

SUPERIOR COURT
TRIAL COURT DEPARTMENT

COMMONWEALTH OF MASSACHUSETTS,

Plaintiff,

V.

FREMONT INVESTMENT & LOAN, and
FREMONT GENERAL CORPORATION,

Defendants.

Civil Action No.
07-4373-BLS1

FREMONT INVESTMENT & LOAN, n/k/a
FREMONT REORGANIZING CORPORATION,

Third-Party Plaintiff,

V.

ZEUS FUNDING, LLC, et al.

Third-Party Defendants.

FINAL JUDGMENT BY CONSENT

WHEREAS the Commonwealth of Massachusetts, acting by its Attorney General

Martha Coakley, has brought this action against defendants Fremont Reorganizing

Corporation (“FRC”) (FRC was formerly known, and was sued herein, as Fremont

Investment & Loan (“FIL”)) and Fremont General Corporation (“FGC”) (FRC and FGC

collectively are the “Fremont Defendants”) (the Commonwealth, FRC and FGC each are

a “Party” and collectively are the “Parties”) pursuant to G.L. c. 93A, § 4, and whereas the

Commonwealth and the Fremont Defendants have consented to the entry of this Final

JUDGEMENT ENTERED ON DOCKET 6-9-09

PURSUANT TO THE PROVISIONS OF MASS.R.CIV.P.58(a)
AND NOTICE SENT TO PARTIES PURSUANT TO THE PRO-
VISIONS OF MASS.R.CIV.P.77(c) AS FOLLOWS

Judgment by Consent for the purposes of settlement, without this Final Judgment by Consent constituting evidence against, or any admission by, any Party, and without trial of any issue of fact or law;

NOW THEREFORE, upon the consent of the Parties, it is hereby ordered, adjudged, and decreed as follows:

I. Parties

1. FRC is a corporation with a principal place of business at 2727 East Imperial Highway, Brea, California, 92821. FIL, as FRC was formerly known, was formerly a California-chartered and FDIC-insured industrial bank.

2. FGC is a Nevada corporation with a principal place of business at 2727 East Imperial Highway, Brea, California, 92821.

II. Background

1. On October 4, 2007, the Attorney General of the Commonwealth of Massachusetts initiated this action pursuant to her authority under G.L. c. 12, § 10 and G.L. c. 93A, § 4.

2. The Commonwealth alleges that the Fremont Defendants engaged in unfair and deceptive business practices in Massachusetts in violation of G.L. c. 93A, § 4, and seeks, under that statute, injunctive relief, civil penalties, and consumer compensatory damages, including, *inter alia*, amounts which consumers paid to third-parties allegedly recoverable as compensatory damages, such as closing and refinance costs paid to third parties to refinance out of a FIL loan, foreclosure avoidance expenses, credit repair and high credit costs incurred in subsequent financings resulting in expenses paid to third-parties, and relocation expenses due to foreclosure paid to third-parties.

3. FGC has denied that it is subject to the jurisdiction of the Commonwealth's courts, and both FGC (without consenting to jurisdiction) and FRC have denied and continue to deny all of the Complaint's substantive allegations of wrongdoing, and both FGC (without consenting to jurisdiction) and FRC have denied and continue to deny that either is liable to the Commonwealth in any amount or at all.

4. On February 25, 2008, the Superior Court issued a preliminary injunction enjoining FIL from foreclosing on certain loans without court approval.

5. On March 31, 2008, the Superior Court modified its February 25, 2008 injunction, and prohibited FIL from selling, transferring, or assigning any Massachusetts residential mortgage loan originated by FIL unless certain conditions were met.

6. FIL appealed the entry of the preliminary injunction to the Single Justice. On May 2, 2008, the Single Justice affirmed the Superior Court's decision and denied FIL's petition for interlocutory relief. Thereafter, on December 9, 2008, the Supreme Judicial Court affirmed the Superior Court's preliminary injunction.

