

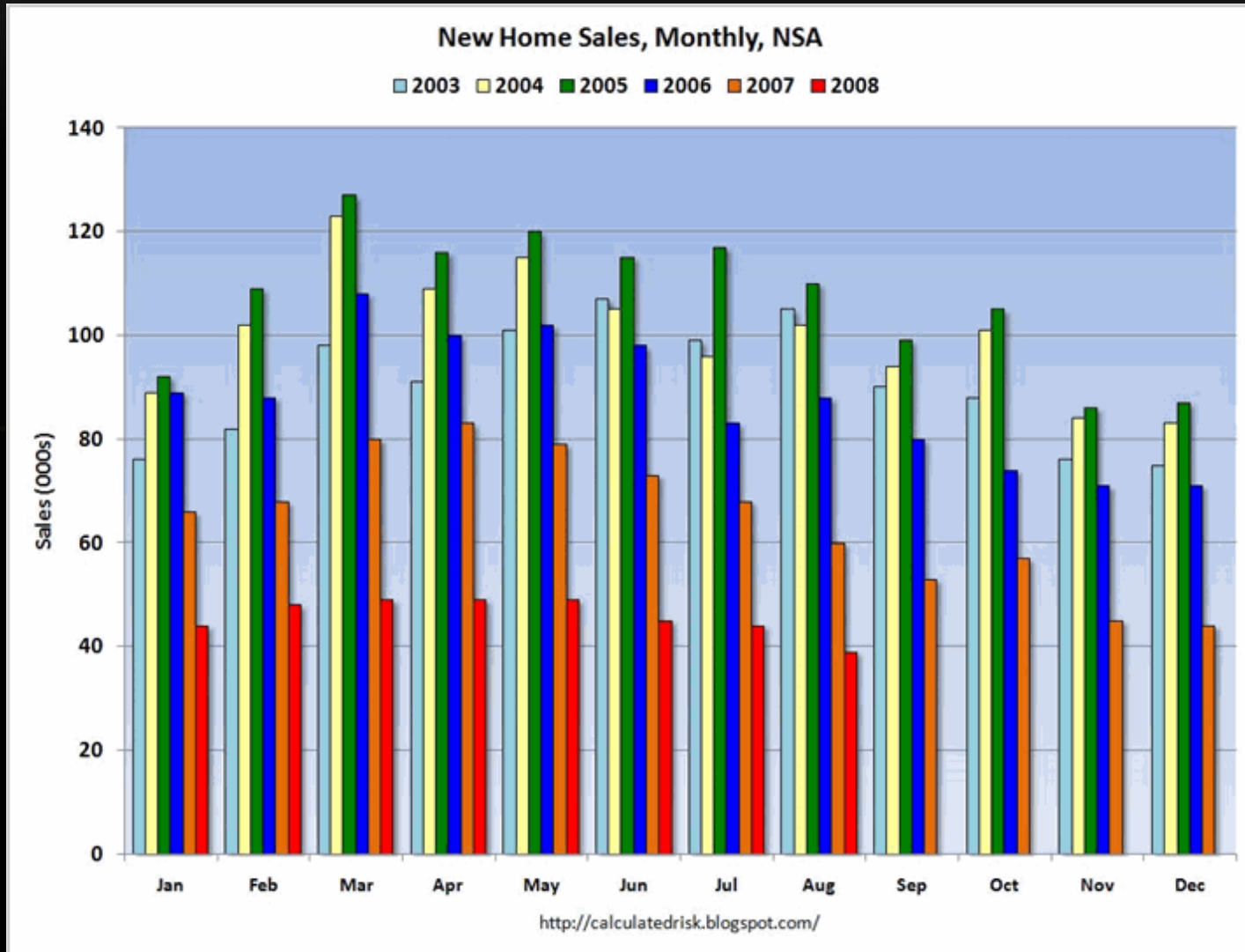
Commodity Futures Modernization Act of 2000

**Gramm–Leach–Bliley Act (GLB), also known as the
Financial Services Modernization Act of 1999**

Uniform Electronic Transactions Act

**Electronic Signatures in Global and National Commerce
Act (ESIGN) enacted June 30, 2000**

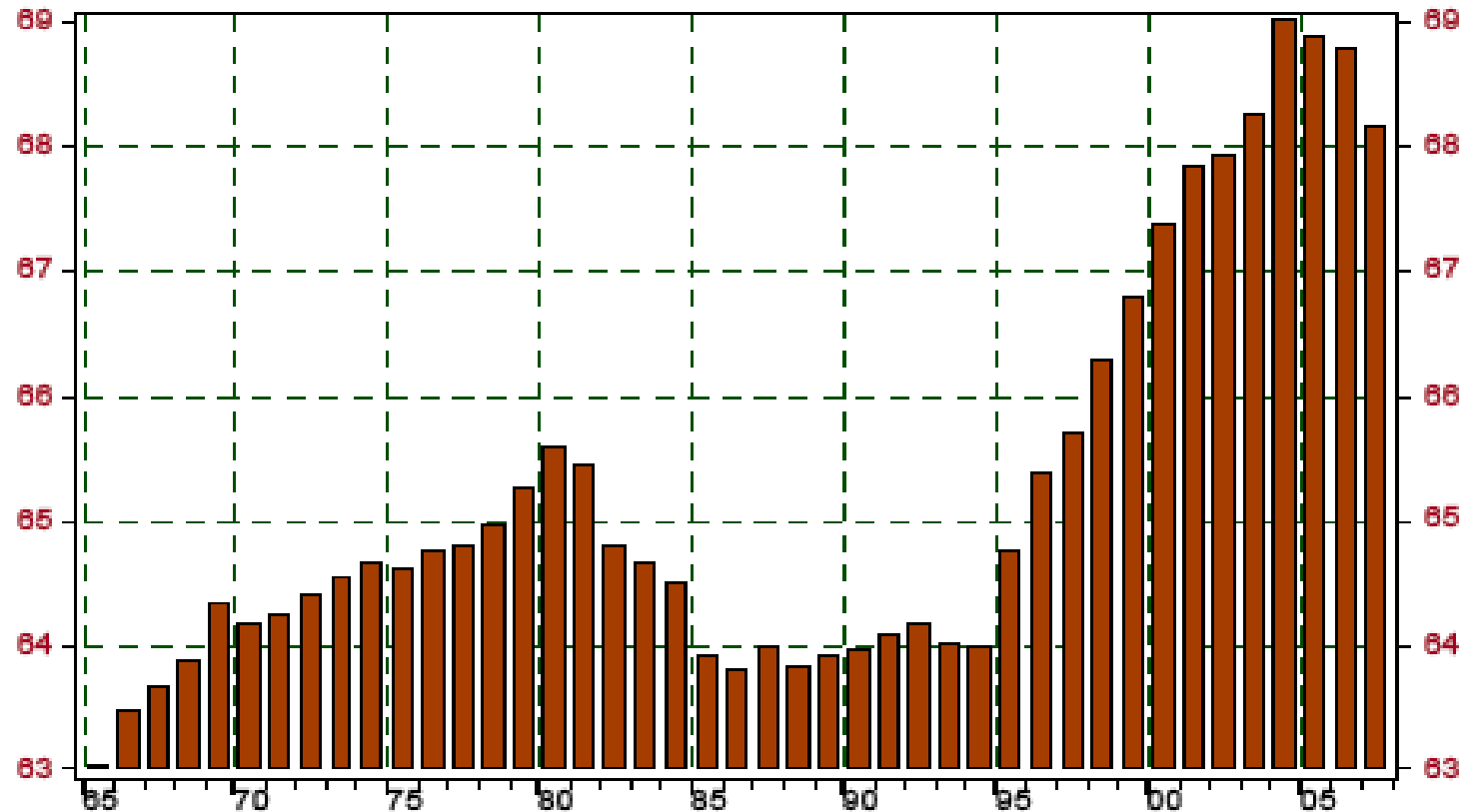
INTRODUCTION



INTRODUCTION

Homeownership Rate: United States

NSA, %



Source: Census Bureau /Haver Analytics

INTRODUCTION

Subprime Loan Products (Generally Offered) pre- 9/2005

- 2/28 LIBOR Loans
- 3/27 LIBOR Loans
- 4/26 LIBOR Loans
- 5/25 LIBOR Loans

The Borrowers of Subprime Loans:

- Persons with little or no down payment
- Persons with tarnished credit
- Voluntary refinancings
- Bank inflicted refinancings due to undo pressure
- Self-employed individuals
- Persons who frequently relocated given profession
- First home purchasers

The no-doc loan had arrived and with it a plethora of what became referred to as 'exotic' lending instruments hit the market. For instance Ownit Mortgage Solutions offerings 12/2005

- **15 Year Fixed Loans**
- **20 Year Fixed Loans**
- **30 Year Fixed Loans**
- **15/30 Balloon**
- **30/40 Balloon**
- **30/45 Balloon**
- **2/28 LIBOR Loans**
- **3/27 LIBOR Loans**
- **3/27 LIBOR Loans (40 Year Am)**
- **3/27 LIBOR Loans (45 Year Am)**
- **4/26 LIBOR Loans**
- **5/25 LIBOR Loans**
- **5/25 LIBOR Loans (40 Year Am)**
- **5/25 LIBOR Loans (45 Year Am)**
- **7/23 LIBOR Loans (45 Year Am)**

Loosened Lending Standards

- Decrease the acceptable “subprime qualifying” FICO credit scores from an average of 690 to 646 average or below
- Increase the debt to income (DTI) from an average from an average of 40% up to as high as 55%.
- Drastically increased 100% CLTV financing approved originations
 - 80% lower interest first lien
 - 20% separately financed, higher interest second lien (piggybacking)
- An overlooking in approving loans to borrowers with recent bankruptcies.

William Dallas, founder of First Franklin and Ownit Mortgage Solutions a year prior to dropping its own lending standards is quoted in an Industry trade:

*“.....to stop fraud, lenders need to **"authenticate and validate everything** independently from the person who supplies them with information. When they take an application, they should also **verify information** on every loan they originate, because it is hard to predict where fraud will occur.”*

*“**Ownit will not originate low-doc loans**, because income verification is its primary proof that the borrowers will repay. Most of what we do is full-doc otherwise you have no idea what you are buying”*

On December 28, 2006, Ownit Mortgage Solutions, Inc. exercised its exit strategy, better known to society filing for Chapter 11 bankruptcy protection beginning a trend quickly being followed.

ResMAE, a nationwide mortgage banking company that originated, sold and serviced subprime mortgage, files for Chapter 11 bankruptcy protection on or about February 12, 2007.

On or about February 4, 2007, Mortgage Lenders Network USA, Inc. ("MLN"), a top 20 producing national subprime loan producer, filed for Chapter 11 bankruptcy protection.

On March 20, 2007, another subprime loan originator, Peoples' Choice Home Loan, Inc. files for Chapter 11 protection.

Hundreds of other lenders followed suit over the next several months, as the economy soured and collapsed....TARP.....along with hundreds of billions in bailouts.....

A QUICK SPIN THROUGH TIME

The disparity between rich and poor is as old as civilization, more often than not it is the wealthy who occupy the seat of power, both which is passed on by birthright.



The quality of life that awaited the remaining 99.9% of the population was also by fate in birth. A good life awaited those born with a heritage to the ruling class or in a family who held high positions in servitude to the state.



The trick here though was staying in the ruling class' good graces without losing ones head.

The vast majority of the population though were born into hopeless poverty and would die in poverty. The only opportunity was in carving out a meager existence.

The United States Declared itself an Independent nation, another force of oppression was forming in Frankfurt, Germany. It's name was Rothschild.



In spite of the Constitution of the United States, debts were owed from the War of Independence, In 1791, Alexander Hamilton and Rothschild's came to agreement for a 20 year central bank charter. The Rothschild's got their central bank, named the First Bank of the United States.



1811: The Rothschild charter expires and Congress votes not against renewing. The Rothschild solution: instigate a war and finance the costs thereby creating leverage through debt.

1816: The American Congress passes a bill permitting the Second Bank of the United States. As a central bank, the Rothschild again had control of the supply of money.

TEAM ROTHSCHILD



**Patriarch
Mayer Amschel Rothschild**



**Nathan to
London 1798**



**James to Paris
1811**



**Carl to Naples
1821**



**Amschel
Frankfurt**



**Solomon to
Vienna 1810**

THE BATTLE OF WATERLOO

How to conquer a country: the Rothschild way....the Correlations to the present day cannot be ignored



Nathan in
London

James in
Paris

The brothers Rothschild, established what were outwardly independent banks in various countries across Europe, but in actuality worked only for the gains of themselves and not in the interest of the respective countries wherein they operated. They also established a postal service network of secret routes and fast couriers. In this manner the Rothschilds' would be in possession of current events across Europe well ahead of the news of the day.

On receiving the courier report of Wellington's victory at Waterloo, 24 hours ahead of anyone else in England, Nathan instructed his London floor traders to start dumping their British bonds, other traders seeing this assumed the English were defeated at Waterloo, reacting with panic.

The bottom fell out of the market until traders couldn't hardly give them away. Meanwhile Rothschild began to secretly buy up all the hugely devalued bonds at a fraction of what they were worth a few hours before.



When news came through that the British had actually won the war, bonds went up to a level even higher than before the war ended leaving Nathan Mayer Rothschild with a return of approximately 20 to 1 on his investment.

This gave the Rothschild family complete control of the British economy, now the financial center of the world following Napoleon's defeat, and forced England to set up a new Bank of England, which Nathan Mayer Rothschild controlled..

Instead of borrowing from the bank, Napoleon sold territory west of the Mississippi to the 3rd President of the United States, Thomas Jefferson for 3 million dollars in gold; a deal known as the Louisiana Purchase.

**THE ROTHSCILDS LOVED WAR BECAUSE
NOTHING GENERATES MORE DEBT ...THAN WAR**

Prussia, Austria, Russia, Spain, and England all went into deep debt defending against Napoleon, all financed by the Bank of England. Seems there is an interesting twist in the terms that finance war, given on condition that the victor pays the debts left by the loser. In other words, a loan guarantee,

**MIGHT AS WELL HAVE RENAMED ENGLAND
....ROTHSCHILD**

AN ILLUSTRATION BY EXAMPLE

In 1806, Prince William IX of Hesse-Hanau flees Germany and goes to Denmark, the result of verbal threats from Napoleon, entrusting his fortune valued at \$3,000,000 to Mayer Amschel Rothschild for safekeeping

**The Jewish Encyclopedia, 1905 edition, Volume 10,
page 494, describes**

"Nathan Mayer Rothschild invested this \$3,000,000 in, gold from the East India Company knowing that it would be needed for Wellington's peninsula campaign." On the stolen money Nathan made, "no less than four profits: i) On the sale of Wellington's paper which he bought at 50 cents on the dollar and collected at par; ii) on the sale of gold to Wellington; iii) on its repurchase; and iv) on forwarding it to Portugal."

