NOTE SHALL BE GOVERNED BY THE LAWS OF THE COMMONWEALTH OF PENNSYLVANIA. BORROWER AGREES AND CONSENTS TO THE EXCLUSIVE JURISDICTION OF THE COURT OF COMMON PLEAS OF PHILADELPHIA, PENNSYLVANIA AND/OR THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF PENNSYLVANIA. BORROWER AND LENDER HEREBY WAIVE ALL RIGHT TO DEMAND A JURY TRIAL, IN ANY AND ALL ACTIONS AND PROCEEDINGS WHETHER ARISING HEREUNDER OR UNDER ANY OTHER AGREEMENT OR UNDERTAKING AND IRREVOCABLY AGREE TO SERVICE OF PROCESS SENT BY CERTIFIED MAIL, RETURN RECEIPT REQUESTED, AND REGULAR MAIL TO THE ADDRESS AS SET FORTH HEREIN, OR SUCH ADDRESS AS MAY APPEAR IN LENDER'S RECORDS.

11.08 WAIVER OF JURY TRIAL. BORROWER AND BANK IRREVOCABLY WAIVE TRIAL BY JURY AND THE RIGHT THERETO IN ANY LITIGATION IN ANY COURT WITH RESPECT TO, IN CONNECTION WITH, OR ARISING OUT OF THIS AGREEMENT OPR RELATED LOAN DOCUMENTS OR THE VALIDITY, PROTECTION, INTERPRETATION, COLLECTION OR ENFORCEMENT THEREOF.

IN WITNESS WHEREOF, the parties have executed this Agreement all as of the day and year first hereinabove written.

FIRSTRUST BANK

By:  _____

1ST REPUBLIC MORTGAGE BANKERS, INC.

By:  _____

Scott Siskind, President

FIRSTTRUST BANK
15 East Ridge Pike
Conshohocken, PA 19482

August 28, 2008

First Republic Mortgage Bankers, Inc.
110 Jericho Turnpike
Floral Park, New York 11001

Attention: Scott Sisskind, President

Re: Amendment to Mortgage Warehousing Agreement dated April 18, 2008

Gentlemen:

Reference is made to the Warehousing Agreement dated April 18, 2008 between Firsttrust Bank ("**Bank**") and First Republic Mortgage Bankers, Inc. (the "**Borrower**") (as amended to date, the "**Loan Agreement**"), the terms of which are incorporated herein by reference. By this letter ("**Amendment**"), we desire to amend the Loan Agreement, all as hereinafter set forth. Unless otherwise set forth herein to the contrary, all of the terms hereof are effective as of the date hereof. Capitalized terms used but not defined herein shall have the meanings given thereto in the Loan Agreement.

Specifically, upon execution hereof by all of the parties hereto, the parties agree as follows:

1. **Temporary Increase in Maximum Loan Amount.** The Maximum Loan Amount is hereby temporarily increased for the period on and after the date hereof **through but not including September 26, 2008** by \$2,500,000.00 to **\$12,500,000.00**. On **September 27, 2008**, the Maximum Loan Amount shall revert to its present level of **\$10,000,000.00** and the Borrower will on that date without further notice or demand reduce the principal of the Loan by the amount of any excess. Concurrently herewith and as a condition to the Bank's commitment hereunder, the Borrower will (i) pay to the Bank a non-refundable **Amendment Fee** in the amount of **\$6,250.00** and (ii) execute and deliver to the Bank an Amended and Restated Note in the amount of the temporary Maximum Loan Amount.

2. **Miscellaneous.**

a. The provisions of this Amendment shall be in addition to those of the Loan Agreement, all of which shall be construed as integrated and complementary to each other. In the event of any express inconsistency between the terms hereof and those contained in the Loan Agreement, the terms hereof shall control. Except as modified by the terms hereof, all terms and provisions of the Loan Agreement remain unchanged and in full force and effect.

b. This Amendment shall inure to the benefit of, and shall be binding upon, the respective successors and permitted assigns of the parties hereto. This Amendment, together with the Loan Agreement and the other documents executed in connection therewith constitutes the entire agreement among the parties relating to the subject matter thereof.

c. **BORROWER AND BANK IRREVOCABLY WAIVE TRIAL BY JURY AND THE RIGHT THERETO IN ANY LITIGATION IN ANY COURT WITH RESPECT TO, IN CONNECTION WITH, OR ARISING OUT OF, THIS AMENDMENT, OR ANY INSTRUMENT**

OR DOCUMENT DELIVERED PURSUANT TO THIS AMENDMENT, OR THE VALIDITY, INTERPRETATION, COLLECTION OR ENFORCEMENT THEREOF.


d. In addition to all other expense reimbursement obligations of the Borrower contained in the Loan Agreement, Borrower will reimburse Bank for all costs and expenses, including reasonable attorneys' fees, incurred by Bank in the negotiation, preparation and consummation of this Amendment and the documents to be delivered pursuant thereto.

e. Borrower ratifies and reaffirms all of its obligations to the Bank under the Loan Agreement and agrees that the same are owing without set-off, counterclaim or other defense of any nature. Borrower specifically ratifies and reaffirms all waiver of jury trial and confession of judgment provisions, if any, set forth in the Loan Agreement and the documents executed in connection therewith.

To accept these terms, please sign this Amendment below.

Very truly yours,

FIRSTTRUST BANK

By: 

ACCEPTANCE

With the intent to be legally bound hereby, the above terms and conditions are hereby agreed to and accepted this 21 day of August, 2008.

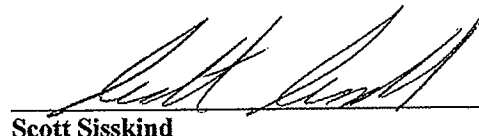
FIRST REPUBLIC MORTGAGE BANKERS, INC.

By: 

Scott Sisskind

REAFFIRMATION

The Undersigned guarantor hereby consents to and confirms the foregoing and ratifies and reaffirms all of his liabilities and obligations as guarantor under the Guaranty and Suretyship Agreement dated as of April 18, 2008 delivered to the Bank.


Scott Sisskind

FIRSTTRUST BANK
15 East Ridge Pike
Conshohocken, PA 19482

July 27, 2008

1st Republic Mortgage Bankers, Inc.
110 Jericho Turnpike
Floral Park, New York 11001

Attention: Scott Sisskind, President

Re: Amendment to Mortgage Warehousing Agreement dated April 18, 2008

Gentlemen:

Reference is made to the Warehousing Agreement dated April 18, 2008 between Firsttrust Bank ("Bank") and 1st Republic Mortgage Bankers, Inc. (the "Borrower") (as amended to date, the "Loan Agreement"), the terms of which are incorporated herein by reference. By this letter ("Amendment"), we desire to amend the Loan Agreement, all as hereinafter set forth. Unless otherwise set forth herein to the contrary, all of the terms hereof are effective as of the date hereof. Capitalized terms used but not defined herein shall have the meanings given thereto in the Loan Agreement.