7. Neither of the Fremont Defendants is presently involved in the origination of residential mortgage loans in Massachusetts (and FGC asserts that it never was so involved, other than through its ownership interest in FIL).

8. FGC has filed for bankruptcy protection, a fact considered by the Commonwealth in evaluating resolution of this action by this Final Judgment by Consent.

III. Jurisdiction and Effect of Consent Judgment

1. The Court has jurisdiction over the subject matter of this action and of FRC pursuant to G.L. c. 93A, § 4, G.L. c. 12, § 10, and G.L. c. 223A, § 3. FGC submits to the jurisdiction of this Court for the limited purposes of entering into this Final

Judgment by Consent and enforcing compliance with this Final Judgment by Consent.

Any act, conduct or appearance by FGC does not constitute and shall not be construed as a submission to the general jurisdiction of any court in the Commonwealth of Massachusetts.

2. Venue is proper in Suffolk County pursuant to G.L. c. 223, § 5, and G.L. c. 93A, § 4.

3. FRC has done business in the Commonwealth through the origination of residential real estate mortgage loans to Massachusetts consumers.

4. Entry of this Final Judgment by Consent is in the public interest.

5. Entry of this Final Judgment by Consent is not a finding of liability of either FRC or FGC. This Final Judgment by Consent shall not constitute an admission of wrongdoing by FRC or FGC. This Final Judgment by Consent shall not be admissible in any other proceeding as evidence of wrongdoing or a concession of responsibility, except as necessary to enforce its terms. This Final Judgment by Consent does not constitute, and may not be cited as, evidence that: (a) any loan originated by FIL, including but not limited to loans defined as Presumptively Unfair under the Preliminary Injunction or under this Final Judgment by Consent, was unfair or deceptive under G.L. c. 93A, or otherwise violative of G.L. c. 93A, or otherwise unfair or deceptive as a matter of law; (b) FIL, FRC or FGC failed to comply with any requirement of federal, state, local or other law (including, without limitation, Massachusetts law); (c) any mortgage lien resulting from a loan originated by FIL is not valid and enforceable; or (d) FIL, FRC or FGC engaged in or employed any predatory or deceptive lending practices in originating

any loan, including, without limitation, extending credit to a borrower without regard for the borrower's ability to repay.

6. Except as provided in paragraph VII.2, the Parties, by executing their consents to this Final Judgment by Consent, waive any right to appeal, petition for certiorari, or move to reopen, reargue, or rehear this Final Judgment by Consent or any other aspect of this action as it relates to litigation of the Commonwealth's claims. This Final Judgment by Consent has no impact on the ongoing litigation of FRC's Third-Party Complaint or the claims therein.

7. The Parties, by executing their consents to this Final Judgment by Consent, waive the right to pursue final factual findings under Rule 52 of the Massachusetts Rules of Civil Procedure.

IV. Definitions

1. As used in this Final Judgment by Consent, the following terms shall have the following meanings:

a. "Effective Date" shall mean the date on which the Court approves and enters this Final Judgment by Consent. The Effective Date shall not occur until after the occurrence of all of the following events: FGC files a motion requesting that the court in FGC's bankruptcy proceeding (*In re Fremont General Corporation*, No. 8:08-bk-13421-es (C.D. Cal.)) (the "FGC Bankruptcy Proceeding") approve this Final Judgment by Consent pursuant to Federal Rule of Bankruptcy Procedure 9019(a); the Bankruptcy Court issues an order, in the form submitted by FGC and reasonably acceptable to the Commonwealth, approving this Final Judgment by Consent pursuant to Federal Rule of Bankruptcy Procedure 9019(a); and the Bankruptcy Court's order

approving this Final Judgment by Consent becomes a final, non-appealable order, following the expiration of the ten-day period for filing of any appeal pursuant to Federal Rule of Bankruptcy Procedure 8002(a) or otherwise. In the event that the Bankruptcy Court has not entered a final approval of this Final Judgment by Consent by June 21, 2009, the Commonwealth, in its sole discretion, may elect to withdraw its consent to this Final Judgment by Consent, whereupon the rights of all parties shall revert to the rights each party had prior to entering this Final Judgment by Consent.