**It is these same practices of rape, pillage, and
plunder.....it is the story of banking**



For the Rothschilds

"Nathan Mayer Rothschild, Baron of Warrington, was a member of the East India Company knowing that it was about to be sold to the British Government. On the stolen money Nathan made, 'no less than four profits: i) On the sale of Wellington's
 In 1806 Prince William IX of Hesse-Hanau flees Germany and goes to





In 1806, Prince William of Denmark, the result of a marriage valued at \$3,000,000 to Mayer Amschel Rothschild for safekeeping

All Practices Prevalent in the Modern World

AN ILLUSTRATION BY EXAMPLE





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All Practices Prevalent in the Modern World

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All Practice

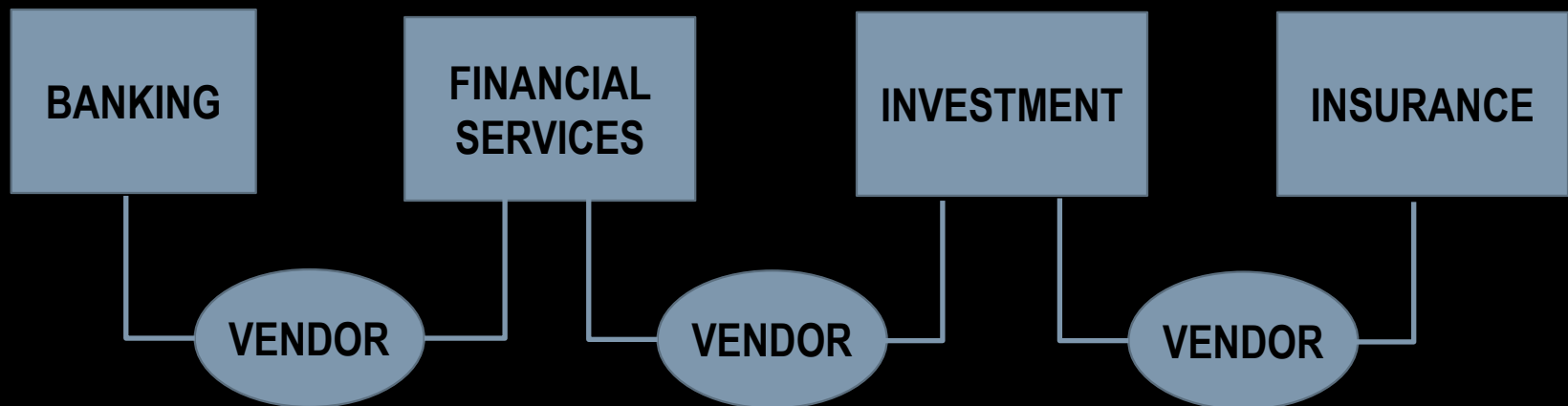
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AN ILLUSTRATION BY EXAMPLE

ENTERPRISE COLLABORATION

Enterprise collaboration deals with the partnering of activities, knowledge and assets by multiple stakeholders in a dynamic environment with the objective of gaining a business advantage. Collaborative technologies facilitate the integration of knowledge and work products of an interacting shareholder group using a common infrastructure



LEVELS OF COLLABORATION

INFORMATION

Sharing of data e.g. prices, inventory, data, logistics data, performance data

SYSTEMS

Sharing of applications, source code, software, middleware, databases, and repositories, hardware

PROCESS

Sharing parts of a procurement process, inventory management, supply chain processes, product design processes

RELATIONSHIPS

Dynamic collaboration organization and structure, a hierarchy, e.g. market makers, intermediaries, vendors, etc.

MODES IN IMPLEMENTING COLLABORATION

TACTICAL AND STRATEGIC

To achieve operational/business efficiency (short term benefits), weed out inefficient and uncooperative partners in the process building barriers to competition (long term benefits)

SYNCHRONOUS AND ASYNCHRONOUS

'real time' transaction operators e.g ATM's

future transaction operators e.g. Hedge Fund

INTERNAL AND EXTERNAL

Sealing up the corporate veil from outside attacks whether it be consumer, political, legal, or any combination

GOALS OF COLLABORATION

**INTEGRATION OF PEOPLE, PROCESS,
AND TECHNOLOGY**

**SUPERIOR COMMUNICATION AND
SYNCHRONIZATION**

MODES IN IMPLEMENTING COLLABORATION

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DRIVERS FOR COLLABORATION

SHIFT FROM
OWNERSHIP TO
PARTNERSHIPS

TRUST BUILT
BETWEEN TRADING
PARTNERS

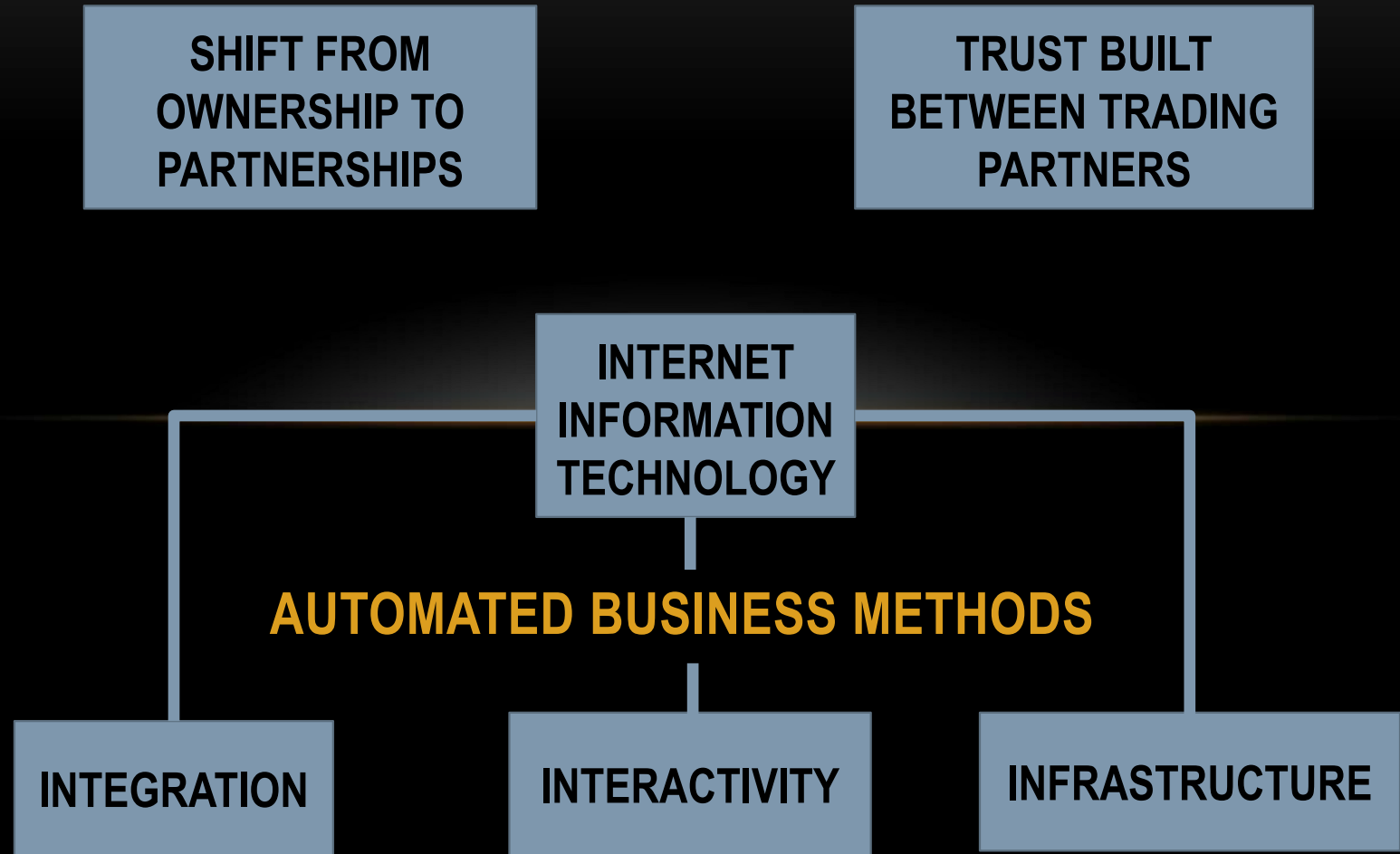
INTERNET
INFORMATION
TECHNOLOGY

AUTOMATED BUSINESS METHODS

INTEGRATION

INTERACTIVITY

INFRASTRUCTURE



AUTOMATION – 3 TYPES

AUTOMATED TRANSACTIONS

Characterized by transactional level automation such as internet banking and B2B applications. Searching through and placing an order through web technologies aligned to specific business rules, for instance. Scanning of website for updated pricing information that can be fed into an internal system, triggering other business rule routines.

AUTOMATED PROCESSES

Characterized by capabilities that handle multiple sets of transactions involving sequences and conditional routines; an auto-replenishment process in a retail chain where systems track inventory levels of products in all store locations, for instance. When short falls appear, business rules seeks the most profitable process for replenishment, paging through continuous feeds of product pricing from numerous suppliers to settle on best pricing, automatically placing order and arranging for shipping.

AUTOMATION – 3 TYPES

AUTOMATED SERVICES

Best illustrated by example. Priceline, for instance utilizes web technology standards like XML and BPML which allows for seamless integration making it possible to not only book a flight but links in and presents hotels and vehicle rental options the user may wish to choose from.

**INTENTIONALLY CONCEALED
CONTRACTS, INSURANCE POLICIES,
ELECTRONIC TITLING, ETC., ETC.**

Pooling and Servicing Agreement

We are conditioned to focusing on the Pooling and Servicing Agreement (“PSA”) pertinent to the particular Trust Series described in a borrowers *Assignment of Deed of Trust* that is scrutinized in foreclosure defense hoping to crack the mystery that lay within. After several years, the PSA has revealed very little beneficial to borrowers in defending their homes though.

We all have chased down the accompanying SEC documents that goes with the PSA, Registration Statements, FWP, and any Supplements, in chasing down a chain of title or gleaning anything that might assist in court.

As you will come to recognize there are ‘smoke screens’ and diversions are everywhere when it comes to subprime lending. The Loan Trusts and the PSA is one such diversionary smoke screen, disguising other agreements that are materially pertinent to borrowers.

THE ULTIMATE DECEPTION

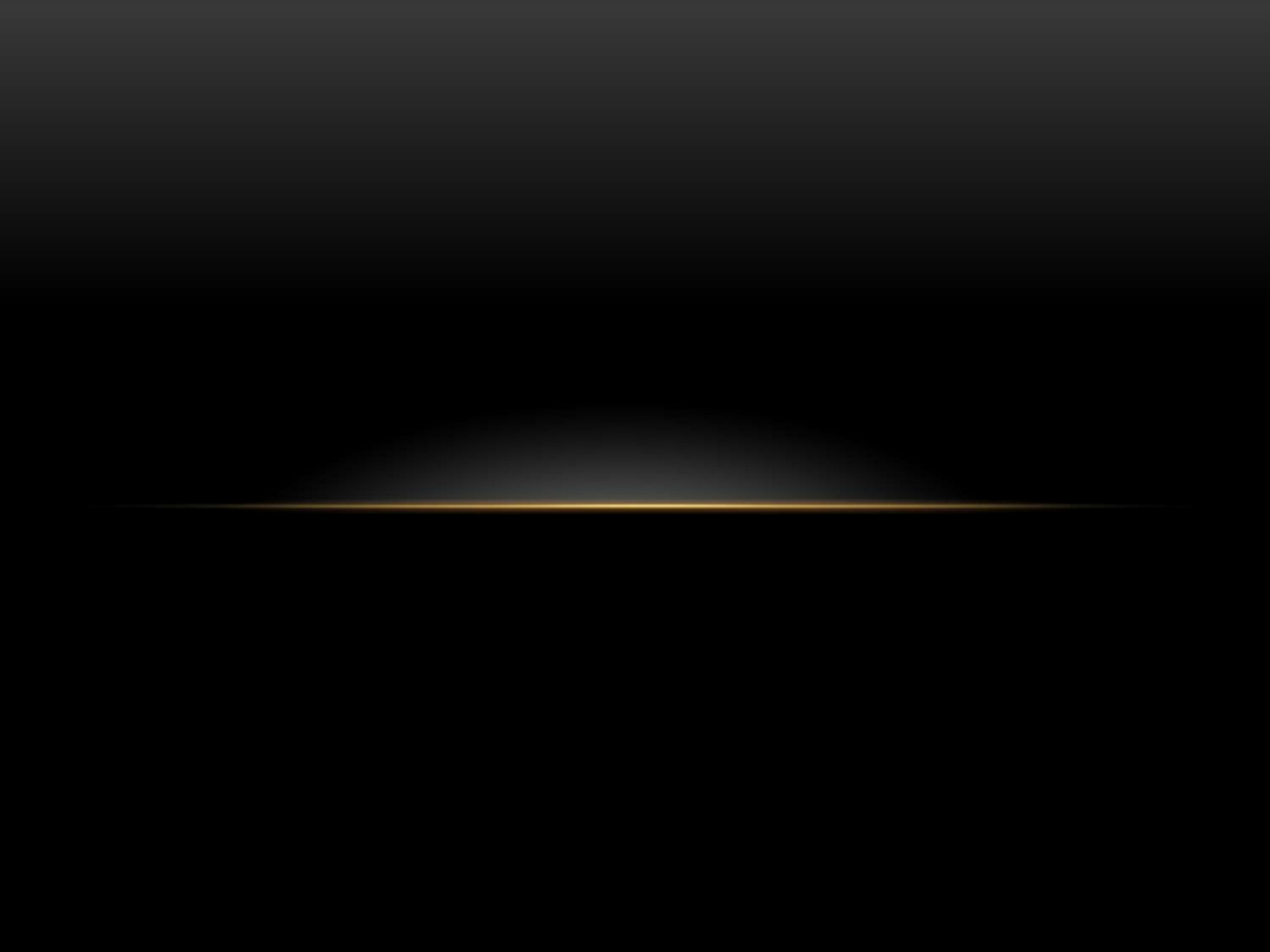
You are probably familiar with the following 2 Agreements

- Mortgage Loan Purchasing Agreement
- Mortgage Loan and Interim Servicing Agreement

Neither one though are pertinent to borrowers, each are another layer to a multi-tiered sales agreements

Buried atop layers of standardized agreements, such as listed above additional others is another standardized agreement, actually THE formative agreement which is materially pertinent to consumer borrowers that establishes terms and conditions detrimental to consumer borrowers, accepting on behalf of consumer borrowers.