Specifically, upon execution hereof by all of the parties hereto, the parties agree as follows:

1. Non-Usage Fee. Section 2.11 of the Loan Agreement is hereby amended and restated in its entirety as follows:

"2.11 Non-Usage Fee. Borrower will pay to the Bank for all calendar months commencing June 1, 2008, a "non-usage" fee, calculated in accordance with Section 2.08 hereof, equal to .25% of the average daily amount during each calendar month by which the Maximum Loan Amount exceeds the outstanding principal balance of the Loan during such month, payable quarterly in arrears when billed, *provided*, that no "non-usage" fee will be payable with respect to any calendar month in which the average daily outstanding principal balance of the Loan during such month equals or exceeds \$5,000,000.00."

2. Miscellaneous.

a. The provisions of this Amendment shall be in addition to those of the Loan Agreement, all of which shall be construed as integrated and complementary to each other. In the event of any express inconsistency between the terms hereof and those contained in the Loan Agreement, the terms hereof shall control. Except as modified by the terms hereof, all terms and provisions of the Loan Agreement remain unchanged and in full force and effect.

b. This Amendment shall inure to the benefit of, and shall be binding upon, the respective successors and permitted assigns of the parties hereto. This Amendment, together with the Loan Agreement and the other documents executed in connection therewith constitutes the entire agreement among the parties relating to the subject matter thereof.

c. **BORROWER AND BANK IRREVOCABLY WAIVE TRIAL BY JURY AND THE RIGHT THERETO IN ANY LITIGATION IN ANY COURT WITH RESPECT TO, IN**

CONNECTION WITH, OR ARISING OUT OF, THIS AMENDMENT, OR ANY INSTRUMENT OR DOCUMENT DELIVERED PURSUANT TO THIS AMENDMENT, OR THE VALIDITY, INTERPRETATION, COLLECTION OR ENFORCEMENT THEREOF.

d. In addition to all other expense reimbursement obligations of the Borrower contained in the Loan Agreement, Borrower will reimburse Bank for all costs and expenses, including reasonable attorneys' fees, incurred by Bank in the negotiation, preparation and consummation of this Amendment and the documents to be delivered pursuant thereto.

e. Borrower ratifies and reaffirms all of its obligations to the Bank under the Loan Agreement and agrees that the same are owing without set-off, counterclaim or other defense of any nature. Borrower specifically ratifies and reaffirms all waiver of jury trial and confession of judgment provisions, if any, set forth in the Loan Agreement and the documents executed in connection therewith.

To accept these terms, please sign this Amendment below.

Very truly yours,

FIRSTTRUST BANK

By:  _____

ACCEPTANCE


With the intent to be legally bound hereby, the above terms and conditions are hereby agreed to and accepted this 24 day of July, 2008.

1st REPUBLIC MORTGAGE BANKERS, INC.

By:  _____

REAFFIRMATION

The Undersigned guarantor hereby consents to and confirms the foregoing and ratifies and reaffirms all of his liabilities and obligations as guarantor under the Guaranty and Suretyship Agreement dated as of April 18, 2008 delivered to the Bank.



Scott Siskind

Exhibit B:

Note

NOTE

\$10,000,000.00

April 18, 2008

FOR VALUE RECEIVED, 1ST REPUBLIC MORTGAGE BANKERS, INC. (the "**Borrower**") promises to pay to the order of **FIRSTRUST BANK ("Lender")** at Lender's office, the lesser of **Ten Million Dollars (\$10,000,000.00)** or the principal balance outstanding hereunder pursuant to the provisions of the Warehouse Agreement referred to below.

Borrower further agrees to pay interest on the unpaid principal amount outstanding hereunder in accordance with the terms and conditions of the Warehouse Agreement.

This Note is issued in connection with that certain Warehouse Agreement dated as of April __, 2008 between Borrower and Lender, to which agreement reference is hereby made for the terms and provisions thereof, and for additional rights and limitations of such rights of Borrower and Lender thereunder, including, but not limited to, provisions for Borrower's right to borrow, prepay and reborrow part or all of the principal hereof under certain conditions and for the acceleration of Borrower's liabilities to Lender upon the occurrence of certain events as therein specified.

In the event counsel is employed to collect this obligation or to protect the security hereof, following an Event of Default under the Warehouse Agreement to Borrower, Borrower agrees to pay, upon demand, the reasonable attorneys' fees of Lender, whether suit be brought or not, and all other costs and expenses reasonably connected with collection.

Borrower and any endorser, guarantor or surety, jointly and severally, waive presentment, protest and demand, notice of protest, demand and dishonor and nonpayment of this Note, and expressly agree that this Note, or any payment hereunder, may be extended from time to time without in any way affecting the liability of Borrower or any endorser hereof.

The validity and construction and enforceability of, and the rights and obligations of Borrower and Lender under this Note and the aforesaid Warehousing Agreement shall be governed by, construed and enforced in accordance with the substantive laws of the Commonwealth of Pennsylvania.

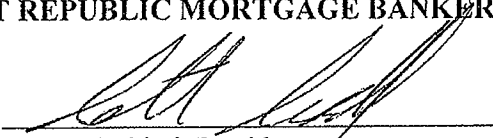
IF PERMITTED BY LAW, BORROWER HEREBY AUTHORIZES AND EMPOWERS ANY ATTORNEY OF ANY COURT OF RECORD UPON THE OCCURRENCE OF ANY EVENT OF DEFAULT UNDER THE WAREHOUSING AGREEMENT TO APPEAR FOR AND CONFESS JUDGMENT AGAINST BORROWER WITHOUT PRIOR NOTICE TO BORROWER OR PRIOR OPPORTUNITY TO BE HEARD FOR SUCH SUMS AS SHALL HAVE BECOME

DUE UNDER THIS NOTE AND ALL OTHER OBLIGATIONS HEREUNDER OF BORROWER TO LENDER, WITH OR WITHOUT DECLARATION, WITH COSTS OF SUIT (INCLUDING, WITHOUT LIMITATION, REASONABLE ATTORNEYS' FEES AND DISBURSEMENTS) AND RELEASE OF ERROR, WITHOUT STAY OF EXECUTION. IF A COPY OF THIS NOTE, VERIFIED BY AFFIDAVIT OF LENDER OR SOMEONE ON BEHALF OF LENDER, SHALL HAVE BEEN FILED IN SUCH ACTION, IT SHALL NOT BE NECESSARY TO FILE THE ORIGINAL NOTE AS A WARRANT OF ATTORNEY. THE AUTHORITY AND POWER TO APPEAR FOR AND ENTER JUDGMENT AGAINST BORROWER SHALL NOT BE EXHAUSTED BY ONE OR MORE EXERCISES THEREOF, OR ANY IMPERFECT EXERCISE THEREOF, AND SHALL NOT BE EXTINGUISHED BY ANY JUDGMENT ENTERED PURSUANT THERETO; THE AUTHORITY AND POWER MAY BE EXERCISED ON ONE OR MORE OCCASIONS, FROM TIME TO TIME, IN THE SAME OR DIFFERENT JURISDICTIONS, AS OFTEN AS LENDER SHALL DEEM NECESSARY OR DESIRABLE, FOR ALL OF WHICH THIS NOTE SHALL BE A SUFFICIENT WARRANT.