b. "FGC" shall mean Fremont General Corporation.

c. "FGCC" shall mean Fremont General Credit Corporation. FGCC, a separate and distinct corporate entity, is not named as a defendant in the Commonwealth's Complaint, is not a party to this action and is not a party to this Final Judgment by Consent.

d. "FRC" shall mean Fremont Reorganizing Corporation, formerly known as "Fremont Investment & Loan."

e. "Fremont Defendants" shall mean FRC and FGC collectively.

f. "Preliminary Injunction" shall refer to the orders entered by the Superior Court in this action on February 25, 2008 and on March 31, 2008. Specifically, the term "Preliminary Injunction," shall refer, collectively, to the portion of the "Findings of Fact and Conclusions of Law on Plaintiff's Motion for a Preliminary Injunction" dated February 25, 2008, on pages 28 and 29 entitled "ORDER"; and to the portion of the "Memorandum and Order on Commonwealth's Motion to Modify the Preliminary Injunction" dated March 31, 2008, on pages 10 and 11 entitled "ORDER".

g. A mortgage loan shall be considered “Presumptively Unfair” for purposes of this Final Judgment by Consent, if it possesses the following four characteristics: (1) the loan is an adjustable rate mortgage (“ARM”) with an introductory period of three years or less; (2) the loan has an introductory or “teaser” rate for the initial period that is at least three percent lower than the fully-indexed rate; (3) the borrower has a debt-to-income ratio that would have exceeded fifty percent if the lender’s underwriters had measured the debt, not by the debt due under the teaser rate, but by the debt due under the fully-indexed rate; and (4) the loan-to-value ratio is one hundred percent or the loan carries a substantial prepayment penalty or the loan carries a prepayment penalty that extends beyond the introductory period.

V. Monetary Relief

1. FRC shall pay the Commonwealth \$10,000,000 in conformance with paragraphs V.2 and V.3 below.
2. On or before the Effective Date, FRC shall pay the Commonwealth the sum of \$10,000,000, comprising: (a) \$1,000,000 to be paid in consideration for a release (*see* paragraph VII.1) of the Commonwealth’s claim for civil penalties pursuant to G.L. c. 93A, § 4; (b) \$1,000,000 to be paid in consideration for a release (*see* paragraph VII.1) of the Commonwealth’s claim for attorneys’ fees and costs pursuant to G.L. c. 93A, § 4; and (c) \$8,000,000 to be paid in consideration for a release (*see* paragraph VII.1) of the Commonwealth’s claim for consumer compensatory damages and other relief (as described in paragraph II.2, above) under G.L. c. 93A, § 4, as described further in paragraph V.3, immediately below. Said payment shall be made by electronic fund

transfer to the Office of the Massachusetts Attorney General, to an account identified by the Commonwealth in advance of the Effective Date.

3. With respect to the \$8,000,000 payment to the Commonwealth for consumer compensatory damages and other consumer relief pursuant to G.L. c. 93A, § 4 (“Consumer Relief”), the Attorney General shall, in her sole discretion, distribute that Consumer Relief, consistent with this paragraph, to those Massachusetts consumers who the Attorney General determines to have suffered damages as a result of acts or practices the Commonwealth has alleged were unfair or deceptive. If the Attorney General determines, in her discretion, that the public interest is better served by an alternative distribution of the Consumer Relief, the Attorney General may use or direct some or all of the Consumer Relief to fund or assist in funding programs or initiatives designed to (a) provide relief to Massachusetts borrowers who obtained loans from FIL that are the subject of the Complaint; (b) address any alleged negative impact of the lending practices of FIL; or (c) address any alleged negative impact of mortgage foreclosures in the Commonwealth, which the Commonwealth alleges were caused in part by the lending practices alleged in the Complaint.