Master Loan and Security Agreement



MASTER LOAN AND SECURITY AGREEMENT

March 1, 2005

AGENT

MORGAN STANLEY
MORTGAGE CAPITAL INC

LENDER

CONCORD MINUTEMEN
CAPITAL COMPANY, LLC

MORGAN STANLEY BANK

BORROWER

NC CAPITAL CORPORATION

NEW CENTURY MORTGAGE
CORPORATION

NC RESIDUAL II
CORPORATION

NEW CENTURY CREDIT
CORPORATION

CONCORD MINUTEMEN
CAPITAL COMPANY, LLC,

Master Loan and Security Agreement

Section 4.01 Collateral; Security Interest

All of each Borrower's right, title and interest in, to and under each of the following items of property, whether now owned or hereafter acquired, now existing or hereafter created and wherever located, is hereinafter referred to as the **"Collateral"**:

- (i) all Mortgage Loans;
- (ii) all Mortgage Loan Documents, including, without limitation, all promissory notes and all Servicing Records, Servicing Agreements and any other collateral pledged or otherwise relating to such Mortgage Loans, together with all files, documents, instruments, surveys, certificates, correspondence, appraisals, computer programs (subject to any restrictions on transfer under any related licensing agreement), accounting records and other books and records relating thereto, including electronic records;
- (iii) all mortgage guaranties and insurance (issued by governmental agencies or otherwise) and any mortgage insurance certificate or other document evidencing such mortgage guaranties or insurance relating to any Mortgage Loan and all claims and payments thereunder;

Master Loan and Security Agreement

Section 4.01 Collateral; Security Interest

- (iv) all other insurance policies and insurance proceeds relating to any Mortgage Loan or the related Mortgaged Property;
- (v) all Takeout Commitments now existing or hereafter arising, covering any part of the foregoing Collateral, all rights to deliver such Mortgage Loans to Takeout Investors or to permanent investors and other purchasers pursuant thereto and all proceeds resulting from the disposition of such Collateral pursuant thereto, including the Borrowers' right and entitlement to receive the entire Takeout Price specified in each Takeout Commitment with respect to the Mortgage Loans pledged hereunder;
- (vi) all Interest Rate Protection Agreements, relating to or constituting any and all of the foregoing;
- (vii) the Controlled Accounts and all monies from time to time on deposit in the Controlled Accounts;

Master Loan and Security Agreement

Section 4.01 Collateral; Security Interest

(viii) all collateral, however defined, under any other agreement between a Borrower or any of its Affiliates on the one hand and the Lender or any of its Affiliates on the other hand;

(ix) all "general intangibles", "accounts" and "chattel paper" as defined in the Uniform Commercial Code relating to or constituting any and all of the foregoing; and

(x) any and all replacements, substitutions, distributions on or proceeds of any and all of the foregoing.

(c) Each Borrower hereby assigns, pledges and grants a security interest in all of its right, title and interest in, to and under the Collateral to the Agent, for the benefit of the Lender, to secure the MS Indebtedness including, without limitation, the repayment of principal of and interest on all Loans and all other amounts owing to the Lender hereunder, under the Notes and under the other Loan Documents (collectively, the "Secured Obligations"). Each Borrower agrees to mark its computer records and tapes to evidence the interests granted hereunder to the Agent, for the benefit of the Lender

Master Loan and Security Agreement

Particular Definitions

"Intangible Assets" shall mean the excess of the cost over book value of assets acquired, patents, trademarks, copyrights, franchises and other intangible assets (excluding, in any event, the value of any residual securities and the value of any owned or purchased mortgage servicing rights).

"Interest Rate Protection Agreement" shall mean, with respect to any or all of the Mortgage Loans, any short sale of US Treasury Securities, futures contract, mortgage related security, Eurodollar futures contract, options related contract, interest rate swap, cap or collar agreement or similar arrangement providing for protection against fluctuations in interest rates or the exchange of nominal interest obligations, either generally or under specific contingencies, entered into by a Borrower and an Affiliate of the Agent, and acceptable to the Majority Lenders.

"Majority Lenders" shall mean, at any time, Lenders the Credit Exposure Percentages of which aggregate more than 50%.

Master Loan and Security Agreement

Particular Definitions

"Market Value" shall mean, as of any date in respect of an Eligible Mortgage Loan, the value determined by the Agent in good faith and in its sole discretion.

"Mortgagee" means the relevant Borrower or any subsequent holder of a Mortgage Loan.

"Mortgaged Property" shall mean the real property (including all improvements, buildings, fixtures, building equipment and personal property thereon and all additions, alterations and replacements made at any time with respect to the foregoing) and all other collateral securing repayment of the debt evidenced by a Mortgage Note.

"Mortgage Loan" shall mean a mortgage loan which the Custodian has been instructed to hold for the Agent on behalf of the Lenders pursuant to the Custodial Agreement, and which Mortgage Loan includes, without limitation, a Mortgage Note and related Mortgage.

Master Loan and Security Agreement

Section 4.01 Collateral; Security Interest...cont'd

Section 11.13 Hypothecation or Pledge of Loans. The Agent, acting at the direction of the Lender, shall have free and unrestricted use of all Collateral and nothing in this Loan Agreement shall preclude the Agent from engaging in repurchase transactions with the Collateral or otherwise pledging, repledging, transferring, hypothecating, or rehypothecating the Collateral. Nothing contained in this Loan Agreement shall obligate the Agent to segregate any Collateral delivered to the Agent by the Borrowers.

Master Loan and Security Agreement

Section 4.01 Collateral; Security Interest...cont'd

MORTGAGE ELECTRONIC REGISTRATION SYSTEMS, INC.

MERS

Single Family - Fannie Mae/Freddie Mac- UNIFORM INSTRUMENT-MERS

(E) "MERS" is Mortgage Electronic Registration Systems, Inc. MERS is a separate corporation that is acting solely as a nominee for Lender and Lender's successors and assigns. MERS is the beneficiary under this Security Instrument. MERS is organized and existing under the laws of Delaware.

The beneficiary of this Security Instrument is MERS (solely as nominee for Lender and Lender's successors and assigns) and the successors and assigns of MERS.

Borrower understands and agrees that MERS' holds only legal title to the interests granted by Borrower in this Security Instrument, but, if necessary to comply with law or custom, MERS (as nominee for Lender and Lender's successors and assigns)

**What is not represented in the borrowers
agreements which has been intentionally omitted?**



**Single Family - Fannie Mae/Freddie Mac-
UNIFORM INSTRUMENT-MERS**

(E) "MERS®" is Mortgage Electronic Registration Systems, Inc. MERS® is a separate corporation that is acting solely as a nominee for Lender and Lender's successors and assigns. MERS® is the beneficiary under this Security Instrument. MERS® is organized and existing under the laws of Delaware,

The beneficiary of this Security Instrument is MERS® (solely as nominee for Lender and Lender's successors and assigns) and the successors and assigns of MERS®.

Borrower understands and agrees that MERS® holds only legal title to the interests granted by Borrower in this Security Instrument, but, if necessary to comply with law or custom, MERS® (as nominee for Lender and Lender's successors and assigns)

**NABR Contends the state of current affairs would be far different had
MERS identity not been intentionally concealed, its identity properly
identified as is shown above**



MERS®, as Opposed to MERS, Disclosed in the Borrower Uniform Instrument Documents, Due Diligence Would Have Produced the Service Mark Below

Int. Cl.: 36
Prior U.S. Cls.: 100, 101, and 102
Reg. No. 2,084,831
United States Patent and Trademark Office
Registered July 29, 1997

**SERVICE MARK
PRINCIPAL REGISTER**

MERS

MORTGAGE ELECTRONIC REGISTRATION SYSTEMS, INC. (DELAWARE CORPORATION)
1125 15TH STREET, NW
WASHINGTON, DC 20005

FOR: REAL ESTATE DATABASE SERVICES, NAMELY, PROVIDING AND MAINTAINING A REGISTRY OF THE TRANSFER OF MORTGAGE SERVICING RIGHTS, MORTGAGE OWNERSHIP, SECURITY INTERESTS IN

MORTGAGES AND THE RELEASE OF MORTGAGES FOR USE BY THOSE IN THE MORTGAGE BANKING INDUSTRY, IN CLASS 36 (U.S. CLS. 100, 101 AND 102).
FIRST USE 2-1-1996; IN COMMERCE 2-1-1996.
SN 75-031,300, FILED 11-21-1995.
RICHARD KIM, EXAMINING ATTORNEY

http://tsdr.uspto.gov/#caseNumber=2084831&caseType=US_REGISTRATION_NO&searchType=documentSearch

WHAT IF MERS®.....AND NOT MERS

You would be hard pressed in finding a single borrower who possessed an inkling of knowledge or for that matter even a mention by name, Mortgage Electronic Registration Systems, Inc. (MERS) prior to entering the closing room.

It is highly likely also, the closing agent was not forthcoming in disclosing MERS either, it was rather the borrowers who very responsibly made the inquiry. The closing agents response was likely, nonchalant in tone, inflected in a matter of fact sort of voice, that MERS was just a National statistical database to more accurately track housing sales. ..And with that, the closing moved forward, and find ourselves where we are today

But.....What if borrowers sat down at the closing to see MERS® as opposed to the MERS

It is doubtful there are more than a handful of consumers (borrowers) who possess a working knowledge on the topic of trademarks, much more above recognizing the ® that represents a trademarked product. The numbers are probably greater who would not even know this.....which makes the fact it was not disclosed at all even more heinous.

A MERS® disclosed in text puts the closing agent in a bit of spot, does it not....A trademark in a sea of text stands out, and you can bet there are going to be more than a few borrowers doing some research after they depart the closing.

**.....Good Bet Many Borrowers Would be Exercising the
Three-Day Rescission.....**

The plain language text of MERS Service Mark is not reflected to representations of MERS within the borrower agreement

REAL ESTATE DATABASE SERVICES, NAMELY, PROVIDING AND MAINTAINING A REGISTRY OF THE TRANSFER OF MORTGAGE SERVICING RIGHTS. MORTGAGE OWNERSHIP, SECURITY INTERESTS IN MORTGAGES AND THE RELEASE OF MORTGAGES FOR USE BY THOSE IN THE MORTGAGE BANKING INDUSTRY

A PROVIDER of an MIR to a hospital may also be responsible in MAINTAINING the equipment's operation. Performing an MIR however is not under a maintenance contract, rather by specially trained technicians.

So how does a provider that maintains the operation of a database acquire rights, including those of beneficial ownership outside of its represented Service Mark.

(E) "MERS®" is Mortgage Electronic Registration Systems, Inc. MERS® is a separate corporation that is acting solely as a nominee for Lender and Lender's successors and assigns. MERS® is the beneficiary under this Security Instrument. MERS® is organized and existing under the laws of Delaware,

EX-10.1 MORTGAGE LOAN SUBSERVICING AGREEMENT

2.9.3 MERS Mortgage Loans

(a) If the related box appearing immediately after the signature blocks of the Parties to this SA contains an “X” at the time of execution of this SA by Lender, or if at any time hereafter, any MERS Mortgage Loans are subserviced by Subservicer, then Subservicer’s duties to Lender and Lender’s duties to Subservicer with respect to the MERS Mortgage Loans shall be only those same duties specified in this SA applicable to one-to-four family residential Mortgage Loans, except as follows:

(1) Subservicer shall, on behalf of Lender, be responsible for the registration of any Mortgage Loans with MERS closed on acceptable MERS documentation. In the event that preparation and recording of any mortgage assignments or other documentation is required to perfect the eligibility of any Mortgage Loan to be a MERS Mortgage Loan, these functions remain the responsibility of Lender. Lender shall be either the owner of the servicing rights to, or the beneficial owner of each MERS Mortgage Loan. Subservicer shall be identified as the subservicer for each MERS Mortgage Loan.

SEPTEMBER 25TH, 2006

EBANK/SUNSHINE MORTGAGE

Prior to the registration of any MERS Mortgage Loan, each Party shall provide to the other its MERS “ORG ID” number, which shall be used by the other Party solely for the activities permitted pursuant to this SA. For each MERS Mortgage Loan, Lender will provide Subservicer with the Mortgage Identification Number (“MIN”) and designate whether or not it is a MERS as Original Mortgagee (“MOM”) loan. Such information shall be provided in a format reasonably specified by Subservicer. Following receipt of such information, Subservicer shall promptly populate the MIN, registration date, MOM and registration flag, and Lender’s and Subservicer’s ORG ID fields on the Fidelity System master file of the MERS Mortgage Loan.

(2) The foreclosure of any MERS Mortgage Loan shall identify MERS as the mortgagee of record and party to whom title should be conveyed upon completion of foreclosure, unless Lender otherwise designates in writing at the time Lender approved the MERS Mortgage Loan for foreclosure. If Lender requires that the foreclosure occur in a name other than MERS, Subservicer may elect to automatically, on an individual case basis, complete the deregistration of the MERS Mortgage Loan and, if reinstatement occurs, any re-registration of the MERS mortgage loan.

(3) Lender shall be responsible for verifying all MERS information related to the MERS Mortgage Loans (including without limitation the validity of the MIN) and shall notify Subservicer in writing of any changes; provided, however, that Subservicer shall update MERS in connection with (1) any Mortgagor name change processed by Subservicer on the Fidelity system in connection with the transfer of any interest in the Mortgaged Premises or assumption of the MERS Mortgage Loan;

(2) any foreclosure first legal action, reinstatement or liquidation of the Mortgaged Premises to the extent that such matters are directly handled by Subservicer under the terms of this SA; and (3) any release and satisfaction of a paid-in-full MERS Mortgage Loan. Lender shall be responsible for all Quality Assurance reviews of MERS Mortgage Loans, as such reviews are required from time to time by MERS.

(4) For any MERS Mortgage Loan identified by Lender to Subservicer for servicing transfer and for which Lender provides sufficient information, Subservicer shall prepare a Transfer of Servicing (TOS) report from the Fidelity System service release workstation and transmit the TOS report to MERS. Subservicer may also, at its election, provide such transfer information to MERS manually or by other means of interface with MERS.

Lender and the party to whom the MERS Mortgage Loan is to be transferred shall be responsible for review and verification of transfer information, confirmation or correction of the terms of transfer, and all documentation required by MERS in connection with the transfer. Subservicer may elect to perform this function on behalf of Lender provided all necessary information is provided in a timely manner.