IN WITNESS WHEREOF, Borrower has caused these presents to be executed the day and year first above written.

1ST REPUBLIC MORTGAGE BANKERS, INC.

By:



Scott Sisskind. President

Exhibit C:
Amended Note

AMENDED AND RESTATED NOTE

\$12,500,000.00

August~~24~~ 2008

FOR VALUE RECEIVED, FIRST REPUBLIC MORTGAGE BANKERS, INC. (the "Borrower") promises to pay to the order of **FIRSTRUST BANK** ("Lender") at Lender's office, the lesser of **Twelve Million Five Hundred Thousand Dollars (\$12,500,000.00)** or the principal balance outstanding hereunder pursuant to the provisions of the Warehouse Agreement referred to below.

Borrower further agrees to pay interest on the unpaid principal amount outstanding hereunder in accordance with the terms and conditions of the Warehouse Agreement.

This Note is issued in connection with that certain Warehouse Agreement dated as of April 18, 2008 between Borrower and Lender, to which agreement reference is hereby made for the terms and provisions thereof, and for additional rights and limitations of such rights of Borrower and Lender thereunder, including, but not limited to, provisions for Borrower's right to borrow, prepay and reborrow part or all of the principal hereof under certain conditions and for the acceleration of Borrower's liabilities to Lender upon the occurrence of certain events as therein specified.

In the event counsel is employed to collect this obligation or to protect the security hereof, following an Event of Default under the Warehouse Agreement to Borrower, Borrower agrees to pay, upon demand, the reasonable attorneys' fees of Lender, whether suit be brought or not, and all other costs and expenses reasonably connected with collection.

Borrower and any endorser, guarantor or surety, jointly and severally, waive presentment, protest and demand, notice of protest, demand and dishonor and nonpayment of this Note, and expressly agree that this Note, or any payment hereunder, may be extended from time to time without in any way affecting the liability of Borrower or any endorser hereof.

The validity and construction and enforceability of, and the rights and obligations of Borrower and Lender under this Note and the aforesaid Warehousing Agreement shall be governed by, construed and enforced in accordance with the substantive laws of the Commonwealth of Pennsylvania.

IF PERMITTED BY LAW, BORROWER HEREBY AUTHORIZES AND EMPOWERS ANY ATTORNEY OF ANY COURT OF RECORD UPON THE OCCURRENCE OF ANY EVENT OF DEFAULT UNDER THE WAREHOUSING AGREEMENT TO APPEAR FOR AND CONFESS JUDGMENT AGAINST BORROWER WITHOUT PRIOR NOTICE TO BORROWER OR PRIOR OPPORTUNITY TO BE HEARD FOR SUCH SUMS AS SHALL HAVE BECOME DUE UNDER THIS NOTE AND ALL OTHER OBLIGATIONS HEREUNDER OF BORROWER TO LENDER, WITH OR WITHOUT DECLARATION, WITH COSTS OF SUIT (INCLUDING, WITHOUT LIMITATION, REASONABLE ATTORNEYS' FEES AND DISBURSEMENTS) AND RELEASE OF ERROR, WITHOUT STAY OF EXECUTION. IF A COPY OF THIS NOTE, VERIFIED BY AFFIDAVIT OF LENDER OR SOMEONE ON BEHALF OF LENDER, SHALL HAVE BEEN FILED IN SUCH ACTION, IT SHALL NOT BE NECESSARY TO FILE THE ORIGINAL NOTE AS A

WARRANT OF ATTORNEY. THE AUTHORITY AND POWER TO APPEAR FOR AND ENTER JUDGMENT AGAINST BORROWER SHALL NOT BE EXHAUSTED BY ONE OR MORE EXERCISES THEREOF, OR ANY IMPERFECT EXERCISE THEREOF, AND SHALL NOT BE EXTINGUISHED BY ANY JUDGMENT ENTERED PURSUANT THERETO; THE AUTHORITY AND POWER MAY BE EXERCISED ON ONE OR MORE OCCASIONS, FROM TIME TO TIME, IN THE SAME OR DIFFERENT JURISDICTIONS, AS OFTEN AS LENDER SHALL DEEM NECESSARY OR DESIRABLE, FOR ALL OF WHICH THIS NOTE SHALL BE A SUFFICIENT WARRANT.

IN WITNESS WHEREOF, Borrower has caused these presents to be executed the day and year first above written.

FIRST REPUBLIC MORTGAGE BANKERS, INC.

By: 

Scott Siskind

Exhibit D:

Disclosure for Confession of Judgment

DISCLOSURE FOR CONFESSION OF JUDGMENT

Lender: Firsttrust Bank

The undersigned has executed, and/or is executing, on or about the date hereof, a **\$12,500,000.00 Amended and Restated Note.**

A. THE UNDERSIGNED ACKNOWLEDGES AND AGREES THAT THE ABOVE DOCUMENTS CONTAIN PROVISIONS UNDER WHICH LENDER MAY ENTER JUDGMENT BY CONFESSION AGAINST THE UNDERSIGNED. BEING FULLY AWARE OF ITS RIGHTS TO PRIOR NOTICE AND A HEARING ON THE VALIDITY OF ANY JUDGMENT OR OTHER CLAIMS THAT MAY BE ASSERTED AGAINST IT BY LENDER THEREUNDER BEFORE JUDGMENT IS ENTERED, THE UNDERSIGNED HEREBY FREELY, KNOWINGLY AND INTELLIGENTLY WAIVES THESE RIGHTS AND EXPRESSLY AGREES AND CONSENTS TO LENDERS ENTERING JUDGMENT AGAINST IT BY CONFESSION PURSUANT TO THE TERMS THEREOF.

