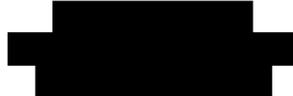




UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

TITLE VIII
CONCILIATION AGREEMENT

Between



Rancho Santa Margarita, CA 92688
(Complainants)

And

Greenlight Financial Services
GFS Capital Holdings
(Respondents)

And

Approved by the FHEO Regional Director
on behalf of
The United States Department of Housing and Urban Development

Effective Date of Agreement: 6/5/2014
Expiration Date of Agreement: 6/5/2016

FHEO Case No.: 09-13-0147-8 (Title VIII)

HUD Date Filed: November 8, 2012

Complainant's initial



Respondents' Initials

Flop

A. PARTIES AND SUBJECT PROPERTY

- [REDACTED] (Complainants)
- Greenlight Financial Services and GFS Capital Holdings (Respondents)
- The property sought for financing is located at 16 Arabis Court, Ladera Ranch, California 92694.
- [REDACTED], a Loan Consultant, was originally named as a Respondent. The Parties agree to dismiss [REDACTED] as a Respondent, and therefore, the Parties agree that he is not a required signatory to this Agreement.

B. STATEMENT OF THE FACTS

A complaint was filed on November 8, 2012, with the United States Department of Housing and Urban Development (the Department or HUD) alleging that the Complainants were injured by a discriminatory act of the Respondents. The Complainant alleges that the Respondents violated §804(c), 804(b), 805 and 818 of the Fair Housing Act as amended in 1988, 42 U.S.C. § 3601, *et seq.* (the Act or the Fair Housing Act) on the basis of sex and familial status. On June 1, 2013, Respondent Greenlight Financial Services changed its name to GFS Capital Holdings. Although not originally named as a Respondent, GFS Capital Holdings have agreed to be a signatory of this Agreement. The Respondents deny having discriminated against the Complainants, but agree to settle the claims in the underlying action by entering into this Conciliation Agreement.

C. TERM OF AGREEMENT

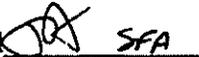
1. This Conciliation Agreement shall govern the conduct of the parties to it for a period of two (2) years from its effective date.

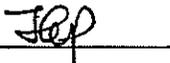
D. EFFECTIVE DATE

2. The parties expressly agree that this Agreement constitutes neither a binding contract under state or federal law nor a Conciliation Agreement pursuant to the Act, unless and until such time as it is approved by the Department through the Fair Housing and Equal Opportunity (FHEO) Regional Director or her designee.
3. This Agreement shall become effective on the date on which it is approved by the FHEO Region IX Director, 600 Harrison Street, 3rd Floor, San Francisco, California 94107.

E. GENERAL PROVISIONS

4. The parties acknowledge that this Agreement is a voluntary and full settlement of the disputed complaint. The parties affirm that they have read and fully understand the terms set forth herein. No party has been coerced, intimidated, threatened, or in any way forced to become a party to this Agreement.

Complainant's initial 

Respondents' Initials 

Conciliation Agreement

██████████ v. Greenlight Financial Services, et al.
HUD Case Number: 09-13-0147-8

5. It is understood that the Respondents deny any violation of law and that this Conciliation Agreement does not constitute an admission by the Respondents or evidence of a determination by the Department of any violation of Title VIII.
6. The Respondents acknowledge that it has an affirmative duty not to discriminate under the Act, and that it is unlawful to retaliate against any person because that person has made a complaint, testified, assisted or participated in any manner in a proceeding under the Act. Respondents further acknowledge that any subsequent retaliation or discrimination constitutes both a material breach of this Agreement, and a statutory violation of the Act.
7. This Agreement, after it has been approved by the FHEO Region IX Director, or her designee, is binding upon Respondents and their employees, heirs, successors and assigns and all others in active concert with it in the ownership or operation of Greenlight Financial Services, Inc. and GFS Capital Holdings.
8. It is understood that, pursuant to § 810(b)(4) of the Act, upon approval of this Agreement by the FHEO Region IX Director or her designee, it is a public document.
9. This Agreement does not in any way limit or restrict the Department's authority to investigate any other complaint involving Respondents made pursuant to the Fair Housing Act or any other complaint within the Department's jurisdiction.
10. No amendment to, modification of, or waiver of any provisions of this Agreement shall be effective unless: (a) all signatories or their successors to the Agreement agree in writing to the amendment, modification, or waiver; (b) the amendment, modification or waiver is in writing; and (c) the amendment, modification or waiver is approved and signed by the FHEO Region IX Director.
11. The parties agree that the execution of this Agreement may be accomplished by separate executions to this Agreement, the original executed signature pages to be attached to the body of the Agreement to constitute on document.