(5) At all times during the Term of this SA, Lender shall maintain such authorizations with MERS as are necessary to permit Subservicer to perform its obligations. Lender acknowledges that Subservicer shall be entitled to execute on behalf of Lender, or authorize MERS to execute on behalf of Lender or in MERS own name, documents to the same extent as Subservicer or its designated employees, as officers of Lender, are authorized to execute documents in Lender's name pursuant to the terms of this SA. Upon request of the Subservicer, Lender shall adopt such resolutions or ratify the scope of authority of such resolutions with respect to MERS Mortgage Loans.

(6) Lender shall be responsible for maintaining any investor, warehouse financing, permanent financing or securitization information on MERS for the MERS Mortgage Loans for obtaining any consents required by MERS of any parties holding any ownership or collateral security interest in connection with the registration, deregistration, release or transfer of any interest in a MERS Mortgage Loan.

(7) All MERS costs and expenses associated with MERS Mortgage Loans, whether incurred by third parties or billed by MERS, shall be billed to and paid by Lender, excepting only that Subservicer shall bear the cost of maintaining its MERS membership.

(b) The Parties acknowledge that the subservicing of MERS Mortgage Loans is being made at Lender's request and direction and for Lender's convenience and, as a result thereof, Subservicer shall, except to the extent that Subservicer fails to fulfill its express undertakings with respect to MERS Mortgage Loans pursuant to this SA, be entitled to full indemnification by Lender pursuant to Section 8.3. Each Party shall promptly notify the other of any claim or demand filed by MERS or any other party with respect to a MERS Mortgage Loan.

WHAT IF MERS®.....AND NOT MERS

A Scenario for illustrative Purposes

It is 2005, Mr. & Mrs. Homebuyer , having already exchanged pleasantries with the closing agent take their seats at the table.. The closing agent already seated places a pen before each Mr and Mrs. Telling them it is time to begin. The first set of documents are slid before the couple , something instantly catches the eye of the Mrs, a name unfamiliar. Perplexed she points out the name Mortgage Electronic Registration Systems, Inc to her husband.

He shakes his head exclaiming ABC Mortgage never mentioned this MERS before. It must be product of some sort though because it bears the designating symbol of a Trademark.....Like Coke and Pepsi is a product and bears the same symbol.

The closing agent breaks in confirming MERS is indeed a product , a registry of sorts he says, that keeps track of mortgages all across the United States for statistical purposes . Satisfied with this explanation, the closing continues forward, completing shortly thereafter.

WHAT IF MERS®.....AND NOT MERS

Scenario.....cont'd

The designating symbol of a trademark that labels a product is intended for notice, and sticks out quite clearly, especially surrounded by a sea of text as is contained in the loan documents. MERS® certainly had not left the minds of Mr. & Mrs. Homebuyer, deciding the following to morning track down the trademark text for the product of MERS.

THANK GOODNESS FOR THE THREE DAY RECISSION PERIOD, AS
MR.. & MRS. HOMEBUYER IMMEDIATELY TOOK THE RECISSION
GIVEN THE INFORMATION DISCOVERED

The purpose of this little WHAT IF scenario is to illustrate a MERS® disclosed would have never been publically accepted strengthening the motive in intentionally concealing consideration to take into account as we travel through the material.

MERS®

.....Per Borrowers Uniform Security Instrument

"MERS" is Mortgage Electronic Registration Systems, Inc. MERS is a separate corporation that is acting solely as a nominee for Lender and Lender's successors and assigns. MERS is the beneficiary under this Security Instrument. MERS is organized and existing under the laws of Delaware,

The beneficiary of this Security Instrument is MERS (solely as nominee for Lender and Lender's successors and assigns) and the successors and assigns of MERS.

Borrower understands and agrees that MERS' holds only legal title to the interests granted by Borrower in this Security Instrument, but, if necessary to comply with law or custom, MERS (as *nominee for Lender and Lender's successors and assigns*)

Washington Mutual Mortgage Pass-Through Certificates, WMALT Series 2006-AR10

Prospectus Supplement to Prospectus Dated December 18, 2006

'In accordance with the rules of membership of Merscorp, Inc. and/or Mortgage Electronic Registration Systems, Inc., or MERS®, assignments of the mortgages for the mortgage loans held by the related trust will be registered electronically through Mortgage Electronic Registration Systems, Inc., or MERS® System. With respect to mortgage loans registered through the MERS® System, MERS® shall serve as mortgagee of record solely as a nominee in an *administrative capacity on behalf of the trust and will not have any interest in any of those mortgage loans.*'

Ist Nationwide Mortgage, MD
Alliance Mortgage Company, FL
Allied Group Mortgage, Inc., IA
American Land Title Association, DC
American Home Funding, V A
Crestar Mortgage Corp ., V A
Corinthian Mortgage Corporation, KS

LaSalle Home Mortgage Corporation, IL
Lau Capital Funding, CA
Merrill Lynch Credit Corp., FL
MGIC, WI
Mortgage Bankers Assoc. of America, DC
Norwest Mortgage, Inc., IA
PMI Mortgage Insurance Company, CA

MERS CHARTER MEMBERSHIP

Fannie Mae, DC
Freddie Mac, VA
GE Capital Mortgage Services, Inc., NC
GMAC Residential Funding Corp., MN
Hamilton, Carter, Smith & Co., CA
HomeSide Lending, Inc., FL
Knutson Mortgage Corp., MN

PNC Mortgage Corporation of America, 1L
ReliaStar Mortgage Corp., IA
Source One Mortgage Services Corp., MI
Stewart Title Guaranty Company, TX
Texas Commerce Bank, N.A., TX
Chase Manhattan Mortgage
Weyerhaeuser Mortgage Company, CA

Alliance Mortgage Company

- Method and apparatus for a mortgage loan origination gateway
- Method and apparatus for verification of a qualified mortgage loan originator
- Method and apparatus for a mortgage loan originator compliance engine.
- Method and apparatus for a mortgage loan task flow process
- Method and apparatus for a mortgage loan process interaction gateway
- Method and apparatus for a mortgage loan transaction service provider gateway
- Method and apparatus for worker compensation & task performance reporting in a mortgage loan transaction system
- Method and apparatus for a mortgage loan management system

PNC Mortgage Corporation of America, IL

Methods and systems for processing and managing corporate action information including voluntary and mandatory corporate action data

GE Ca

Method

Method

facsim

Web-b

exchan

Method

marke

Method

inform

system

Method

workflo

Snaps

valuati

System

to inve

Method

proces

Method

GE Capital Mortgage Services, Inc.

- Methods and systems for financing
- Methods and apparatus for monitoring facsimile collateral for lending
- Web-based method and system for exchanging information among partners
- Methods and systems for integrating marketing, production, and finance
- Methods and apparatus for submitting information to an automated lending system
- Methods and systems for managing workflow
- Snapshot approach for underwriting valuation of asset portfolios
- System and method for remote access to investment product information
- Methods and apparatus for loan processing
- Methods and systems for efficiently sampling portfolios for optimal underwriting
- Methods and systems for quantifying cash flow recovery and risk
- Rapid valuation of portfolios of assets such as financial instruments
- Methods and systems for optimizing return and present value
- Methods and apparatus for monitoring collateral for lending
- Methods and apparatus for automated underwriting of segmentable portfolio assets
- Methods and systems for finding value and reducing risk
- Methods and systems for automated inferred valuation of credit scoring
- Automated system and method for matching potential investors to financial offerings based on investor profiles

FANNIE MAE .

Filings between 2001-2003

- Electronic mortgage document certification
- Mortgage loan customization system and process
- Method and apparatus for predicting and reporting a real estate value based on a weighted average of predicted values
- Tree on paths method and system for modeling securities
- Repurchase agreement lending facility
- System and method for mortgage loan pricing, sale and funding
- Cash flow aggregation system and method
- System and method for creating financial assets
- Electronic document validation
- Servicer compensation system and method
- System and method for pricing loans in the secondary mortgage market
- System and method for processing data pertaining to financial assets
- System and method for defining loan products
- System and method for creating and tracking agreements for selling loans to a secondary market purchaser
- Measurement and verification protocol for tradable residential emissions reductions
- Online system and method for calculating the actual costs of a mortgage loan to a mortgage consumer

FREDDIE MAC

Filings between 2001-2003

- Reference pools as credit enhancements
- Systems and methods for providing an adjustable rate mortgage with a fixed monthly payment
- Systems and methods for determining the likelihood that a loan closes
- Systems and methods for generating a model for income scoring
- Systems and methods for home value scoring
- Method and apparatus for determining an optimal investment plan for distressed residential real estate loans

TAX DEFERRED 1031 EXCHANGES

1031 Exchange - A type of exchange sanctioned by IRC Section 1031 that allows taxpayers who sell real or personal property (relinquished property) and purchase like-kind real estate or personal property (replacement property) to defer capital gains taxes if certain requirements are met.

Federation of Exchange Accommodators (FEA) - www.1031.org

National Association of Realtors (NAR) - “Field Guide to 1031 Exchanges”
<http://www.realtor.org/libweb.nsf/pages/fg408>

Internal Revenue Service 1031 exchange regulations
<http://www.irs.gov/businesses/small/industries/article/0,,id=98491,00.html>

1031 DEFINITIONS

1031

A section of the Internal Revenue Code that provides for tax deferral on like-kind exchanges of real and personal property held for use in a trade or business.

1031 Exchange

A type of exchange sanctioned by IRC Section 1031 that allows taxpayers who sell real or personal property (relinquished property) and purchase like-kind real estate or personal property (replacement property) to defer capital gains taxes if certain requirements are met.

Like-Kind Property

Property considered exchangeable for other property in a tax-deferred exchange (i.e., investment real estate for investment real estate or personal property for personal property).

Tax Deferral

The postponement of taxes to a later year, usually by recognizing income or a gain at a later time. Tax-deferred, like-kind exchange transactions are a common method of deferring capital gain and depreciation recapture taxes.

1031 DEFINITIONS

Relinquished Property

The property to be sold or disposed of by the exchanger in the tax-deferred, like-kind exchange transaction.

Replacement Property

The property being acquired by an exchanger in a tax-deferred like-kind exchange.

At its simplest, a 1031 exchange allows an investor to exchange one property for another while deferring all income taxes on profits from the sale. The thought behind the 1031 is the belief that investors who exchange one property for another like-kind property are simply reinvesting profits—any financial gains realized are paper profits only and would therefore not generate funds from which to pay taxes.

A Like-kind Exchange allows for one property to be exchanged for another while deferring all income taxes on profits from the sale.

- An investor (or exchanger) desiring to sell property to an unrelated buyer
- Enters into arrangement with a Qualified Intermediary (QI) who will oversee the legalities of the transaction
- Once the transfer of property to the buyer has occurred, the buyer transfers the exchange proceeds to the QI. The initial seller now becomes a buyer.
- The QI holds the funds until the identify and purchase a like-kind property from a seller..1031 regulations allows 45 days in which to identify property to purchase and 180 days to close the sale.

TYPES OF 1031 EXCHANGES

Like-Kind Exchange

An exchange of real estate or personal property held for business or investment use for property that is like-kind according to Internal Revenue Code Section 1031. Capital gains from such exchanges are not taxed until the replacement property is sold.

Multi-Asset Exchange

An exchange involving more than one type of asset, such as personal property & real estate.

Simultaneous Exchange

An uncommon form of like-kind exchange whereby the relinquished property and the replacement property are transferred at the same time.

Build-To-Suit Exchange

A like-kind exchange in which an intermediary holds title to the replacement property on behalf of the taxpayer while improvements are made to the property. Also known as a Construction Exchange.

TYPES OF 1031 EXCHANGES

Deferred Exchange

The most common type of like-kind exchange involving first the sale of relinquished property followed by the purchase of replacement property, all within the time limitations allowed by law. Also known as a Starker Exchange or Forward-Delayed Exchange.

It is named for the landmark *Starker v United States* case in 1979 that sanctioned the extended timeframe for purchasing replacement property and led to 1031 tax code changes in the Tax Reform Act of 1984.

Reverse Exchange

An exchange transaction whereby the replacement property is acquired before the sale of the relinquished property. Reverse exchanges are generally more complex and therefore more costly to transact

TYPES OF 1031 EXCHANGES

Tenancy in Common (TIC)

A form of joint ownership in which individuals purchase separate fractional interest in a property and have equal rights of possession. In a 1031 exchange, a taxpayer may acquire a tenancy-in-common interest with one or more other investors as like-kind replacement property. TICs have only been around since the early 1990s.

Chalk up another Legislative Act to the long list of many between 1998-2002 in the United States Congress' betrayal of the citizens of this country to the schemes of Wall Street, Financial Services, Insurance, Banking, and global private wealthy individuals. In March 2002 Congress qualified TIC's as like-kind investments for use in 1031 tax-deferred exchanges, after which their use did not increase, IT SKYROCKETED!!!

PROPERTIES THAT QUALIFY

Property is a general term used by the IRS that includes personal property and real property, both of which can be exchanged under the 1031 tax code.

IRS 4 Basic Classifications of Property

1. Property held for personal use (personal property)
2. Property held primarily for sale (dealer property)
3. Property held for use in a trade or business (business property)
4. Property held primarily for investment purposes (investment property)

QUALIFIED USE

A term referring to a property's intended function in a like-kind exchange. Only those properties that pass the qualified-use test (meaning that they are purchased only for their investment or business value) are eligible for tax-deferred status.

- 3. Property held for use in a trade or business (business property)**
- 4. Property held primarily for investment purposes (investment property)**

3 and #4 are considered by the IRS as Qualified Use and eligible for a 1031 exchange. and must be used or held for the purpose of generating income (such as rental property), as an investment, or as a means of running a trade or business.

