

DISTRICT COURT OF THE STATE OF MINNESOTA
FOURTH JUDICIAL DISTRICT; COUNTY OF HENNEPIN

**If You Have Obtained An Ameriquest Mortgage Since February 17, 1999
A Class Action Lawsuit May Affect Your Rights.**

A court authorized this notice. This is not a solicitation from a lawyer.

- Minnesota borrowers have sued Ameriquest Mortgage Company, claiming that Ameriquest concealed important loan terms from borrowers in Minnesota.
- The Court has allowed this lawsuit to be a class action on behalf of all persons who:
 - **Have owned property in Minnesota since February 17, 1999; and**
 - **entered into a mortgage loan with Ameriquest for that Minnesota property between February 17, 1999 and the present.**
- The Court has not decided whether Ameriquest did anything wrong. There is no money available now, and no guarantee that there will be any money recovered in this class action. However, your legal rights are affected, and you have a choice to make now:

YOUR LEGAL RIGHTS AND OPTIONS IN THIS LAWSUIT	
DO NOTHING	<p>Stay in this lawsuit. Await the outcome. Give up certain rights.</p> <p>By doing nothing, you may be entitled to get money or benefits if the borrowers win at trial or settle the case. But you give up any rights to sue Ameriquest about the same legal claims in this lawsuit, and if the borrowers lose, you will get nothing.</p>
ASK TO BE EXCLUDED	<p>Get out of this lawsuit. Get no benefits from it. Keep rights.</p> <p>If you ask to be excluded, and money or benefits are later awarded in this class action, you won't get a share of any recovery in this class action. But, you keep any rights to sue Ameriquest separately about the same legal claims in this lawsuit.</p>

- Your options are explained in this notice. To ask to be excluded, you must act **before June 1, 2008**.
- Lawyers must prove the claims against Ameriquest at trial. If money or benefits are or may be obtained from Ameriquest, you will be notified about how to ask for a share.

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BASIC INFORMATION

1. Why did I get this notice?

Ameriquest's records show that you may have obtained an Ameriquest mortgage loan between February 17, 1999 and the present for a Minnesota property.

This notice explains that the Court has allowed this case to go forward as a class action and it may affect you. You have legal rights and options that you may exercise before the Court holds a trial. The trial is to decide whether the claims being made against Ameriquest, on your behalf, are correct.

Judge Lloyd B. Zimmerman of the District Court of Minnesota, Fourth Judicial District, Hennepin County, is in charge of this case. The case is called *Ricci, et al., v. Ameriquest Mortgage Co.*, Court File No. 27-CV-05-2546.

2. What is this lawsuit about?

This lawsuit claims that Ameriquest has engaged in unlawful and unfair practices such as hiding loan terms and bait and switch practices, when it sells mortgage loans to borrowers in Minnesota.

3. What is a class action and who is involved?

In a class action lawsuit, one or more people called “Named Plaintiffs” or “Class Representatives” (in this case Luke Ricci and Tracy Ricci, Terri Seck, and Terry Baumgartner, and together referred to as “Borrowers”) sue on behalf of other people who have similar claims. The people together are a “Class” or “Plaintiffs,” and the individuals are called “Class Members”.

Ameriquest Mortgage Company, the company they sued, is called a Defendant.

One court decides the issues for everyone in the Class – except for those people who choose to exclude themselves from the Class.

4. Why is this lawsuit a class action?

The Court decided that this lawsuit can be a class action and move towards a trial because it meets the requirements of Minnesota Rule of Civil Procedure 23, which governs class actions in state courts. Specifically, the Court found that:

- The number of Class Members (between 300 (number of complaints to the Attorney General) and 22,000 (number of borrowers)) is large enough that it is not practical to bring them all before the court.
- There are legal questions and facts that are common to each of them.
- The claims of Luke Ricci and Tracy Ricci, Terri Seck, and Terry Baumgartner are typical of the claims of the rest of the Class.
- Ricci and Tracy Ricci, Terri Seck, and Terry Baumgartner and the lawyers representing the Class will fairly and adequately represent the Class’ interests.
- The common legal questions and facts are more important than questions that affect only individuals; and
- This class action will be more efficient than having many individual lawsuits.

More information about why the Court is allowing this lawsuit to be a class action is in the Court’s Order Granting Motion for Class Certification, which is available at www.lieffcabraser.com/AmeriquestMN.htm.