4. If on the fifth (5th) business day after the ninetieth (90th) day after the Effective Date, (a) neither FRC nor FGCC is the subject of a bankruptcy proceeding under any chapter of title 11 of the United States Code, and (b) no court has determined that either FGC or FRC has violated any of the terms of this Final Judgment by Consent, the Commonwealth shall withdraw with prejudice the claim that it previously filed, on or about December 12, 2008, in the FGC Bankruptcy Proceeding, which proof of claim subsequently was assigned number 884 on the Bankruptcy Court's official claims register

(the “Proof of Claim”), shall agree that no additional proof(s) of claim shall be filed by the Commonwealth in any bankruptcy proceeding of FGC, and shall join FGC in a request, in the form drafted by FGC and reasonably acceptable to the Commonwealth, that the Bankruptcy Court enter an order formally denying, disallowing, and expunging the Proof of Claim in its entirety and with prejudice.

5. In the event that either FRC or FGCC is the subject of a bankruptcy proceeding under any chapter of title 11 of the United States Code and the Commonwealth exercises its right to recommence litigation as set forth in paragraph VII.2 below, then nothing herein shall limit the total amount of the claim sought by the Commonwealth in any FRC bankruptcy or the rights of FGC, FRC or FGCC to object to any claim sought by the Commonwealth.

6. Prior to the submission of this Final Judgment by Consent to the Superior Court for approval and entry, the Fremont Defendants will provide the Commonwealth with an affidavit stating that neither FRC nor FGCC is presently subject to any bankruptcy proceeding under any chapter of title 11 of the United States Code.

VI. Injunctive Relief

1. As set forth in paragraphs VI.2 through VI.5, the Preliminary Injunction shall be entered as a permanent injunction with continuing effect. Provided, however, that the provisions of paragraphs VI.2 through VI.7 apply only to loans to Massachusetts residents or to loans secured by property in Massachusetts, and that none of the injunctive relief hereunder is, or may be construed as, evidence that FIL or FGC used or employed unfair or deceptive acts or practices under Mass. G. L. ch. 93A § 2.

2. Before initiating or advancing a foreclosure on any mortgage loan originated by FIL that is (a) not Presumptively Unfair, or (b) not secured by the borrower's principal dwelling, (c) or secured by a dwelling that is vacant or uninhabitable, FRC first shall provide the Attorney General thirty days' advance written notice so that the Attorney General can verify that the proposed foreclosure is not Presumptively Unfair. If the Attorney General finds that the loan is Presumptively Unfair and is secured by the borrower's principal dwelling and finds that the dwelling is both inhabited and inhabitable, she shall give written notice of her objection to FRC. If the Attorney General has not given written notice of an objection to FRC by the thirtieth day, FRC may proceed with the foreclosure. If the Attorney General has given written notice of an objection in accordance with this paragraph, FRC shall proceed in accordance with paragraph VI.3 below.

3. Before initiating or advancing a foreclosure on any mortgage loan originated by FIL: (a) that is Presumptively Unfair; (b) is secured by the borrower's principal dwelling; and (c) where the dwelling is neither vacant nor uninhabitable, FRC shall give the Attorney General forty-five days' advance written notice of the proposed foreclosure, identifying the reasons why foreclosure is reasonable under the circumstances. If the Attorney General has not given written notice of an objection to FRC by the forty-fifth day, FRC may proceed with the foreclosure.

4. If the Attorney General has given written notice of an objection under paragraph VI.3 of this Final Judgment by Consent, the Attorney General and FRC shall, within the next fifteen days, attempt to resolve their differences regarding the foreclosure. If these differences have been resolved, the Attorney General will notify FRC in writing

that she has withdrawn her written objection. If these differences are not resolved, FRC may proceed with the foreclosure only with the prior approval of the Superior Court, which it may seek on the sixteenth day. In considering whether to approve the foreclosure, the Court will determine: (a) whether the loan is actually unfair and is actually secured by the borrower's primary residence that is both inhabited and inhabitable, (b) whether FRC has taken reasonable steps to "work out" the loan and avoid foreclosure, and (c) whether there is any fair or reasonable alternative to foreclosure.