QUALIFIED USE

Examples of Qualified Use Properties

Classifications of Property

- Residential apartment buildings or houses
- Undeveloped land
- Commercial and residential rental property
- Industrial property
- Hotels
- Commercial office buildings or shopping centers
- A percentage of interest held in investment property
- Farms
- Oil and gas royalties

PROPERTIES NOT QUALIFIED

1. Property held for personal use (personal property)
2. Property held primarily for sale (dealer property)

Properties that do not Qualify as Like-Kind

- Primary residences
- Vacation homes for personal use (it may qualify if rented)
- Stocks, bonds or notes
- Securities
- Partnership or limited liability company (LLC) interests
- Stock in trade or inventory

1031 & PERSONAL PROPERTY

The IRS general considered of personal property are those items owned by an individual that can be moved (i.e., they are not attached to the ground or some other structure). Property held for personal use (personal property). Can be tangible or intangible, but must be for trade, business or investment purposes

Tangible Personal Property Examples

- Commercial jets and corporate aircraft
- Fleets of vehicles, such as taxis or trucks
- Computer equipment
- Precious coins, art, and other collectible items
- Machinery
- Office furniture, fixtures and equipment
- Livestock

1031 & PERSONAL PROPERTY

Intangible personal property is considered those assets that are non-depreciable

Intangible Personal Property Examples

- Franchisee licenses
- Copyrights
- Collectibles
- Television licenses

ELLIE MAE –NETWORK SERVICE PROVIDERS

Credit

- 1 Source Data (Carlsbad)
- ACB Credit Solutions
- Accudata Credit Services
- Accurate Financial Services
- Acranet/Financial Dimensions Inc.
- Advantage Credit Inc.
- Advantage Plus Credit Reporting
- Alliance 2020
- American Reporting Corp. (ARC)
- Avantus
- Birchwood Credit Services (Meridian)
- CBA Information Solutions
- CBC Innovis
- Certified Credit Link
- Certified Credit Reporting
- Choice Data
- CIS Information Services
- Cisco Credit – Meridian
- Clear Choice Credit Corp
- Corelogic
- Credit Bureau Services
- Credit Data Systems, Inc.
- Credit Facts Services
- Credit Information Center
- Credit Information Service, Inc.
- Credit Information Systems
- Credit Link, LLC
- Credit Plus, Inc.
- Credit Service Company (CSC)
- Credit Technologies, Inc.
- Credstar
- CTI, Credit Technology, Inc.
- Data Facts, Inc.
- Dataquick Lending Solutions, Inc.

ELLIE MAE –NETWORK SERVICE PROVIDERS

CREDIT – Cont'd

- Dci Credit Services Inc.
- Equidata, Inc.
- Equifax Mortgage Services
- Funding Suite
- Informative Research
- Innovative Credit Services, Inc.
- Kroll Factual Data
- Landsafe, A Bank of America Co.
- MCB-Savannah (Meridian)
- Merchant's Credit Bureau
- Meridianlink
- MFI Credit Solutions
- Midwest Mortgage Credit Services, Inc
- Mortgage Reporting Centre
- Nationwide Credit, Inc.
- NCO Credit Services
- Network Credit Services
- Old Republic Credit Services
- One Source Credit Reporting, LLC
- Online Mortgage Reports, Inc.
- Platinum Credit
- Premium Credit Bureau
- Rapid Credit Reports, Inc.
- Sarma
- Service 1st Information Systems
- Settlementone Credit Corporation
- Strategic Information Resources, Inc.
- United One Resources
- Universal Credit – National
- 1 Source Data (Carlsbad)
- ACB Credit Solutions
- Accudata Credit Services
- Accurate Financial Services

ELLIE MAE –NETWORK SERVICE PROVIDERS

DOCUMENT PREP

- Middleberg, Riddle, and Gianna dba MRG Document Technologies
- DocuTech Corp
- Pierson and Patterson LLP
- Schwartz & Associates (DocsDirect)
- Accurate Document Service
- Mortgage Banking Systems (dba ProClose)
- IDS (International Document Services)
- DocPrep Services, Inc.
- Robertson & Anschutz
- Document Express, Inc.

APPRAISAL

- AMC Links, LLC
- CBC Innovis – Select Business Services
- Coester Appraisal Group
- Dart Appraisal.Com
- LSI, A Lender Processing Services Company
- Nations Valuation Services
- Novo Appraisal Management Corporation
- Solidifi Us Inc.
- StreetLinks National Appraisal Service
- The William Fall Group

ELLIE MAE –NETWORK SERVICE PROVIDERS

FLOOD

- Advanced Data LLC
- Advantage Credit Inc.
- American Flood Research, Inc.
- CBC Innovis
- CoreLogic
- CredStar
- DataQuick Lending Solutions, Inc.
- Kroll Factual Data
- LERETA, LLC Tax and Flood Services
- LPS National Flood
- PCI Services (US Determinations)
- Universal Property and Flood (UPF)

Compliance/Fraud

- ApplIntell, Inc.
- Automation Research Inc, an Ohio Corporation, dba Data Verify
- LogicEase Solutions Inc.

LEADS

- BigMortgageLeads.com
- GuideToLenders.com
- iLeads.com, LLC
- Key Leads online
- LeadPoint, Inc
- Loanbright.com
- Really Great Rate. Inc.

MORTGAGE INSURANCE

- MGIC
- Genworth Mortgage Insurance
- Radian Guaranty
- United Guaranty
- RMIC Republic Mortgage Insurance Co.
- CMG Mortgage Insurance Company

ELLIE MAE –NETWORK SERVICE PROVIDERS

VERIFICATION

- **Advanced Data LLC**
- **Automation Research Inc, an Ohio Corporation, dba Data Verify**
- **CoreLogic**
- **Credit Plus, Inc.**
- **Equifax, Inc**
- **SharperLending, LLC**
- **TALX Corporation**

PRODUCT PRICING

- **BrokerBuddy**
- **Insight Lending Solutions – Price My Loan**
- **Loan-Score Decisioning Systems**
- **LoanSifter, Inc.**
- **Mortech**
- **Mortgage Pricing Systems, LLC**
- **NYLX**
- **Optimal Blue**
- **Sollen Technologies**

ELLIE MAE –NETWORK SERVICE PROVIDERS

TITLE PROVIDERS

- American Title Services
- Equity Settlement Services
- Fidelity National Financial-Las Vegas
- Fidelity National Title Group
- Fidelity National Title, Sacramento, CA
- First American Lenders Advantage
- First American Title Insurance Co.
- First Title & Escrow
- LSI Title Company
- Main Street Title
- Nations Title Agency
- Nevada Title Company
- North American Title Company
- Old Republic Title
- Ramquest Software, Inc.
- Stewart Title Central States Lender Services
- Ticor Title
- Timios, Inc.
- Title First

MORTGAGE ELECTRONIC REGISTRATION SYSTEMS, INC.

The MERS Platform

MERS Claims its system is Modeled On

- The Depository Trust Co. (DTC)
- The Participants Trust Co. (PTC)

The DTC electronically tracks ownership of stocks, bonds and other securities for Wall Street and the investment community

The Participants Trust Co. (PTC) provides the same book entry system for the ownership and tracking of Ginnie Mae securities

MERS System Platform is Actually Designed Around:

- EDS Project Management & Systems Life Cycle (SLC)

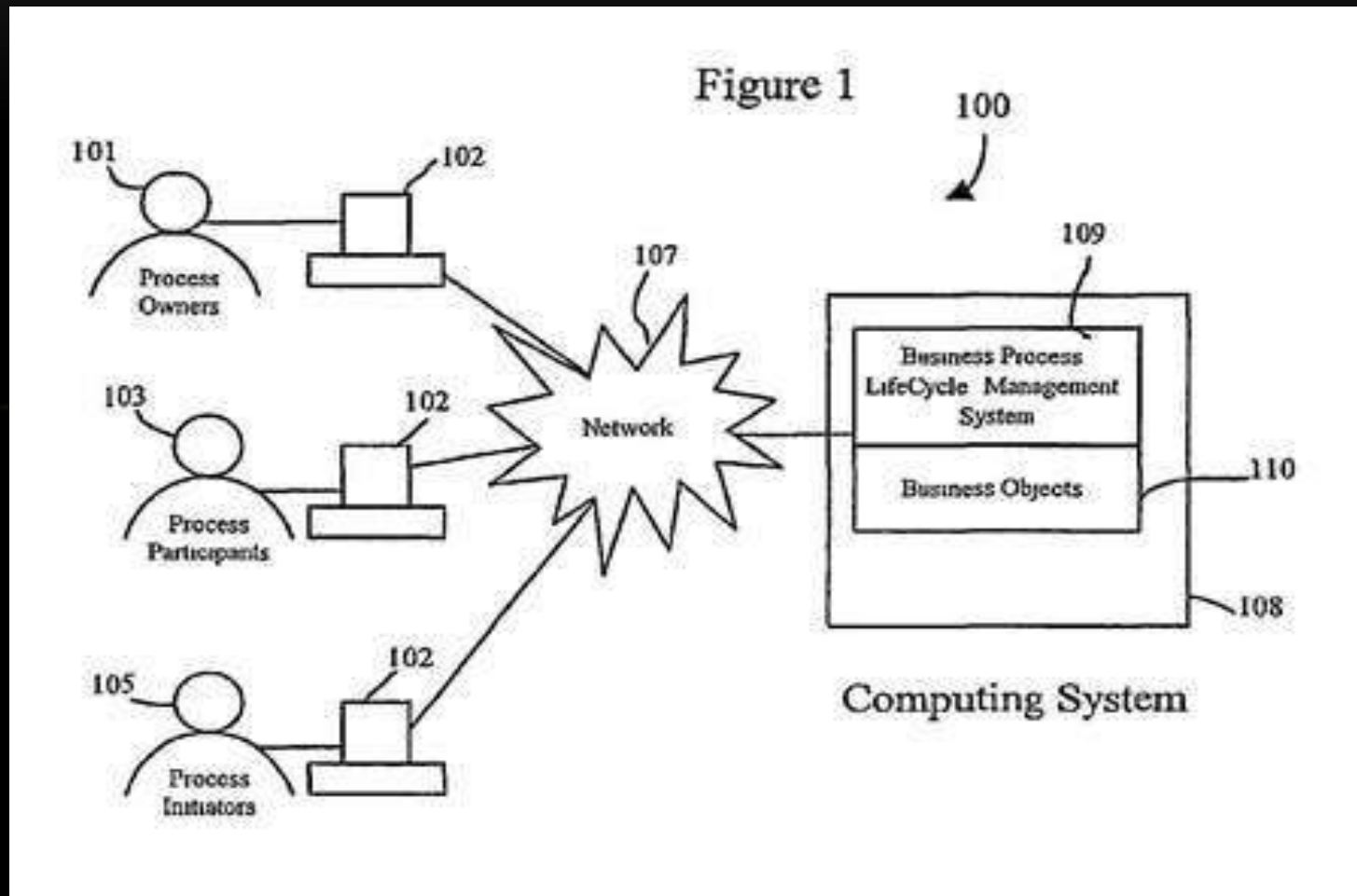
Enterprise System that Incorporates Business Process Life Cycle Management Capabilities

Application: 09352,086

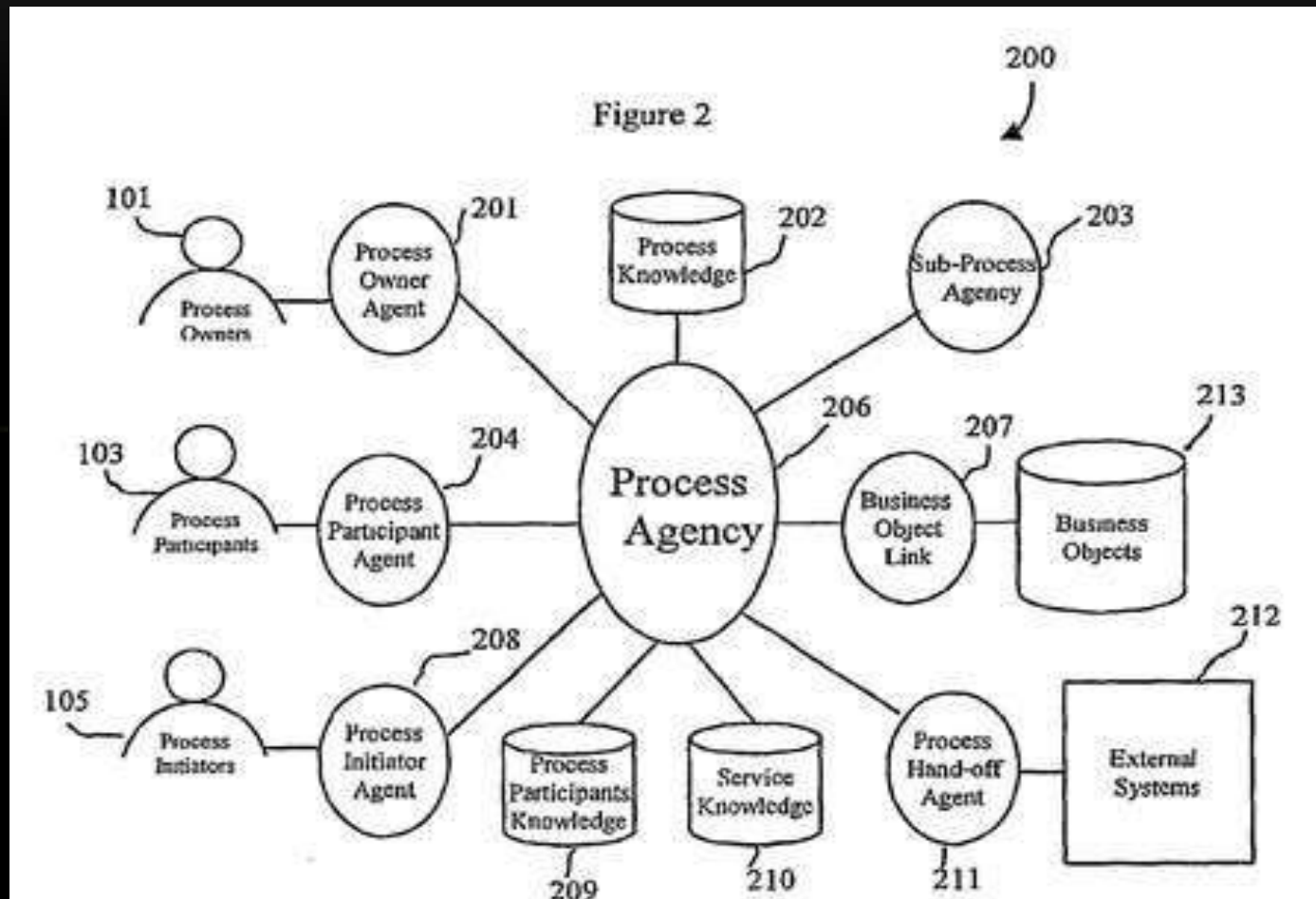
Filing: July 14, 1999

An Enterprise system including collaborative agents and incorporating business process life cycle capabilities to provided a high degree of adaption and evolution. A business process is implemented by nested sub-processes and with dynamic collaboration among process agencies and proxy agents. Each sub process of the business process is represented and managed by a process agency. Each sub process of the business process is represented by an intelligent proxy agent that maintains the individuals profile. Each person participates in various capacities, such as owner, participant, or initiator. Process-level communication allows process agencies and proxy agents to9 exchange service management information or service level agreements, perform escalations and notifications, perform negotiations, and publish their capabilities. Meta-processes are provided for change management, risk management, and evolution.