B. THE UNDERSIGNED ALSO ACKNOWLEDGES AND AGREES THAT THE ABOVE DOCUMENTS CONTAIN PROVISIONS UNDER WHICH LENDER MAY, AFTER ENTRY OF JUDGMENT AND WITHOUT EITHER NOTICE OR A HEARING, FORECLOSE UPON, ATTACH, LEVY, TAKE POSSESSION OF OR OTHERWISE SEIZE PROPERTY OF THE UNDERSIGNED IN FULL OR PARTIAL PAYMENT OF THE JUDGMENT. BEING FULLY AWARE OF ITS RIGHTS AFTER JUDGMENT IS ENTERED (INCLUDING THE RIGHT TO MOVE TO OPEN OR STRIKE THE JUDGMENT), THE UNDERSIGNED HEREBY FREELY, KNOWINGLY AND INTELLIGENTLY WAIVES ITS RIGHTS TO NOTICE AND A HEARING AND EXPRESSLY AGREES AND CONSENTS TO LENDERS TAKING SUCH ACTIONS AS MAY BE PERMITTED UNDER APPLICABLE STATE AND FEDERAL LAW WITHOUT PRIOR NOTICE TO THE UNDERSIGNED.

C. The undersigned certifies that a representative of Lender specifically called the confession of judgment provisions in the above documents to the attention of the undersigned, and/or that the undersigned was represented by legal counsel in connection with the above document.

D. The undersigned hereby certifies: that its annual income exceeds \$10,000; that all references to the undersigned above refer to all persons and entities signing below; and that the undersigned received a copy hereof at the time of signing.

Dated: 8-21, 2008

FIRST REPUBLIC MORTGAGE BANKERS, INC.

By: _____

Scott Sisskind

CIVIL COVER SHEET

The JS 44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. (SEE INSTRUCTIONS ON THE REVERSE OF THE FORM.)

I. (a) PLAINTIFFS

FIRSTTRUST BANK

(b) County of Residence of First Listed Plaintiff Montgomery, PA
(EXCEPT IN U.S. PLAINTIFF CASES)

(c) Attorney's (Firm Name, Address, and Telephone Number) Barry E. Bressler,
Richard A. Barkasy, Michael J. Barrie, Schnader
Harrison Segal & Lewis LLP, 1600 Market St., Ste. 3600
Philadelphia, PA 19103, 215-751-2000

DEFENDANTS

FIRST REPUBLIC MORTGAGE BANKERS, INC. a/k/a 1ST
REPUBLIC MORTGAGE BANKERS, INC.

County of Residence of First Listed Defendant _____
(IN U.S. PLAINTIFF CASES ONLY)

NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE
LAND INVOLVED.

Attorneys (If Known)

II. BASIS OF JURISDICTION (Place an "X" in One Box Only)

- ☐ 1 U.S. Government Plaintiff
☐ 2 U.S. Government Defendant
☐ 3 Federal Question (U.S. Government Not a Party)
☒ 4 Diversity (Indicate Citizenship of Parties in Item III)

III. CITIZENSHIP OF PRINCIPAL PARTIES (Place an "X" in One Box for Plaintiff and One Box for Defendant)

- | | | | | | |
|---|----------------------------|----------------------------|---|---------------------------------------|---------------------------------------|
| | PTF | DEF | | PTF | DEF |
| Citizen of This State | <input type="checkbox"/> 1 | <input type="checkbox"/> 1 | Incorporated or Principal Place of Business In This State | <input checked="" type="checkbox"/> 4 | <input type="checkbox"/> 4 |
| Citizen of Another State | <input type="checkbox"/> 2 | <input type="checkbox"/> 2 | Incorporated and Principal Place of Business In Another State | <input type="checkbox"/> 5 | <input checked="" type="checkbox"/> 5 |
| Citizen or Subject of a Foreign Country | <input type="checkbox"/> 3 | <input type="checkbox"/> 3 | Foreign Nation | <input type="checkbox"/> 6 | <input type="checkbox"/> 6 |

IV. NATURE OF SUIT (Place an "X" in One Box Only)

CONTRACT	TORTS	FORFEITURE/PENALTY	BANKRUPTCY	OTHER STATUTES
<input type="checkbox"/> 110 Insurance <input type="checkbox"/> 120 Marine <input type="checkbox"/> 130 Miller Act <input checked="" type="checkbox"/> 140 Negotiable Instrument <input type="checkbox"/> 150 Recovery of Overpayment & Enforcement of Judgment <input type="checkbox"/> 151 Medicare Act <input type="checkbox"/> 152 Recovery of Defaulted Student Loans (Excl. Veterans) <input type="checkbox"/> 153 Recovery of Overpayment of Veteran's Benefits <input type="checkbox"/> 160 Stockholders' Suits <input type="checkbox"/> 190 Other Contract <input type="checkbox"/> 195 Contract Product Liability <input type="checkbox"/> 196 Franchise	PERSONAL INJURY <input type="checkbox"/> 310 Airplane <input type="checkbox"/> 315 Airplane Product Liability <input type="checkbox"/> 320 Assault, Libel & Slander <input type="checkbox"/> 330 Federal Employers' Liability <input type="checkbox"/> 340 Marine <input type="checkbox"/> 345 Marine Product Liability <input type="checkbox"/> 350 Motor Vehicle <input type="checkbox"/> 355 Motor Vehicle Product Liability <input type="checkbox"/> 360 Other Personal Injury	PERSONAL INJURY <input type="checkbox"/> 362 Personal Injury - Med. Malpractice <input type="checkbox"/> 365 Personal Injury - Product Liability <input type="checkbox"/> 368 Asbestos Personal Injury Product Liability PERSONAL PROPERTY <input type="checkbox"/> 370 Other Fraud <input type="checkbox"/> 371 Truth in Lending <input type="checkbox"/> 380 Other Personal Property Damage <input type="checkbox"/> 385 Property Damage Product Liability	<input type="checkbox"/> 422 Appeal 28 USC 158 <input type="checkbox"/> 423 Withdrawal 28 USC 157 PROPERTY RIGHTS <input type="checkbox"/> 820 Copyrights <input type="checkbox"/> 830 Patent <input type="checkbox"/> 840 Trademark LABOR <input type="checkbox"/> 710 Fair Labor Standards Act <input type="checkbox"/> 720 Labor/Mgmt. Relations <input type="checkbox"/> 730 Labor/Mgmt. Reporting & Disclosure Act <input type="checkbox"/> 740 Railway Labor Act <input type="checkbox"/> 790 Other Labor Litigation <input type="checkbox"/> 791 Empl. Ret. Inc. Security Act IMMIGRATION <input type="checkbox"/> 462 Naturalization Application <input type="checkbox"/> 463 Habeas Corpus - Alien Detainee <input type="checkbox"/> 465 Other Immigration Actions	<input type="checkbox"/> 400 State Reapportionment <input type="checkbox"/> 410 Antitrust <input type="checkbox"/> 430 Banks and Banking <input type="checkbox"/> 450 Commerce <input type="checkbox"/> 460 Deportation <input type="checkbox"/> 470 Racketeer Influenced and Corrupt Organizations <input type="checkbox"/> 480 Consumer Credit <input type="checkbox"/> 490 Cable/Sat TV <input type="checkbox"/> 810 Selective Service <input type="checkbox"/> 850 Securities/Commodities/Exchange <input type="checkbox"/> 875 Customer Challenge 12 USC 3410 <input type="checkbox"/> 890 Other Statutory Actions <input type="checkbox"/> 891 Agricultural Acts <input type="checkbox"/> 892 Economic Stabilization Act <input type="checkbox"/> 893 Environmental Matters <input type="checkbox"/> 894 Energy Allocation Act <input type="checkbox"/> 895 Freedom of Information Act <input type="checkbox"/> 900 Appeal of Fee Determination Under Equal Access to Justice <input type="checkbox"/> 950 Constitutionality of State Statutes