5. Neither FRC nor FGC shall sell, transfer, or assign (a) any mortgage loan originated by FIL that is secured by any residential property in Massachusetts, or (b) the legal obligation to service any mortgage loan originated by FIL that is secured by any residential property in Massachusetts, unless: (i) FRC or FGC gives the Attorney General written notice of its intent to enter into such an assignment, including a copy of the proposed agreement, at least five business days before executing the purchase agreement; (ii) the obligations of paragraphs VI.2 through VI.5 of this Final Judgment by Consent are also assigned with the sale or assignment of the loans or servicing rights; (iii) the assignee agrees in the written assignment to be bound by the restrictions set forth in paragraphs VI.2 through VI.5 of this Final Judgment by Consent; and (iv) a copy of the executed written assignment is provided within five business days of its execution to the Attorney General.

6. The Fremont Defendants shall not market or extend adjustable rate mortgage ("ARM") products to subprime borrowers in an unsafe and unsound manner that greatly increases the risk that borrowers will default on the loans, including ARM products with any of the following characteristics: (a) qualifying borrowers for loans with

low initial payments based on an introductory or “teaser” rate that will expire after an initial period, without an adequate analysis of the borrower’s ability to repay the debt at the fully-indexed rate; (b) approving borrowers without considering appropriate documentation and/or verification of their income; (c) containing product features likely to require frequent refinancing to maintain an affordable monthly payment and/or to avoid foreclosure; (d) including substantial prepayment penalties and/or prepayment penalties that extend beyond the initial interest rate adjustment period; (e) providing borrowers with inadequate and/or confusing information relative to product choices, material loan terms and product risks, prepayment penalties, and the borrower’s obligations for property taxes and insurance; (f) approving borrowers for loans with inadequate debt-to-income analyses that do not properly consider the borrower’s ability to meet their overall level of indebtedness and common housing expenses; and/or (g) approving loans or “piggyback” loan arrangements with loan-to-value ratios approaching or exceeding one hundred percent of the value of the collateral.

7. The Fremont Defendants shall not make mortgage loans without adequately considering the borrower’s ability to repay the mortgage according to its terms.

VII. Releases

1. In consideration of the Fremont Defendants’ compliance with all of the provisions of this Final Judgment by Consent, upon the entry of this Final Judgment by Consent the Commonwealth shall release and forever discharge the Fremont Defendants¹

¹ For purposes of paragraphs VII.1 and VII.2 only, the Fremont Defendants include each of FIL, FRC and FGC, and each of their respective (and where applicable, former and current) predecessors, corporate successors-in-interest, subsidiaries, affiliated

from the claims set forth in the Complaint filed by the Commonwealth in this action on October 4, 2007. This Final Judgment by Consent effects a full resolution, complete settlement and release by the Commonwealth in favor of the Fremont Defendants of all Claims alleged in the Complaint, or that arise out of the matters alleged in the Complaint, for conduct occurring at any time before entry of this Final Judgment by Consent. The term "Claims" shall mean any and all manner of action or actions, cause or causes of action, suits, debts, liens, contracts, agreements, promises, liabilities, claims, demands, damages, loss, cost or expense, of any nature whatsoever, known or unknown, direct or indirect, fixed or contingent, foreseen or unforeseen, arising in law or in equity, which the Commonwealth (including without limitation any and all of its divisions, departments, agencies or other subdivisions of any nature) now has or may hereafter have against either or both of the Fremont Defendants, whether jointly or severally, by reason or any matter, cause or thing whatsoever, from the beginning of time to the date hereof, irrespective of how, why or by reason of what facts any such Claims may have arisen or may arise, but expressly excluding tax claims. Provided, however, that the release effected by this paragraph VII.1 does not apply to acts or omissions commencing after the entry of this Final Judgment by Consent.