Enterprise System that Incorporates Business Process Life Cycle Management Capabilities

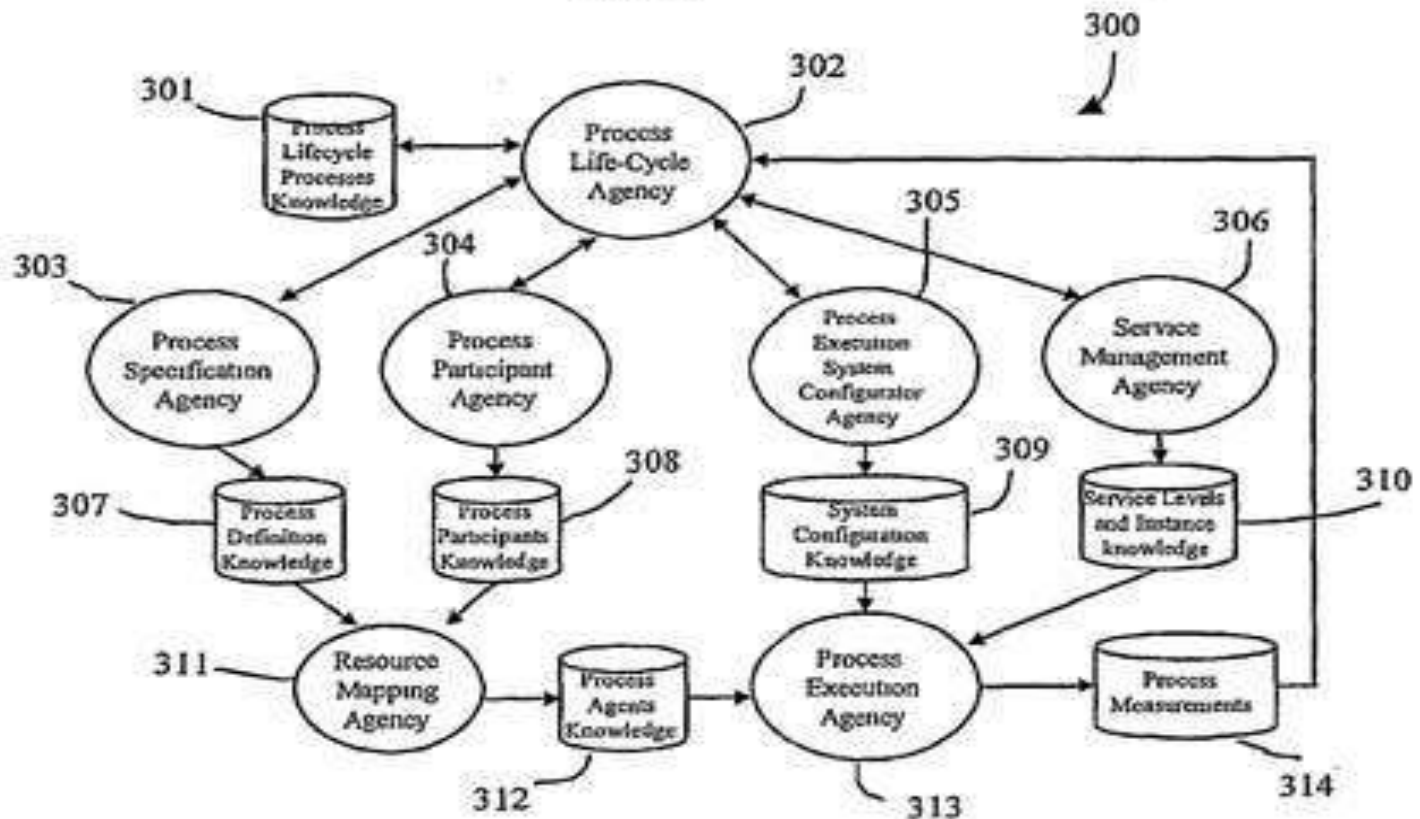


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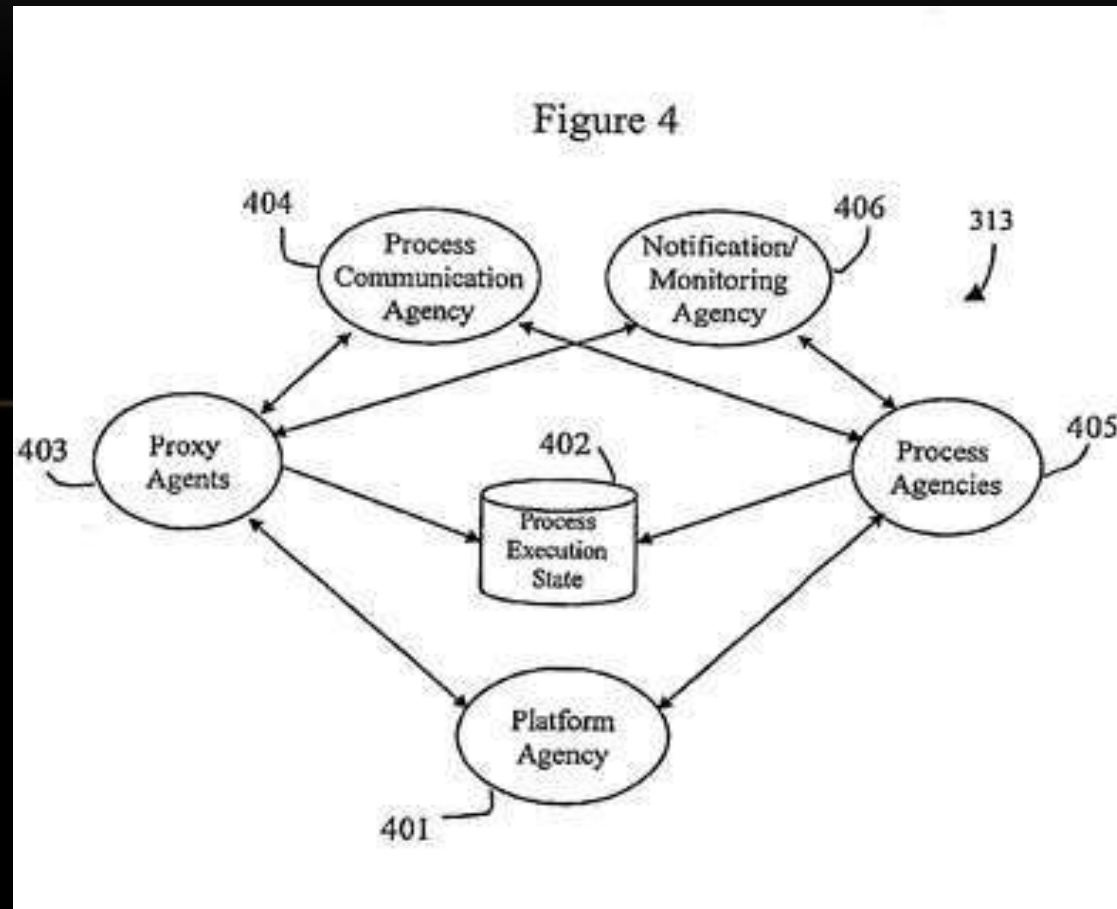


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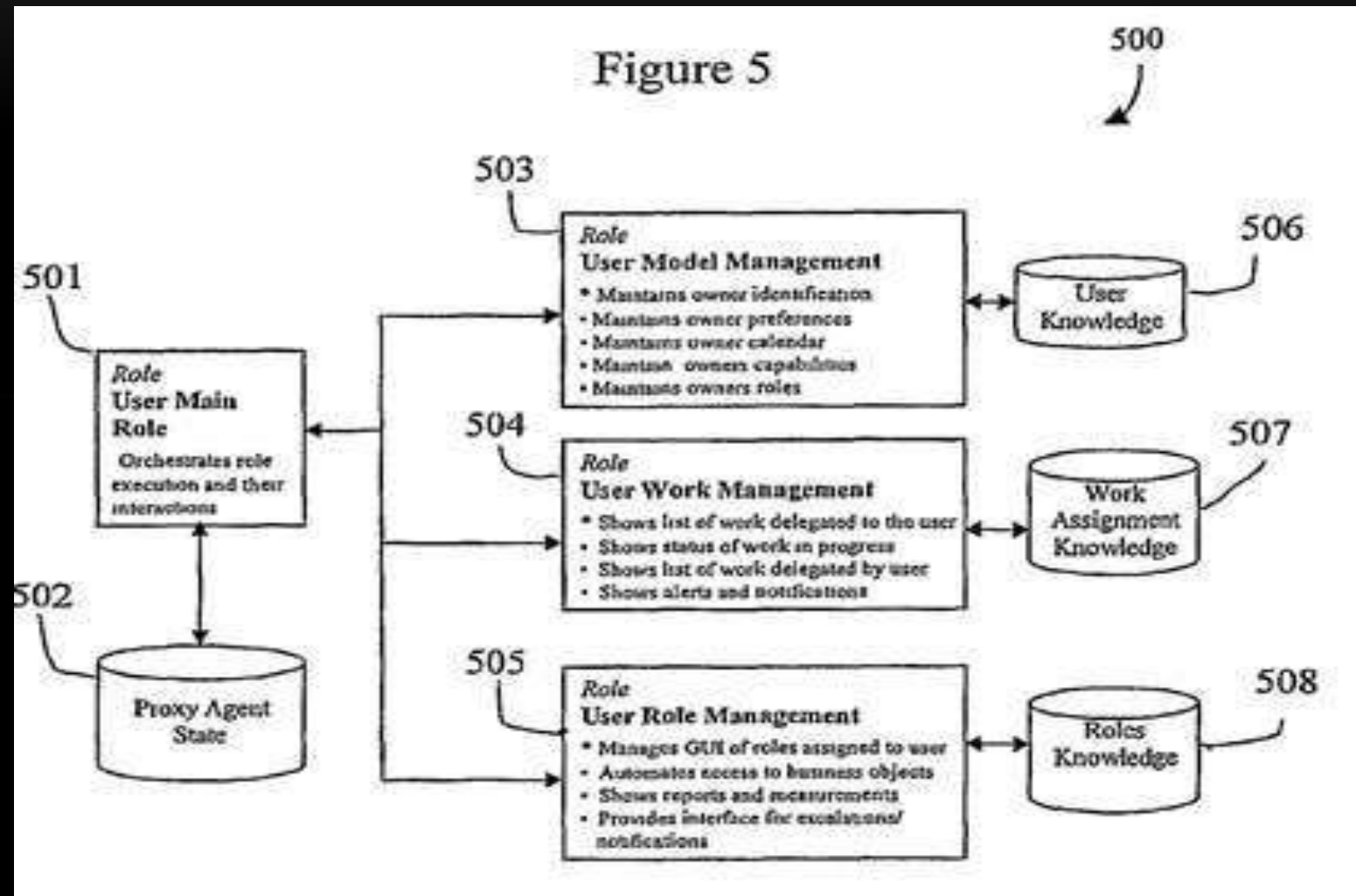
Figure 3



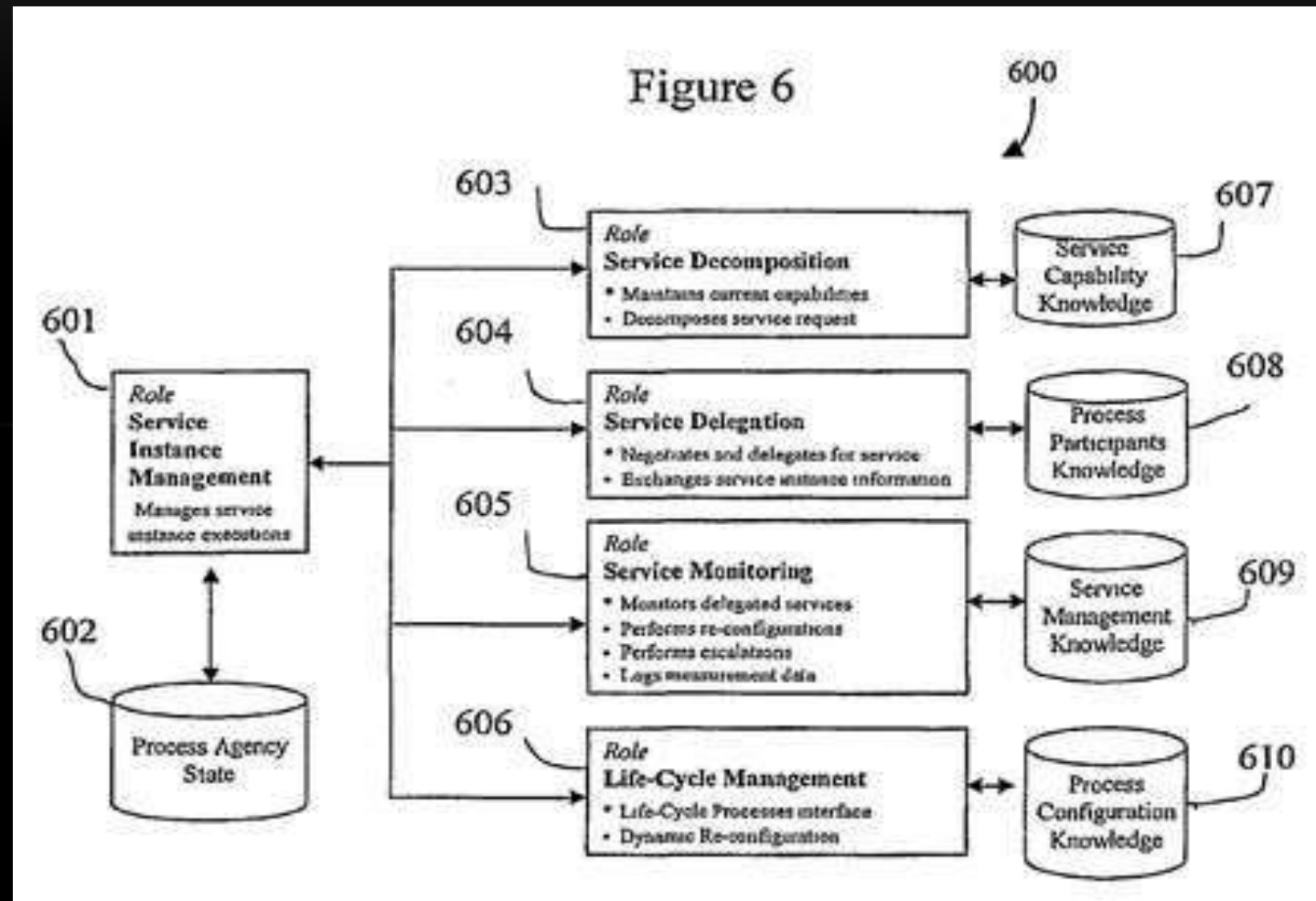
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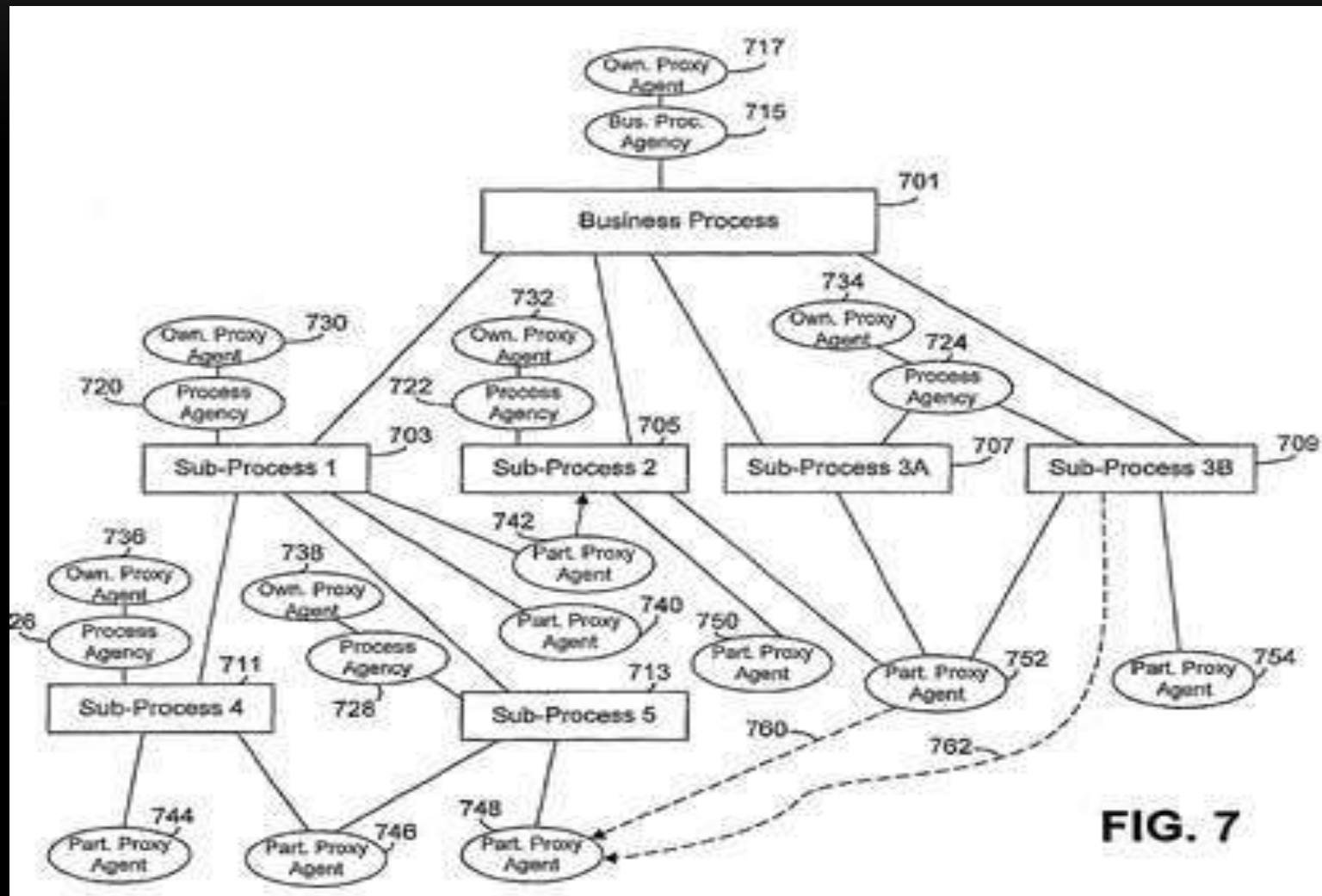
Enterprise System that Incorporates Business Process Life Cycle Management Capabilities