V. ORIGIN

(Place an "X" in One Box Only)

- ☒ 1 Original Proceeding
☐ 2 Removed from State Court
☐ 3 Remanded from Appellate Court
☐ 4 Reinstated or Reopened
☐ 5 Transferred from another district (specify)
☐ 6 Multidistrict Litigation
☐ 7 Appeal to District Judge from Magistrate Judgment

VI. CAUSE OF ACTION

Cite the U.S. Civil Statute under which you are filing (Do not cite jurisdictional statutes unless diversity): 11 U.S.C. § 1332

Brief description of cause: Confession of judgment for money damages under note

VII. REQUESTED IN COMPLAINT:

☐ CHECK IF THIS IS A CLASS ACTION UNDER F.R.C.P. 23

DEMAND \$ 5,495,977.00

CHECK YES only if demanded in complaint:

JURY DEMAND: ☐ Yes ☒ No

VIII. RELATED CASE(S) IF ANY

(See instructions):

JUDGE

DOCKET NUMBER

DATE

01/14/09

SIGNATURE OF ATTORNEY OF RECORD

FOR OFFICE USE ONLY

RECEIPT # _____ AMOUNT _____ APPLYING IFP _____ JUDGE _____ MAG. JUDGE _____

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

CASE MANAGEMENT TRACK DESIGNATION FORM

FIRSTTRUST BANK

CIVIL ACTION

v.

FIRST REPUBLIC MORTGAGE BANKERS, INC. a/k/a
1ST REPUBLIC MORTGAGE BANKERS, INC.

NO.

In accordance with the Civil Justice Expense and Delay Reduction Plan of this court, counsel for plaintiff shall complete a case Management Track Designation Form in all civil cases at the time of filing the complaint and serve a copy on all defendants. (See § 1:03 of the plan set forth on the reverse side of this form.) In the event that a defendant does not agree with the plaintiff regarding said designation, that defendant shall, with its first appearance, submit to the clerk of court and serve on the plaintiff and all other parties, a case management track designation form specifying the track to which that defendant believes the case should be assigned.

SELECT ONE OF THE FOLLOWING CASE MANAGEMENT TRACKS:

- (a) Habeas Corpus – Cases brought under 28 U.S.C. §2241 through §2255. ()
- (b) Social Security – Cases requesting review of a decision of the Secretary of Health and Human Services denying plaintiff Social Security Benefits ()
- (c) Arbitration – Cases required to be designated for arbitration under Local Civil Rule 53.2. ()
- (d) Asbestos – Cases involving claims for personal injury or property damage from exposure to asbestos. ()
- (e) Special Management – Cases that do not fall into tracks (a) through (d) that are commonly referred to as complex and that need special or intense management by the court. (See reverse side of this form for a detailed explanation of special management cases.) ()
- (f) Standard Management – Cases that do not fall into any one of the other tracks. (X)

01/14/09	Barry E. Bressler Richard A. Barkasy Michael J. Barrie	Firsttrust Bank
Date	Attorney-at-law	Attorney for
215-751-2000	215-751-2205	bbressler@schnader.com rbarkasy@schnader.com mbarrie@schnader.com
Telephone	FAX Number	E-Mail Address

UNITED STATES DISTRICT COURT

FOR THE EASTERN DISTRICT OF PENNSYLVANIA — DESIGNATION FORM to be used by counsel to indicate the category of the case for the purpose of assignment to appropriate calendar.

Address of Plaintiff: Firsttrust Bank, 15 East Ridge Pike, Suite 400, Conshohocken, PA 19482

Address of Defendant: First Republic Mortgage Bankers, Inc., 110 Jericho Turnpike, Floral Park, NY 11001

Place of Accident, Incident or Transaction: Conshohocken, Pennsylvania
(Use Reverse Side For Additional Space)

Does this civil action involve a nongovernmental corporate party with any parent corporation and any publicly held corporation owning 10% or more of its stock?
(Attach two copies of the Disclosure Statement Form in accordance with Fed.R.Civ.P. 7.1(a)) Yes ☒ No ☐

Does this case involve multidistrict litigation possibilities? Yes ☐ No ☒
RELATED CASE, IF ANY:

Case Number: _____ Judge _____ Date Terminated: _____

Civil cases are deemed related when yes is answered to any of the following questions:

1. Is this case related to property included in an earlier numbered suit pending or within one year previously terminated action in this court?
Yes ☐ No ☒
2. Does this case involve the same issue of fact or grow out of the same transaction as a prior suit pending or within one year previously terminated action in this court?
Yes ☐ No ☒
3. Does this case involve the validity or infringement of a patent already in suit or any earlier numbered case pending or within one year previously terminated action in this court?
Yes ☐ No ☒
4. Is this case a second or successive habeas corpus, social security appeal, or pro se civil rights case filed by the same individual?
Yes ☐ No ☒

CIVIL: (Place ☒ in ONE CATEGORY ONLY)

A. Federal Question Cases:

1. ☐ Indemnity Contract, Marine Contract, and All Other Contracts
2. ☐ FELA
3. ☐ Jones Act-Personal Injury
4. ☐ Antitrust
5. ☐ Patent
6. ☐ Labor-Management Relations
7. ☐ Civil Rights
8. ☐ Habeas Corpus
9. ☐ Securities Act(s) Cases
10. ☐ Social Security Review Cases
11. ☐ All other Federal Question Cases
(Please specify)

B. Diversity Jurisdiction Cases:

1. ☐ Insurance Contract and Other Contracts
2. ☐ Airplane Personal Injury
3. ☐ Assault, Defamation
4. ☐ Marine Personal Injury
5. ☐ Motor Vehicle Personal Injury
6. ☐ Other Personal Injury (Please specify)
7. ☐ Products Liability
8. ☐ Products Liability — Asbestos
9. ☒ All other Diversity Cases
(Please specify) Confession of judgment
for money damages under note

ARBITRATION CERTIFICATION

(Check appropriate Category)

I, Michael J. Barrie, counsel of record do hereby certify:

- ☒ Pursuant to Local Civil Rule 53.2, Section 3(c)(2), that to the best of my knowledge and belief, the damages recoverable in this civil action case exceed the sum of \$150,000.00 exclusive of interest and costs;
- ☐ Relief other than monetary damages is sought.