THE CLAIMS IN THE LAWSUIT

5. What does the lawsuit complain about?

In the lawsuit, Borrowers say that Ameriquest has engaged in unlawful and unfair business practices against Minnesota borrowers through its solicitation and closing of residential mortgage transactions in Minnesota. The Borrowers claim that Ameriquest violated the Consumer Fraud Act, Minn. Stat. § 325F.68 et seq., the Minnesota Deceptive Trade Practices Act (“MDTPA”), Minn. Stat. § 325D.44 et seq., and committed fraud by concealment. Borrowers claim that since February 1999 to the present, Ameriquest has systematically pressured vulnerable borrowers by a variety of bait and switch or concealment tactics, including encouraging borrowers not to read loan documents, concealing or switching loan terms in the final closing documents, and offering loans that borrowers cannot afford and which offer no real benefit. You can read the Plaintiffs’ Class Action Complaint at www.lieffcabraser.com/AmeriquestMN.htm.

6. How does Ameriquest answer?

Ameriquest denies that it has done anything wrong. It claims that as a matter of Ameriquest policy and best practices, all Ameriquest borrowers always receive full and fair disclosures, all Ameriquest borrowers are encouraged to review the loan documents at closing and during the applicable rescission period following the loan closing so that they fully understand their loan terms, Ameriquest does not pressure borrowers, and Ameriquest only offers mortgage loans that borrowers can both afford and which provide a benefit to borrowers.

Questions? Call 1-800-597-6887; Visit www.lieffcabraser.com/AmeriquestMN.htm

7. Has the Court decided who is right?

The Court has not decided whether the Borrowers or Ameriquest are right. By saying this can be a class action and ordering the parties to send this Notice, the Court has not decided whether the Borrowers will win or lose this case. The Borrowers must prove their claims at trial, and Ameriquest will defend itself. (See “The Trial” below, paragraphs 19-21.)

8. What are the Borrowers asking for?

The Borrowers are asking Ameriquest to refund the improper fees and rates it charged, and end its unlawful loan practices. The Borrowers have also asked for attorneys’ fees and costs to be paid by Ameriquest.

9. Is there any money available now?

No money or benefits are available through this class action now because the Court has not yet decided whether Ameriquest did anything wrong, and there is no settlement in this class action. There is no guarantee that money or benefits ever will be obtained through this class action. If they are, you will be notified about how you may claim a share.

WHO IS IN THE CLASS

You need to decide whether you are affected by his lawsuit.

10. Am I part of this Class?

The Honorable Judge Zimmerman ruled that the following persons are members of the class:

“All persons (i) who presently own, or during the Class Period owned, property (including mobile homes) in Minnesota, and (ii) who entered into a mortgage loan transaction relating to such Minnesota property with Defendant at any time between February 17, 1999, and the present (“the Class”).

Excluded from the Class are any judicial officer assigned to this matter; Defendant; the parents, subsidiaries and affiliates, officers and directors of Defendant or any entity in which a Defendant has a controlling interest; and the legal representatives, successors, or assigns of any such excluded persons.”

11. Are any Ameriquest Borrowers not included in the Class?

You are not a member of the Class if your mortgage loan was not for Minnesota property or if you obtained a loan from Ameriquest before February 17, 1999.

12. I’m still not sure if I am included.

If you are still not sure whether you are included, you can get help at www.lieffcabraser.com/AmeriquestMN.htm, or by calling or writing to the lawyers in this case, at the phone number or address listed in question 22.

YOUR RIGHTS AND OPTIONS

You have to decide whether to stay in the Class or ask to be excluded before the trial, and you have to decide this now.

13. What happens if I do nothing at all?

You don’t have to do anything now if you want to keep the possibility of getting money from this lawsuit. By doing nothing you are staying in the Class. If you stay in and the Borrowers obtain money, either as a result of the trial or a settlement, you will be notified about how to ask for a share. If the Borrowers lose at trial, you will receive nothing.

Keep in mind that if you do nothing now, regardless of whether the Borrowers win or lose the trial, you will not be able to sue, or continue to sue Ameriquest as part of any other lawsuit about the same legal claims that are the subject of this lawsuit. You will also be legally bound by all of the Orders the Court issues and judgments the Court makes in this class action.

14. Why would I ask to be excluded?

If you already have your own lawsuit against Ameriquest about your mortgage and want to continue with it, you need to ask to be excluded from the Class. If you want to start your own independent lawsuit against Ameriquest about your mortgage and make the same types of claims that Borrowers make here, you need to ask to be excluded from the Class.

Excluding yourself from the Class means to remove yourself from the Class and this lawsuit, and is sometimes called “opting-out” of the Class. If you exclude yourself, you will not get any money from this lawsuit even if the Borrowers obtain money by winning at trial or settling. However, you may then be able to sue Ameriquest in your own separate case. If you exclude yourself, you will not be legally bound by the Court’s judgments in this class action.

If you start your own lawsuit against Ameriquest after you exclude yourself, you have to hire and pay for your own lawyer for that lawsuit or represent yourself, and you will have to prove your claims. If you do exclude yourself so you can start or continue your own lawsuit against Ameriquest, you should talk to your own lawyer soon, because your claims may be subject to a statute of limitations (meaning that the time limit for you to file a lawsuit may be running out).