Enterprise System that Incorporates Business Process Life Cycle Management Capabilities



Enterprise System that Incorporates Business Process Life Cycle Management Capabilities



MERS eREGISTRY

- System of Record
- Identifies Owner and Custodian
- Compliance with Safe Harbor
- Separate from MERS Registration System
- Enacted March 2004

Dan McLaughlin, EVP, product division, MERS:

"Under the law that established the ability to create electronic notes, you have to provide this safe harbor, this assurance that the note has not lost its enforceability and that it remains liquid as it is sold from one investor to another. And the MERS eRegistry provides this liquidity for electronic notes."

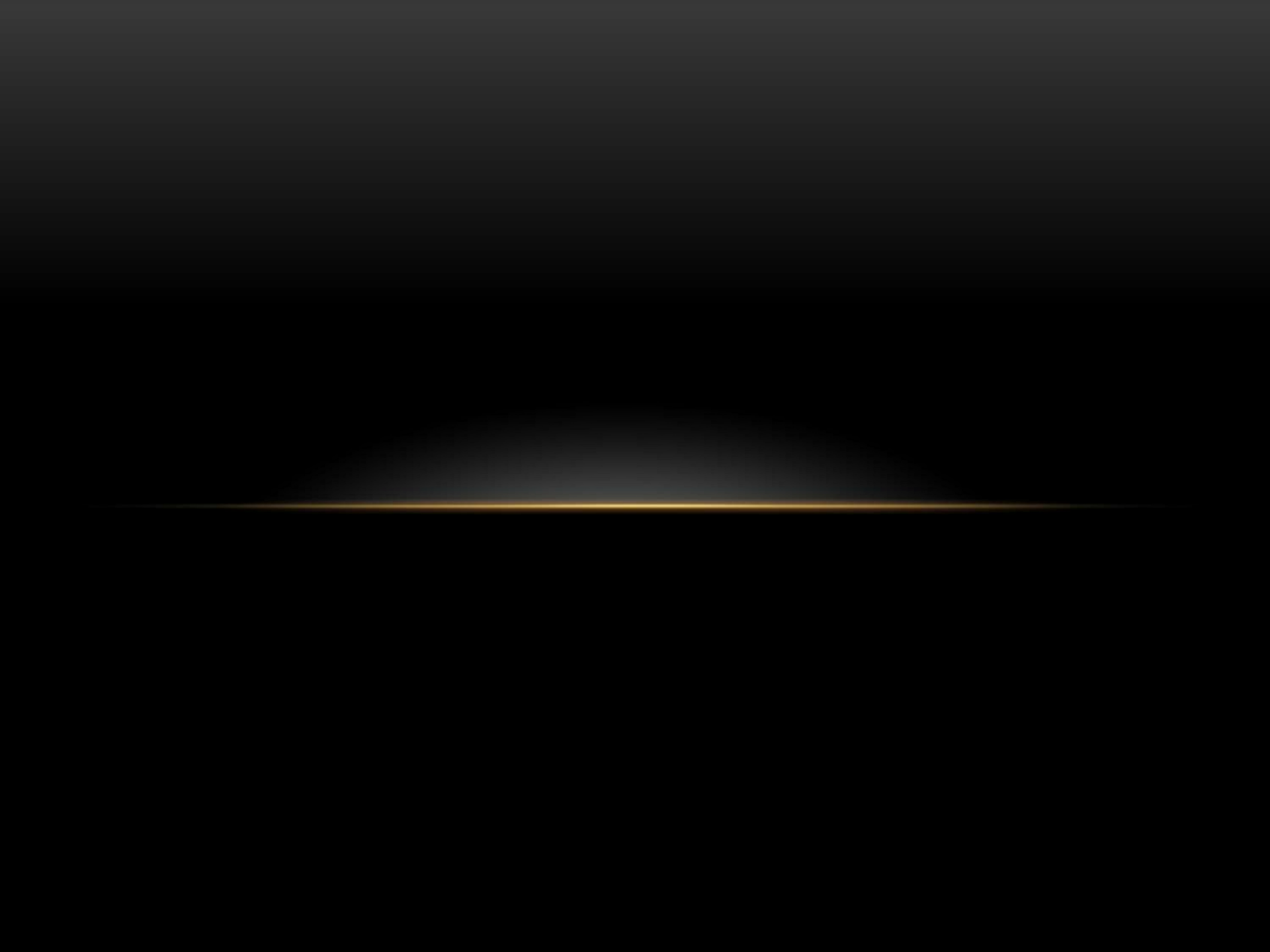
MERS eREGISTRY

William Hultman, senior vice president/corporate group manager:

"There are people working on making the consent and disclosures electronic, there are other people working on making the title policy electronic, there are people working on making the mortgage security instrument electronic and recordable. Those are the things that will follow on this initial step."

Dan McLaughlin, EVP, product division, MERS:

"For every mortgage security instrument, there is a promissory note, the promise to pay. And it is the promissory note that is the target of the MERS eRegistry. Today the promissory note is a piece of paper. Under the electronic note scenario, the piece of paper goes away and it is a specific file format called the SMART Doc, which defines the promissory note."



MORTGAGE ELECTRONIC REGISTRATION SYSTEMS, INC. NATIONSBANK N.A.

<http://assignments.uspto.gov/assignments/assignment-tm-1773-0949.pdf>

TALE OF 2 SECURITY AGREEMENTS

Single Family - Fannie Mae/Freddie Mac- UNIFORM INSTRUMENT-MERS

(E) "MERS" is Mortgage Electronic Registration Systems, Inc. MERS is a separate corporation that is acting solely as a nominee for Lender and Lender's successors and assigns. MERS is the beneficiary under this Security Instrument. MERS is organized and existing under the laws of Delaware,

USTPO Registered Security Agreement

This SECURITY AGREEMENT (as amended, supplemented or modified from time to time, this "Security Agreement") is dated as of June 30, 1998 and is between MORTGAGE ELECTRONIC REGISTRATION SYSTEMS, INC., a Delaware corporation (the "Borrower"), and NATIONSBANK, N.A., a national banking association (the "Bank")

MERS/NATIONSBANK AGREEMENT

ARTICLE II SECURITY INTERESTS

Section 2.1. Grant of Security Interests. To secure the due and punctual payment of all Obligations, howsoever created, arising or evidenced, whether direct or indirect, absolute or contingent, now or hereafter existing or due or to become due, in accordance with the terms thereof and to secure the due and punctual performance of all of the obligations of the Borrower contained in the Credit Agreement and in the other Loan Documents to which it is a party and in order to induce the Bank to enter into the Credit Agreement and make the loans provided for therein in accordance with the terms thereof, the Borrower hereby grants to the Bank a security interest in all of the Borrower's right, title and interest in, to and under the following, whether now existing or hereafter acquired (all of which are herein collectively called the "Collateral"):

MERS/NATIONSBANK AGREEMENT

- all Receivables;
- all Other Intangibles;
- all Equipment;
- all Inventory;
- to the extent not included in the foregoing, all other personal property, whether tangible or intangible, and wherever located, including, but not limited to, the balance of every deposit account now or hereafter existing of the Borrower with any bank and all monies of the Borrower and all rights to payment of money of the Borrower
- to the extent not included in the foregoing, all books, ledgers and records and all computer programs, tapes, discs, punch cards, data processing software, transaction files, master files and related property and rights (including computer and peripheral equipment) necessary or helpful in enforcing, identifying or establishing any item of Collateral; and
- to the extent not otherwise included, all Proceeds and products of any or all of the foregoing, whether existing on the date hereof or arising hereafter.

MERS/NATIONSBANK AGREEMENT

There is no 'ordinary course of business' in a new economic and business paradigm that intentionally conceals a new economic and business paradigm from everyone except the perpetrators who want us to believe it is all in the ordinary course of business.In other words, if society knows not what is going on, there is no ordinary course of business

Section 2.3. Sales and Collections.

(a) The Borrower is authorized (i) to sell in the **ordinary course of its business** for fair value and on an arm's-length basis any of its Inventory normally held by it for such purpose and (ii) to use and consume, in the **ordinary course of its business**, any raw materials, supplies and materials normally held by it for such purpose. The Bank may upon the occurrence of any Event of Default, without cause or notice, curtail or terminate such authority at any time.

Concealing the creation and collateralizing of borrowers information for sale and trade in elaborately engineered gambling schemes and passing it off as mortgage is not 'in the ordinary course of business'

MERS/NATIONSBANK AGREEMENT

There is no 'ordinary course of business' in a new economic and business paradigm that intentionally conceals a new economic and business paradigm from everyone except the perpetrators who want us to believe it is all in the ordinary course of business.In other words, if society knows not what is going on, there is no ordinary course of business

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Concealing the creation and collateralizing of borrowers information for sale and trade in elaborately engineered gambling schemes and passing it off as mortgage is not 'in the ordinary course of business'

GLOSSARY OF TERMS

GLOSSARY OF TERMS

- **Call Option:** A financial contract giving the owner the right, but not the obligation to buy a pre-set amount of the underlying financial instrument at a pre-set price with a pre-set maturity date
- **Collar:** A combination of options in which the holder of the contract has bought one out-of-the money option call (or put) and sold one (or more) out-of-the-money puts (or calls). Doing this locks in the minimum and maximum rates that the collar owner will use to transact in the underlying at expiry
- **Forward Contract:** An over-the-counter obligation to buy or sell a financial instrument or to make a payment at some point in the future. the details of which were settled privately between the two counterparties

GLOSSARY OF TERMS

- **Knockout Call:** An option the existence of which is conditional upon a pre-set trigger price trading before the option's designated maturity. The option is deemed to exist unless the trigger price is touched before maturity.
- **Mark-to-Market (M2M):** The current market value of a financial instrument.
- **Option:** The right (but not the obligation) to buy (or. conversely, sell) some underlying instrument at a pre-determined rate on a pre-determined expiration date in a pre-set amount.
- **Over-the-Counter:** Any transaction that takes place between two counterparties and does not involve an exchange is said to be an over-the-counter transaction.

GLOSSARY OF TERMS

- Arbitrage describes the process by which a profit is achieved through a positive advantage derived from an investment yield greater than the refinancing cost, and the application of time value of money calculations to reduce future cash flow streams to their present values.
- Bond – An Interest-bearing or discounted security that obligates the issuer to pay the bondholder a specified sum of money usually at specific intervals, and to repay the principal amount of the loan at maturity. Bonds are normally backed by collateral but can also be based on the credit strength of the issuer.
- Bond Guarantee - The obligation of one person to repay a debt taken on by someone else, should that person default.
- Bridge Lender is a party that makes a bridge loan (or swing loan) in anticipation of a short, intermediate or Long-term refinancing which is sure to occur in the future.

➤ **Bonded Asset-** A registered land asset which the issuer guarantees the performance of the contract terms directly and/or through an insurance policy, guaranteeing the embedded call settlement price at maturity.

- Government agency
- Qualified non-profit enterprise
- Local housing authority

The above Issuers can guarantee registered land asset contract terms directly.