2. Notwithstanding the provisions of paragraph VII.1, if, on the fifth (5th) business day after the ninetieth (90th) day after the Effective Date, either FRC or FGCC is the subject of a bankruptcy proceeding under any chapter of title 11 of the United States Code, the Release described in paragraph VII.1 shall be void if (and only if) the Commonwealth elects to file a notice with the Superior Court to recommence this civil

corporations or agencies, parent corporations, officers, directors, agents, employees, attorneys, and insurers.

action, provided, however, that such notice must be filed on or before 125 days following the Effective Date. Upon the filing of such notice, the Commonwealth shall have the right to immediately recommence litigation against the Fremont Defendants for any alleged misconduct, including for the conduct set forth in the Complaint filed by the Commonwealth in this action on October 4, 2007. On or before the date such notice is filed, the Commonwealth shall repay to FRC the entirety of the \$10,000,000 monetary judgment identified in paragraph V.1, by electronic fund transfer to an account identified by FRC, unless the Commonwealth and FRC have filed a stipulation to alter the timing of this repayment. For purposes of this paragraph, all relevant statutes of limitation shall be tolled to the date that is 126 days following the Effective Date.

VIII. General Provisions

1. Any notices or communications required to be transmitted between the Fremont Defendants and the Commonwealth pursuant to this Final Judgment by Consent shall be provided in writing by first class mail to the parties or successors as follows, unless otherwise agreed:

<i>Commonwealth of Massachusetts</i>	<i>Fremont Defendants</i>
Christopher K. Barry-Smith, Esq. Assistant Attorney General Office of the Attorney General One Ashburton Place Boston, MA 02108	James R. Carroll, Esq. Skadden, Arps, Slate, Meagher & Flom LLP One Beacon Street Boston, MA 02108

2. This Final Judgment by Consent shall be governed by and interpreted in accordance with the laws of the Commonwealth of Massachusetts.

3. The Superior Court shall retain jurisdiction over this Final Judgment by Consent.

4. The Commonwealth's consent to this Final Judgment by Consent shall not constitute approval by the Commonwealth of any of the Fremont Defendants' acts or practices, and the Fremont Defendants shall make no representation to the contrary.

5. The Commonwealth shall make no representation regarding the effect of this Final Judgment by Consent that is contrary to paragraph III.5.

6. This Final Judgment by Consent represents the entire agreement between the Commonwealth and the Fremont Defendants of the matters addressed herein. It supersedes any prior agreements or understandings between the parties regarding the subject matter hereof and may not be modified except by further order of the Court.

7. The provisions of this Final Judgment by Consent shall be severable and should any provision be declared unenforceable by a final judgment entered by any court of competent jurisdiction, the other provisions of this Final Judgment by Consent shall remain in full force and effect.

8. Nothing in this Final Judgment by Consent is intended to limit or bar any of FRC's claims against third parties, including those claims in its Third-Party Complaint. For purposes of Mass. G.L. ch. 231B, §3(d), this Final Judgment by Consent discharges any common liability with FIL or FRC of the Third-Party Defendants named in FRC's Third-Party Complaint to the Commonwealth with respect to any loans originated by FIL. Nothing in this Final Judgment by Consent is intended to limit, bar, or liquidate damages with respect to any of the Commonwealth's claims against parties other than the Fremont Defendants (as defined in Section VII), in any action brought by the Commonwealth against any such third parties, including the Third-Party Defendants named in FRC's Third-Party Complaint.