15. How do I ask the Court to exclude me from the Class?

To ask to be excluded, you must send an “Exclusion Request” in the form of a letter sent by mail, stating that you want to be excluded from *Ricci v. Ameriquest Mortgage Co.* Be sure to include your name and address, and sign the letter. You must mail your Exclusion Request postmarked by **June 1, 2008** to:

Ameriquest MN Class Action
Zimmerman Reed, P.L.L.P.
651 Nicollet Mall, Suite 501
Minneapolis, MN 55402

THE LAWYERS REPRESENTING YOU

16. Do I have a lawyer in this case?

The Court decided that the law firms of Lieff, Cabraser, Heimann & Bernstein, LLP and Zimmerman Reed, P.L.L.P. are qualified to represent you and all Class Members. Together the law firms are called “Class Counsel”. They are experienced in handling class actions and similar cases against other mortgage companies and financial institutions. More information about these law firms, their practices, and their lawyers’ experience is available at: www.lieffcabraser.com; www.zimmreed.com.

17. Should I get my own lawyer?

You do not need to hire your own lawyer because Class Counsel is working on your behalf. If you want your own lawyer, you may hire one, but you will have to pay that lawyer. For example, you can ask him or her to appear in Court for you if you want someone other than Class Counsel to speak for you.

18. How will the lawyers be paid?

If Class Counsel get money or benefits for the Class, they may ask the Court for fees and expenses or settle the fees and expenses as part of any settlement of the case. You won’t have to pay these fees and expenses. If the Court grants Class Counsel’s request, the fees and expenses would be paid separately by Ameriquest.

THE TRIAL

The Court will schedule a trial to decide who is right in this case.

19. How and when will the Court decide who is right?

As long as the case is not resolved by a settlement or otherwise, Class Counsel will have to prove the claims at a trial. The Court or a Jury will decide the case in two parts (or “phases.”)

During Phase One, a Jury or the Judge will hear all of the evidence related to Borrower's "common claims," such as:

- (a) whether Ameriquest trains and encourages its sales staff to engage in predatory high-pressure sales tactics against low-income, vulnerable Minnesota consumers;
- (b) whether Ameriquest trains and encourages its sales staff to falsely represent the alleged benefits and financial savings of consolidating debt, and to maximize loan amounts beyond what is affordable or beneficial to Minnesota borrowers;
- (c) whether Ameriquest systematically fails to provide loan documents prior to closing, conceals unfavorable loan terms such as "discount" fees, pre-payment penalties, and the adjustable nature of the loan;
- (d) whether Ameriquest inflates appraisal values, fabricates income statements, and forges documents;
- (e) whether Ameriquest systematically targets Minnesota borrowers who pose a credit risk and may be unable to obtain financing elsewhere, such as persons with credit problems, significant debt, or recent tax liens or bankruptcies, and preys on vulnerable prospects by offering to reduce their debt, lower their monthly payments, and consolidate their existing debt obligations, allegedly to the consumer's financial advantage, but actually to their detriment;
- (f) whether Ameriquest systematically charges consumers excessive, duplicative, or otherwise improper closing costs in the form of unfair and undisclosed lenders' processing fees, administrative fees, and application fees.

This evidence will help the Judge or Jury reach a decision about whether the Borrowers or Ameriquest are right about these claims. If Borrowers lose Phase One, the trial will be over, and there will not be a second phase.

If Borrowers win Phase One, there will be a second phase of the trial to decide damages (how much money Ameriquest owes to the Borrowers).

There is no guarantee that the Borrowers will win, or that any money will be available for the Class.

20. Do I have to come to the trial?

You do not need to attend the trial. Class Counsel will present the case for the Borrowers, and lawyers for Ameriquest will present the defenses. You or your own lawyer are welcome to come at your own expense.

21. Will I get money after the trial?

If the Borrowers obtain money or benefits as a result of the trial or a settlement, you will be notified about how to participate. We do not know how long this will take.

GETTING MORE INFORMATION

22. Are more details available?

Visit the website, www.lieffcabraser.com/AmeriquestMN.htm, where you will find the Court's Order Granting Motion to Certify Class Action, the Borrowers' Class Action Complaint, and Ameriquest's Answer to the Complaint. You may also speak to one of the lawyers for the borrowers at the following:

Ameriquest MN Class Action
Zimmerman Reed, P.L.L.P.
651 Nicollet Mall, Suite 501
Minneapolis, MN 55402

Ameriquest MN Class Action
Lieff, Cabraser, Heimann & Bernstein, LLP
275 Battery Street, 30th Floor
San Francisco, CA 94111

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