DATE: 01/14/09 [Signature]
Attorney-at-Law

85625
Attorney I.D.#

NOTE: A trial de novo will be a trial by jury only if there has been compliance with F.R.C.P. 38.

I certify that, to my knowledge, the within case is not related to any case now pending or within one year previously terminated action in this court except as noted above.

DATE: 01/14/09 [Signature]
Attorney-at-Law

85625
Attorney I.D.#

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

FIRSTTRUST BANK
15 East Ridge Pike, Suite 400
Conshohocken, PA 19482

Plaintiff,

v.

FIRST REPUBLIC MORTGAGE
BANKERS, INC., a/k/a 1ST
REPUBLIC MORTGAGE
BANKERS, INC.
110 Jericho Turnpike
Floral Park, NY 11001

Defendant.

Civil Action No. 09-_____

**CONFESSION OF JUDGMENT FOR
MONEY DUE UNDER MORTGAGE NOTES**

Pursuant to the authority contained in the warrant of attorney contained in the Amended Note (as defined in the Complaint), a true and correct copy of each of which is attached hereto as **Exhibit A** and incorporated herein by reference in its entirety, I hereby appear for Defendant First Republic Mortgage Bankers, Inc., a/k/a 1st Republic Mortgage Bankers, Inc., and confess judgment in favor of Plaintiff Firsttrust Bank and against Defendant, for the sum of \$5,495,977.00 due on the Amended Note (as defined in the Complaint), together with interest at the contract rate (currently \$763.33 *per diem*) from and after January 14, 2009, costs of suit and attorneys' fees to be determined hereafter by the Court.

Dated: January 14, 2009

Wilbur L. Kipnes

Wilbur L. Kipnes (Atty. I.D. No. 19501)

Attorney for Defendant First Republic Mortgage
Bankers, Inc, a/k/a 1st Republic Mortgage Bankers,
Inc., pursuant to warrant of attorney

Exhibit A:

Amended Note

AMENDED AND RESTATED NOTE

\$12,500,000.00

August ~~24~~ 2008

FOR VALUE RECEIVED, FIRST REPUBLIC MORTGAGE BANKERS, INC. (the "Borrower") promises to pay to the order of **FIRSTRUST BANK** ("Lender") at Lender's office, the lesser of **Twelve Million Five Hundred Thousand Dollars (\$12,500,000.00)** or the principal balance outstanding hereunder pursuant to the provisions of the Warehouse Agreement referred to below.

Borrower further agrees to pay interest on the unpaid principal amount outstanding hereunder in accordance with the terms and conditions of the Warehouse Agreement.

This Note is issued in connection with that certain Warehouse Agreement dated as of April 18, 2008 between Borrower and Lender, to which agreement reference is hereby made for the terms and provisions thereof, and for additional rights and limitations of such rights of Borrower and Lender thereunder, including, but not limited to, provisions for Borrower's right to borrow, prepay and reborrow part or all of the principal hereof under certain conditions and for the acceleration of Borrower's liabilities to Lender upon the occurrence of certain events as therein specified.

In the event counsel is employed to collect this obligation or to protect the security hereof, following an Event of Default under the Warehouse Agreement to Borrower, Borrower agrees to pay, upon demand, the reasonable attorneys' fees of Lender, whether suit be brought or not, and all other costs and expenses reasonably connected with collection.

Borrower and any endorser, guarantor or surety, jointly and severally, waive presentment, protest and demand, notice of protest, demand and dishonor and nonpayment of this Note, and expressly agree that this Note, or any payment hereunder, may be extended from time to time without in any way affecting the liability of Borrower or any endorser hereof.

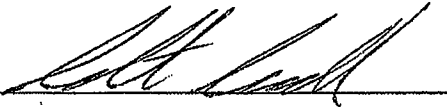
The validity and construction and enforceability of, and the rights and obligations of Borrower and Lender under this Note and the aforesaid Warehousing Agreement shall be governed by, construed and enforced in accordance with the substantive laws of the Commonwealth of Pennsylvania.

IF PERMITTED BY LAW, BORROWER HEREBY AUTHORIZES AND EMPOWERS ANY ATTORNEY OF ANY COURT OF RECORD UPON THE OCCURRENCE OF ANY EVENT OF DEFAULT UNDER THE WAREHOUSING AGREEMENT TO APPEAR FOR AND CONFESS JUDGMENT AGAINST BORROWER WITHOUT PRIOR NOTICE TO BORROWER OR PRIOR OPPORTUNITY TO BE HEARD FOR SUCH SUMS AS SHALL HAVE BECOME DUE UNDER THIS NOTE AND ALL OTHER OBLIGATIONS HEREUNDER OF BORROWER TO LENDER, WITH OR WITHOUT DECLARATION, WITH COSTS OF SUIT (INCLUDING, WITHOUT LIMITATION, REASONABLE ATTORNEYS' FEES AND DISBURSEMENTS) AND RELEASE OF ERROR, WITHOUT STAY OF EXECUTION. IF A COPY OF THIS NOTE, VERIFIED BY AFFIDAVIT OF LENDER OR SOMEONE ON BEHALF OF LENDER, SHALL HAVE BEEN FILED IN SUCH ACTION, IT SHALL NOT BE NECESSARY TO FILE THE ORIGINAL NOTE AS A

WARRANT OF ATTORNEY. THE AUTHORITY AND POWER TO APPEAR FOR AND ENTER JUDGMENT AGAINST BORROWER SHALL NOT BE EXHAUSTED BY ONE OR MORE EXERCISES THEREOF, OR ANY IMPERFECT EXERCISE THEREOF, AND SHALL NOT BE EXTINGUISHED BY ANY JUDGMENT ENTERED PURSUANT THERETO; THE AUTHORITY AND POWER MAY BE EXERCISED ON ONE OR MORE OCCASIONS, FROM TIME TO TIME, IN THE SAME OR DIFFERENT JURISDICTIONS, AS OFTEN AS LENDER SHALL DEEM NECESSARY OR DESIRABLE, FOR ALL OF WHICH THIS NOTE SHALL BE A SUFFICIENT WARRANT.

IN WITNESS WHEREOF, Borrower has caused these presents to be executed the day and year first above written.

FIRST REPUBLIC MORTGAGE BANKERS, INC.

By: 

Scott Sisskind

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

FIRSTRUST BANK
15 East Ridge Pike, Suite 400
Conshohocken, PA 19482

Plaintiff,

v.