F. MUTUAL RELEASE

12. In exchange for compliance with the provisions of this Agreement, the Complainant hereby forever waives, releases, and covenants not to sue the Department or the Respondents and their heirs, executors, assigns, agents, employees and attorneys with regard to any and all claims, damages and injuries of whatever nature, whether presently known or unknown, arising out of the subject matter of HUD Case Number 09-13-0147-8, or which could have been filed in any action or suit arising from said subject matter.
13. In exchange for compliance with the provisions of this Agreement, the Respondents hereby forever waives, releases, and covenants not to sue the Department or Complainant and

Complainant's initial ██████████

Respondents' Initials JLP

Conciliation Agreement

██████████ v. Greenlight Financial Services, et al.
HUD Case Number: 09-13-0147-8

their successors, assigns, agents, officers, board members, employees and attorneys with regard to any and all claims, damages and injuries of whatever nature whether presently known or unknown, arising out of the subject matter of Department Case Number 09-13-0147-8, or which could have been filed in any action or suit arising from said subject matter.

14. The release and waiver made part of this Agreement do not apply to any rights arising from either party's failure to comply with the terms of this Agreement or to other complaints or matters of compliance which may be pending with the Department.

G. RELIEF FOR COMPLAINANT

15. Within twenty (20) days of the effective date of this Agreement, Respondents Greenlight Financial Services, Inc. and GFS Capital Holdings agree to pay ██████████ the sum of twenty thousand dollars (\$20,000) in full settlement of any and all claims that Complainants could bring arising out of the allegations underlying the investigation or presented in the complaint. Such payment shall be in the form of a certified check payable to ██████████ and set by Federal Express or other mail service that provides tracking to the Complainants ██████████, Rancho Santa Margarita, CA 92688.

H. RELIEF IN THE PUBLIC INTEREST

16. Respondents Greenlight Financial Services, Inc. and GFS Capital Holdings agree to make payments in accordance with the attached Releases (i) through (iv) to the identified and allow the Department to submit claims from potential victims within sixty (60) days of the effective date of this Agreement and to provide financial relief to those claims as determined by the Department.

17. In the event that Respondents Greenlight Financial Services, Inc. and GFS Capital Holdings resume its mortgage operation within the time period of the agreement, the Respondents shall provide annual fair lending training to its management and employees who are involved in the processing and underwriting of home mortgage loans. Respondents agree to make the evidence of training and the content of the fair lending training available to the Department upon request.

18. Respondents and their officers, agents, employees and all persons in active concert or participation with any of them, agree to continue to refrain from any acts that have the purpose or the effect of subjecting persons to discrimination on the basis of their sex and familial status including, denying an individual home mortgage loans on the basis of sex and familial status.

Complainant's ██████████ ██████████

Respondents' Initials JLP

Conciliation Agreement

██████████ v. Greenlight Financial Services, et al.
HUD Case Number: 09-13-0147-8

I. MONITORING

19. The Department shall determinate compliance with the terms of this Agreement. During the term of this Agreement, the Department may review compliance with this Agreement. As part of such review, the Department may request from the Respondents to inspect documents, examine witnesses, and/or copy pertinent records of the Respondents. Respondents agree to provide their full cooperation in any monitoring review undertaken by HUD to ensure compliance with this Agreement.

J. REPORTS AND RECORD KEEPING

20. Within twenty (20) days of the EFFECTIVE DATE of this Agreement, the Respondents shall certify to the FHEO Region IX Director, in writing, that Respondents has complied with paragraph 15 and 16 by providing a copy of the certified checks and the mail delivery receipts.

21. In the event of paragraph 17, within sixty (60) days of the Respondents resuming its mortgage operations, the Respondents shall submit for review and approval a fair lending training session and associated training materials. The Department will offer comments and concurrence within twenty (20) days.

22. In the event of paragraph 17, the Respondents will certify at the end of each year during the term of the Agreement, that each employee described in paragraph 17 has received training on fair lending, including the Fair Housing Act.

23. The parties agree that the Department shall be solely responsible for determining whether the Respondents are in compliance with the terms of this Agreement.

24. All required documentation of compliance must be submitted to:

U.S. Department of Housing and Urban Development
Fair Housing Enforcement Center
ATTENTION: CONCILIATION REVIEW
San Francisco Regional Office – Region IX
600 Harrison Street, 3rd Floor
San Francisco, CA 94107-1300

K. CONSEQUENCES OF BREACH

25. Whenever the Department have reasonable cause to believe Respondents have breached this agreement, the matter may be referred to the Attorney General of the United States, to commence a civil action in the appropriate U.S. District Court pursuant to § 810(c) and 814(b)(2) of the Act.

Complainant's ██████████ ██████████

Respondents' Initials FLP

Conciliation Agreement
[redacted] v. Greenlight Financial Services, et al.
HUD Case Number: 09-13-0147-8

L. SIGNATURES

[redacted]
Complainant

5/28/14
Date

[redacted]
Complainant

5/28/14
Date

[Signature]
Greenlight Financial Service, Inc.
Respondent

05/21/2014
Date

[Signature]
GFS Capital Holdings
Respondent

05/21/2014
Date

M. APPROVAL

This signature attests to the approval and acceptance of this Agreement.

[Signature]
for Anné Quesada
FHEO Region IX Director

6/5/2014
Date

Complainant's [redacted]

Respondents' Initials JQP