9. Other than with respect to persons or entities who may be the beneficiaries of the release in paragraph VII.1 by virtue of the definition of "Fremont Defendants" for purposes of that paragraph, this Final Judgment by Consent is not intended to confer upon any person any rights or remedies, including rights as a third party beneficiary, and this Final Judgment by Consent is not intended to create, restrict, or otherwise impact any private right of action on the part of any person or entity other than the Parties.

IT IS SO ORDERED AND ENTERED:



Hon. Margaret R. Hinkle
Justice of the Superior Court

June 9, 2009

Agreed to by the Parties and to be submitted for approval:

FREMONT GENERAL
CORPORATION and FREMONT
REORGANIZING CORPORATION

COMMONWEALTH OF MASSACHUSETTS

MARTHA COAKLEY
ATTORNEY GENERAL

By: James R. Carroll
James R. Carroll (BBO# 554426)
Peter Simshauser (BBO# 665153)
Skadden, Arps, Slate, Meagher &
Flom, LLP
One Beacon Street
Boston, MA 02108
(617) 573-4800

By: John M. Stephan
Christopher K. Barry-Smith (BBO# 565698)
Jean M. Healey (BBO# 660456)
John M. Stephan (BBO# 649509)
Assistant Attorneys General
Consumer Protection Division
One Ashburton Place
Boston, MA 02108
(617) 727-2200

Dated: April 17, 2008

Dated: April 17, 2008

Consent to Final Judgment by Fremont General Corporation

Defendant Fremont General Corporation through the undersigned duly authorized officer hereby:

1. Admits to the jurisdiction of the Court solely for the limited purpose of consenting to entry of a Final Judgment and ensuring compliance therewith, and for no other purpose; any act, conduct or appearance by Fremont General Corporation does not constitute and shall not be construed as a submission to the general jurisdiction of any court in the Commonwealth of Massachusetts for any purpose whatsoever.
2. Consents to the entry of a Final Judgment concerning the claims at issue in this action between the Commonwealth and Fremont General Corporation, in the form attached hereto, including the release and waiver of all appellate rights contained therein;
3. Certifies that the undersigned has personally read and understands the Final Judgment attached hereto;
4. Understands that any violation of this Final Judgment by Consent may be punishable under G.L. c. 93A, § 4 and through civil or criminal contempt proceedings; and
5. Certifies that he has consulted with counsel concerning this Final Judgment, and knowingly and voluntarily enters into this Consent to Final Judgment.

FREMONT GENERAL CORPORATION

By its duly authorized officer:



Richard Sanchez
Interim President and Interim Chief Executive Officer
Fremont General Corporation
2727 East Imperial Highway
Brea, CA 92821

Dated: April 17, 2009

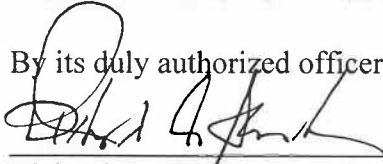
Consent to Final Judgment by Fremont Reorganizing Corporation
(f/k/a Fremont Investment & Loan)

Defendant Fremont Reorganizing Corporation through the undersigned duly authorized officer hereby:

1. Admits to the jurisdiction of the Court over it and subject matter involved in this action;
2. Consents to the entry of a Final Judgment concerning the claims at issue in this action between the Commonwealth and Fremont Reorganizing Corporation (formerly known, and sued herein, as Fremont Investment & Loan), in the form attached hereto, including the release and waiver of all appellate rights contained therein;
3. Certifies that the undersigned has personally read and understands the Final Judgment attached hereto;
4. Understands that any violation of this Final Judgment by Consent may be punishable under G.L. c. 93A, § 4 and through civil or criminal contempt proceedings; and
5. Certifies that he has consulted with counsel concerning this Final Judgment, and knowingly and voluntarily enters into this Consent to Final Judgment.

FREMONT REORGANIZING CORPORATION

By its duly authorized officer:


Richard Sanchez
Interim President and Interim Chief Executive Officer
Fremont Reorganizing Corporation
2727 East Imperial Highway
Brea, CA 92821

Dated: April 17, 2009