FIRST REPUBLIC MORTGAGE
BANKERS, INC., a/k/a 1ST
REPUBLIC MORTGAGE
BANKERS, INC.
110 Jericho Turnpike
Floral Park, NY 11001

Defendant.

Civil Action No. 09-_____

AFFIDAVIT CERTIFYING ADDRESSES

COMMONWEALTH OF PENNSYLVANIA

COUNTY OF MONTGOMERY

:
:
: ss.
:

I, Richard Meyers, being duly sworn in accordance with the law, hereby depose
and say:

(a) I am employed as the Executive Vice President of Firsttrust Bank, plaintiff
in the above-captioned action and, as such, am authorized by the plaintiff to issue this affidavit
on its behalf.

(b) The last-known address of the defendant is as follows:

FIRST REPUBLIC MORTGAGE BANKERS, INC.,
a/k/a 1ST REPUBLIC MORTGAGE BANKERS, INC.
110 Jericho Turnpike

Floral Park, NY 110011

(c) The plaintiff's address is as follows:

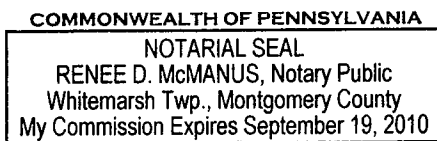
FIRSTTRUST BANK
15 East Ridge Pike, Suite 400
Conshohocken, PA 19482

Richard Meyers EVP
Richard Meyers
Executive Vice President
Firsttrust Bank

Sworn to and subscribed
before me this 14th day
of January, 2009.

Renee D. McManus
Notary Public

My Commission Expires: September 19, 2010



IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

FIRSTTRUST BANK
15 East Ridge Pike, Suite 400
Conshohocken, PA 19482

Plaintiff,

v.

FIRST REPUBLIC MORTGAGE
BANKERS, INC., a/k/a 1ST
REPUBLIC MORTGAGE
BANKERS, INC.
110 Jericho Turnpike
Floral Park, NY 11001

Defendant.

Civil Action No. 09-_____

**AFFIDAVIT OF COMMERCIAL TRANSACTION
AND OF THE FACT THAT THE MORTGAGE NOTES DO NOT
CREATE RETAIL INSTALLMENT SALES OR ACCOUNTS**

COMMONWEALTH OF PENNSYLVANIA

COUNTY OF MONTGOMERY

ss.

I, Richard Meyers, being duly sworn in accordance with the law, hereby depose
and say:

(a) I am employed as the Executive Vice President of Firsttrust Bank, plaintiff
in the above-captioned action and, as such, am authorized by the plaintiff to issue this affidavit
on its behalf.

(b) Based upon my personal knowledge (or upon my information and belief),
I hereby confirm that the Amended Note (as defined in the Complaint) upon which the judgment

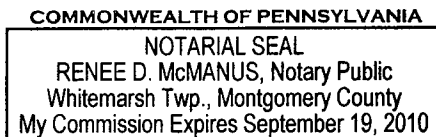
for money damages is confessed in this matter arise out of a commercial transactions and not a personal transactions, and (ii) the Amended Note does not constitute a retail-installment-sales contracts or accounts.

Richard Meyers
Richard Meyers
Executive Vice President
Firsttrust Bank

Sworn to and subscribed
before me this 14th day
of January, 2009.

Renée D. McManus
Notary Public

My Commission Expires: September 19, 2010



IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

FIRSTTRUST BANK
15 East Ridge Pike, Suite 400
Conshohocken, PA 19482

Plaintiff,

v.

FIRST REPUBLIC MORTGAGE
BANKERS, INC., a/k/a 1ST
REPUBLIC MORTGAGE
BANKERS, INC.
110 Jericho Turnpike
Floral Park, NY 11001

Defendant.

Civil Action No. 09-_____

**AFFIDAVIT OF FACT THAT INSTRUMENTS CONTAINING
WARRANT OF ATTORNEY WAS NOT PART
OF CONSUMER-CREDIT TRANSACTION**

COMMONWEALTH OF PENNSYLVANIA

COUNTY OF MONTGOMERY

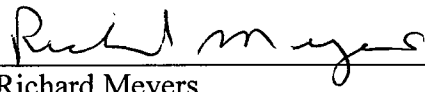
:
:
ss.
:

I, Richard Meyers, being duly sworn in accordance with the law, hereby depose
and say:


(a) I am employed as the Executive Vice President of Plaintiff Firsttrust Bank
in the above-captioned action and, as such, am authorized by the plaintiff to issue this affidavit
on its behalf.

(b) Based upon my personal knowledge (or upon my information and belief),
I hereby confirm that the Amended Note (as defined in the complaint) executed by the defendant

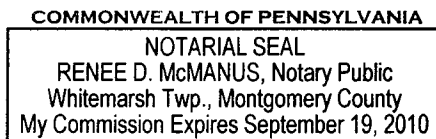
and containing the warrant of attorney pursuant to which judgment for money damages is being confessed herein do not arise as part of consumer-credit transactions.


Richard Meyers
Executive Vice President
Firsttrust Bank

Sworn to and subscribed
before me this 14th day
of January, 2009.


Notary Public

My Commission Expires: September 19, 2010



IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

FIRSTTRUST BANK
15 East Ridge Pike, Suite 400
Conshohocken, PA 19482

Plaintiff,

v.

FIRST REPUBLIC MORTGAGE
BANKERS, INC., a/k/a 1ST
REPUBLIC MORTGAGE
BANKERS, INC.
110 Jericho Turnpike
Floral Park, NY 11001

Defendant.

Civil Action No. 09-_____

AFFIDAVIT OF NON-MILITARY SERVICE

COMMONWEALTH OF PENNSYLVANIA

COUNTY OF MONTGOMERY


:
:
ss.
:

I, Richard Meyers, being duly sworn in accordance with the law, hereby depose
and say:

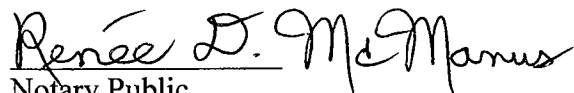
(a) I am employed as the Executive Vice President of Plaintiff Firsttrust Bank,
plaintiff in the above-captioned action and, as such, am authorized by the plaintiff to issue this
affidavit on its behalf.

(b) Based upon my personal knowledge (or upon my information and belief),
I hereby aver that the defendant is not a natural person and is not in the military service of the

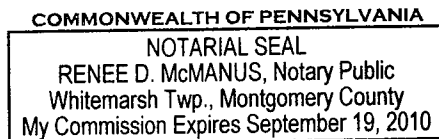
United States, or of any state or territory thereof, as defined by the Soldiers and Sailors Civil Relief Act of 1940, as amended.


Richard Meyers
Executive Vice President
Firsttrust Bank

Sworn to and subscribed
before me this 14th day
of January, 2009.


Notary Public

My Commission Expires: September 19, 2010



IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

FIRSTTRUST BANK
15 East Ridge Pike, Suite 400
Conshohocken, PA 19482

Plaintiff,

v.

FIRST REPUBLIC MORTGAGE
BANKERS, INC., a/k/a 1ST
REPUBLIC MORTGAGE
BANKERS, INC.
110 Jericho Turnpike
Floral Park, NY 11001

Defendant.

Civil Action No. 09-_____

AFFIDAVIT OF CONJUGAL INCOME

COMMONWEALTH OF PENNSYLVANIA

COUNTY OF MONTGOMERY

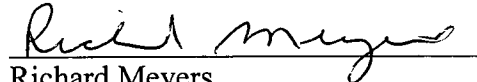
:
:
: ss.
:

I, Richard Meyers, being duly sworn in accordance with the law, hereby depose
and say:

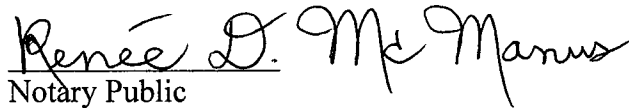
(a) I am employed as the Executive Vice President of Plaintiff Firsttrust Bank,
plaintiff in the above-captioned action and, as such, am authorized by the plaintiff to issue this
affidavit on its behalf.

(b) Based upon my personal knowledge (or upon my information and belief),

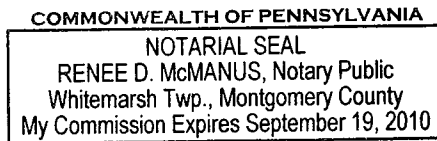
I hereby aver that the income of the defendant is in excess of Ten Thousand Dollars (\$10,000.00)
per year.


Richard Meyers
Executive Vice President
Firsttrust Bank

Sworn to and subscribed
before me this 14th day
of January, 2009.


Notary Public

My Commission Expires: September 19, 2010



IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

FIRSTTRUST BANK
15 East Ridge Pike, Suite 400
Conshohocken, PA 19482

Plaintiff,

v.

FIRST REPUBLIC MORTGAGE
BANKERS, INC., a/k/a 1ST
REPUBLIC MORTGAGE
BANKERS, INC.
110 Jericho Turnpike
Floral Park, NY 11001

Defendant.

Civil Action No. 09-_____

CERTIFICATE OF SERVICE


I, Michael J. Barrie, hereby certify that on this 14th day of January, 2009,
I have caused a true and complete copy of the complaint in confession of judgment filed herein,
and of all the papers filed in connection therewith, to be served via certified mail, return receipt
requested and first-class mail, postage pre-paid, upon the defendant addressed as follows:

FIRST REPUBLIC MORTGAGE BANKERS, INC.,
a/k/a 1ST REPUBLIC MORTGAGE BANKERS, INC.
110 Jericho Turnpike
Floral Park, NY 11001

With a copy to:

FIRST REPUBLIC MORTGAGE BANKERS, INC.,
a/k/a 1ST REPUBLIC MORTGAGE BANKERS, INC.
630 Freedom Business Center Drive
Floor 3
King of Prussia, PA 19406

Dated: January 14, 2009



Barry E. Bressler (Atty. I.D. No. 09868)
Richard A. Barkasy (Atty. I.D. No. 53342)
Michael J. Barrie (Atty. I.D. No. 85625)

Schnader Harrison Segal & Lewis LLP
1600 Market Street, Suite 3600
Philadelphia PA 19103
(215) 751-2000

Attorneys for the Plaintiff, Firsttrust Bank

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

FIRSTTRUST BANK
15 East Ridge Pike, Suite 400
Conshohocken, PA 19482

Plaintiff,

v.

FIRST REPUBLIC MORTGAGE
BANKERS, INC., a/k/a 1ST
REPUBLIC MORTGAGE
BANKERS, INC.
110 Jericho Turnpike
Floral Park, NY 11001

Defendant.

Civil Action No. 09-_____

NOTICE UNDER Pa. R. Civ. P. 2958.1
OF JUDGMENT AND EXECUTION THEREON

NOTICE OF DEFENDANT'S RIGHTS

TO: FIRST REPUBLIC MORTGAGE BANKERS, INC.
a/k/a 1ST REPUBLIC MORTGAGE BANKERS, INC.
110 Jericho Turnpike
Floral Park, NY 11001

A judgment in the amount of \$5,495,977.00, plus interest and costs, has been entered against you and in favor of the Plaintiff without any prior notice or hearing based upon one or more confessions of judgment contained in a written agreement(s) or other paper(s) allegedly signed by you. The sheriff or marshal may take your money or other property to pay the judgment at any time after thirty (30) days after the date on which this notice is served on you.

You may have legal rights to defeat the judgment or to prevent your money or property from being taken. YOU MUST FILE A PETITION SEEKING RELIEF FROM THE JUDGMENT AND PRESENT IT TO A JUDGE WITHIN THIRTY (30) DAYS AFTER THE DATE ON WHICH THIS NOTICE IS SERVED ON YOU OR YOU MAY LOSE YOUR RIGHTS. IN ADDITION, A DEBTOR WHO HAS BEEN INCORRECTLY IDENTIFIED AND HAD A CONFESSION OF JUDGMENT ENTERED AGAINST HIM OR HER MAY PETITION THE COURT FOR COSTS AND REASONABLE ATTORNEYS' FEES AS DETERMINED BY THE COURT.

YOU SHOULD TAKE THIS PAPER TO YOUR LAWYER AT ONCE. IF YOU DO NOT HAVE A LAWYER, GO TO OR TELEPHONE THE OFFICE SET FORTH BELOW. THIS OFFICE CAN PROVIDE YOU WITH INFORMATION ABOUT HIRING A LAWYER.

IF YOU CANNOT AFFORD TO HIRE A LAWYER, THIS OFFICE MAY BE ABLE TO PROVIDE YOU WITH INFORMATION ABOUT AGENCIES THAT MAY OFFER LEGAL SERVICES TO ELIGIBLE PERSONS AT A REDUCED FEE OR NO FEE.

**LAWYER REFERRAL AND INFORMATION SERVICE
1101 MARKET STREET, 11TH FLOOR
PHILADELPHIA, PA 19107-2911
(215) 238-6333**

Dated: January 14, 2009



Barry E. Bressler (Atty. I.D. No. 09868)
Richard A. Barkasy (Atty. I.D. No. 53342)
Michael J. Barrie (Atty. I.D. No. 85625)

Schnader Harrison Segal & Lewis LLP
1600 Market Street, Suite 3600
Philadelphia PA 19103
(215) 751-2000

Attorneys for the Plaintiff, Firsttrust Bank