➤ **Bridge Loan** - A loan made available to a borrower by a Bridge Lender in anticipation of a more definitive refinancing which is sure to occur. The "bridge" can be for anywhere from a few hours to several months.

➤ **Cardholder** Any Person who is the holder of a Trust Sub-Account and who, by virtue of having adopted a Trust Agreement in which he is a beneficiary, has received a Trust-Linked Debit Card

- **Capital Guarantee**--Guarantee an agreed upon level of equity
- **Cash settlement** - The process by which the terms of an option or futures contract are fulfilled through the payment or receipt in dollars of the amount by which the option or future is in the money as opposed to delivering or receiving the underlying stock or commodity itself.
- **Cash Settlement Future** - A future settled on a cash basis against a predetermined benchmark price or index
- **Cash market** - The current cash price for the underlying market
- **Central Bank** Refers to a country's bank that:
 - Issues currency
 - Administers monetary instrument, including
 - Open market operations
 - Holds deposits representing reserves of other banks
 - Engages in transactions designed to facilitate the conduct of business and protect public interest.

- **Certificate of Insurance** - Evidence of the existence of an insurance policy issued by the issuer of the policy
- **Clearing** - The process by which the clearinghouse becomes the buyer to each seller and the seller to each buyer of a futures or options contract. The clearinghouse assumes responsibility for the performance of each contract and the protection of the buyer and seller from contractual default
- **Clearing House** - The part of a futures exchange that acts as a buyer for all sellers and a seller for all buyers
- **CMO**: Complementary Marketing Organization as defined by Goldman Sachs; The more common meaning is Collateralized Loan Obligation
- **Comfort Letter** - Letter guaranteeing payment of obligations.
- **Commercial Paper Guarantee** - Short term obligations issued to investors with temporarily idle cash
- **Coupon** A detachable certificate showing the amount of interest payable to a bond or note holder at regular intervals, ordinarily semi-annually. Bond interest on book entry securities is credited to the owner's account

- **Coupon Rate** - The nominal annual rate of interest the issuer of a note or bond promises to pay the holder during the period the securities are outstanding
- **Counter-Party** - The party on the opposite side of a repurchase (repo) agreement or swap agreement. The party who agrees to sell back securities sold in a repurchase agreement, or exchange at a later date currency values or interest rates in a swap agreement with another party
- **Credit-Derivative** - (also "collateral trust note" or "collateral trust bond") A debt security backed by other securities held by a bank or other trustee. Such notes or bonds are usually backed by collateral trust certificates and are usually issued by parent corporations that are borrowing against the securities of wholly owned subsidiaries.
- **Credit-linked Note** - Credit derivative which allows the issuer to set-off the claims under an embedded credit derivative contract from the interest, principal, or both, and is payable to the investor in such note. The credit risk of a credit-linked note is the same as that of the issuer risk associated with the underlying asset pool

- **Credit Spread Forward Contract** - A cash market transaction in which delivery of the commodity is deferred until after the contract has been made. Although the delivery is made in the future, the price is determined at the initial trade date. Most forward contracts don't have standards and aren't traded on exchanges.
- **Credit Spread Forward Rate Agreement (FRA)** - A forward contract that determines an average credit spread(s) upon which payment or reception of an obligation is based beginning at a start date sometime in the future. Also referred to as a "Future Rate Agreement." Any gain or loss on the agreement is like a gain or loss on an option or futures contract.
- **Credit Spread Futures Contract**: An exchange traded agreement to buy or sell a particular type and grade of commodity for delivery at an agreed upon place and time in the future. Futures contracts are transferable between parties. Commodity futures very rarely lead to the delivery of a commodity because positions are usually closed out ("offset") before the delivery date. In contrast, forward contracts often lead to delivery.

- **Credit Spread Managed Futures Account**: A managed futures account which combines the different profiles of a variety of average credit spread futures, forwards and options on futures into a composite account or fund. Currently, managed futures are like a mutual fund, except that positions in securities, futures contracts, and options on futures contracts are used to manage the portfolio. Also known as a Commodity Pool.
- **Credit Spread Note** - Any debenture, bond, or debt security issued with either principal or interest payments being determined by or linked to an average credit spread. By way of example, such a note may be a three-year note issued by Ford Motor Co. where the coupon is based upon an average three-year BBB-Industrial credit spread for firms in the automotive industry segment.
- **Debt Instrument** - A written promise to repay a debt that is evidenced by an acceptance, promissory note, or bill of exchange. The term also applies to formal debt securities such as bonds and debentures.

➤ **Defeasance or Defeasement** - Applies to a refinancing technique in which a note or bond issuer, instead of redeeming the instruments at the call date, continues to make coupon interest payments from an Irrevocable Trust and has deposited into the trust assets that will be used for the repayment of principal at maturity. The cash flow from trust assets, ordinarily U.S. Treasury securities or zero-coupon securities, must be sufficient to service the instruments until the expected maturity. Defeasance effectively removes the instruments from the issuer's balance sheets, even though the issuer continues to meet bond interest payments.

Defeasement is used in the sense that any and all risks associated with the debt service (principal and interest) has be shifted to the issuer of the instruments that are part of the portfolio of collateral with the resulting benefit that the credit risk for the lender is not based on the balance sheet strength of the transaction manager, but on that of the issuer of the collateral.

- **Defeased loan** - A loan in which the credit risk associated with a particular loan has been shifted from that of the borrower's financial strength to a 100% reliance on the credit risk associated with the issuer of the securities or debt instruments offered as collateral in a secured loan transaction.
- **Derivative Instrument** - A contract whose value is based on the performance of an underlying financial asset, index or other investment.
- **Discounting" (or "rediscounting")** - The process by which a credit is obtained by a financial institution through the pledge of its collateral (e.g. notes, acceptances, etc.). Discounting is also the process of estimating the present value of an income stream by reducing the expected cash flow to reflect the time value of money.
- **Electronic Market** - A platform whereby bids and offers are matched via an electronic market platform or medium

- **Defeased loan** - A loan in which the credit risk associated with a particular loan has been shifted from that of the borrower's financial strength to a 100% reliance on the credit risk associated with the issuer of the securities or debt instruments offered as collateral in a secured loan transaction.
- **Embedded Call** - A land purchase option that is part of and trades with the registered land asset. Generally, the land may be repurchased at a specific price and time established during registered land asset contract origination.
- **Equity** - The total cash value of an account, including the amount of profit or loss that would be incurred if the existing futures or options contract positions were liquidated at the current settlement price
- **Equity Swap** - Notational principal swap in which the cash flows on at least one leg of the swap are linked to the total return on a single stock, a stock spread, or some combination thereof.

- **Exchange Traded** - Futures and options traded on a regulated exchange
- **Floating Trust-Participation Receipt** - A Trust Participation Receipt that is initially delivered to a Trust Participant to evidence that party's beneficial interest at any point in time in the Trust Estate to the extent of his holdings therein. Since a Participant's account balance will fluctuate daily when deposits and withdrawals are posted, the receipt amount evidencing available funds on account is floating as defined in the receipt certificate.
- **Forfeiting** - A method of financing (with fixed or floating interest rate) that eliminates all risks by selling a receivable on a "nonrecourse" basis in exchange for immediately available cash
- **Equity Swap** - Notational principal swap in which the cash flows on at least one leg of the swap are linked to the total return on a single stock, a stock spread, or some combination thereof.

➤ **Forward contract** -A contract in which a party promises to pay something of value at some future time. A typical forward contract is one that obligates the holder of the contract to purchase, and obligates the entity to sell, on a particular date, for a specified price, a number of newly issued common stock of the entity according to a formula.

- **Average Credit Spread Call Option on Futures Contract:**

- An option where the purchaser has the right, but not the obligation, to buy the underlying security from the writer/seller of the option during a defined period of time at a fixed price wherein the underlying security is an average credit spread futures contract

- **Average Credit Spread Put Option on Futures Contract:**

- An option where the purchaser has the right, but not the obligation, to sell the underlying security to the writer/seller of the option during a defined period of time at a fixed price wherein the underlying security is an average credit spread futures contract

- **Free Asset** - A registered land asset whose embedded call has expired
- **Income Asset** - A registered land asset wherein land sale proceeds paid in exchange for the land title underlying the registered land assets are greater than the present worth of its calculated land par value, but less than the appraised market
- **Indemnification**--Guarantee to restore to the condition prior to the loss
- **Instrument** -In general refers to the debt instruments of an issuer
- **Irrevocable Letter of Credit** - Issued by a bank guaranteeing the payment of a customer's drafts up to the stated amount for a specified period that cannot be changed or terminated without the agreement of the beneficiary
- **Irrevocable Standby Letter of Credit** - Issued by a bank guaranteeing the payment of a customer's drafts up to the stated amount for a specified period for a particular event that cannot be changed or terminated without the agreement of the beneficiary

➤ **Interest Rate Swap** A contract in which two counter-parties agree to exchange interest payments of differing character based on an underlying "notional principal" amount that is never exchanged.

➤ Three types:

- coupon swaps or exchange of fixed rate for floating rate instruments in the same currency
- Basis Swaps or the exchange of floating rate for floating rate instruments in the same currency
- Cross Currency Interest Rate Swaps involving the exchange of fixed rate instruments in one currency for floating rate in another

Simply stated two contracting parties to an interest rate swap exchange their interest payment obligations (no principal changes hands) on two different kinds of debt instruments.

- **Land par value** - The sum of all future economic values a leaseholder/issuer might expect as compensation for its land
- **Leaseholder/Issuer** - A current or prospective landowner that causes the issuance of a registered land asset
- **Leasehold estate** - Improvements and personal property above the land, including, but not limited to, all existing or proposed buildings, machinery, wells, septic systems, storm drains, paved parking lots and landscape features.
- **Listed Option** - A put or call option that is traded on a national options exchange. Listed options have fixed strike prices and expiration dates.
- **Loan Originator** - An entity qualified to offer a registered land asset contract

- **Long position** - A position wherein an investor's interest in a particular series of forwards, futures and/or options is as a net holder (i.e., the number of contracts bought exceeds the number of contracts sold).
- **Mark-to-market** - An accounting process by which the price of securities or commodities held in account are valued each day to reflect the last sale price or market quote if the last sale is outside of the market quote. The result of this process is that the equity in an account is updated daily to properly reflect current security or commodity prices
- **Margin** - A good faith deposit or a performance bond whereby the customer deposits the required cash to indicate his willingness and ability to perform on the contract should the event not offset before the delivery month.
- **Master Trust** - A Trust which itself is the sole beneficial owner of 100% of the Trust Estate of other similar trusts.

- **Novation** applies to an agreement to:
 - Replace one party to a contract with a new party. The novation transfers both rights and duties and requires the consent of both the original and the new party
 - The replacement of an older debt or obligation with a newer one.
- **Open Interest** - All futures or futures options positions that have not been liquidated. It represents the number of futures or options contract in one delivery month or one futures or options contract that have been entered into but not yet settled by an offsetting transaction or fulfilled by delivery or cash settlement. The number of outstanding option contracts in the exchange market or in a particular class or series.
- **Option Strike Price** - The exercise price of the Call or the Put Option. In the case of a Call Option, it is the purchase price and in the case of a Put Option, it is the selling price

- **Option:** The right (but not the obligation) to buy (or. conversely, sell) some underlying instrument at a pre-determined rate on a pre-determined expiration date in a pre-set amount.
- **Over-the-Counter:** Any transaction that takes place between two counterparties and does not involve an exchange is said to be an over-the-counter transaction. An option or future traded off-exchange, as opposed to a listed stock or commodity option or future. The OTC future or option has a direct link between buyer and seller, has no secondary market, and has no standardization of strike prices and expiration dates or quantity
- **Participation Trust** - A statutory trust that allows contributions to be made to the trust by third parties who, by virtue of their contributions, automatically become beneficiaries of a portion of the trust corpus to the extent of their note holdings or trust receipts relative to the total trust assets.

- **Payment Obligations** - Guarantee payment obligations of the obligor
- **Performance Obligations** - Guarantee performance of policy obligations
- **Pledge/Security Agreement** - An agreement in which a borrower pledges an asset, as collateral, as security interest to a lender for a loan. The Pledge/Security Agreement grants the lender a security interest in the pledged asset of the borrower until the loan is repaid
- **Policyholder Obligations** - Fulfillment of insurance contract and to maintain rating from Agency Standard and Poor's
- **Position** - An interest in the market demonstrated by buying or selling futures, forwards or option contracts. One with a long position has bought the futures, forwards or options. One with a short position has sold the futures, forwards or options
- **Position limit** - The maximum number of contracts a speculator may control in a particular futures contract at any time

- **Purchase Partner Leasehold Mortgage** - A mortgage associated with a leasehold estate that is subject to registered land asset contract provisions, and that may be recorded with the registered land asset and be accessed by a registered land asset contract originator or servicing agent
- **Refinancing** - The process of creating cash liquidity by selling, discounting or pledging an investment or an illiquid asset obtained as collateral for a loan. In the case of a bank, it will make a loan secured by certain collateral, then turns around and "refinances" itself, by converting the paper collateral into cash that can be relented by pledging in turn, the initial borrower's collateral, to the Central Bank under the "Borrower in Custody" program or to another bank in the inter-bank loan market.
- **Registered Land Asset** - A financial product representing a leased fee equity interest in land, typically recorded in an electronic land title registry, which is available for sale, transfer or exchange within and between the capital markets and the real estate markets via a bookkeeping and/or book entry method. The maximum number of contracts a speculator may control in a particular futures contract at any time

- **Registrar** - An institution duly appointed to perform all accounting functions for the Trust and to report monthly the account activity for each Participant.
- **Repurchase agreement or Repo Agreement** - An agreement between a seller and a buyer whereby the seller agrees to repurchase the securities at an agreed upon price and, usually, at a stated time or determined time in the future.
- **Settlement Price** - The price established by the floor committee of the exchange that is used by the clearing house to determine the unrealized profit or loss on all open contracts on a daily basis. Also called the clearing price.
- **Short position** - A position wherein a person's interest in a particular series of forwards, futures and/or options is as a net writer or seller (i.e., the number of contracts sold exceeds the number of contracts bought). It refers to one who sells and does not own the underlying commodity or security

- **Synthetic Asset** - Refers to assets that are artificially valued and linked to other assets
- **Trust Account** - A bank account or Trust account of a Master Trust or a Sub-Trust
- **Trust-Issued Receipt** A trust receipt issued by the Trustee of the Trust in favor of a Beneficiary to evidence the Beneficiary's pro-rata beneficial ownership in the Trust corpus up to the amount shown on the receipt.
- **Trust-Participation Receipt** A receipt issued by the Trust in favor of a Participant, that operates much like the Trust-Issued Receipt, except that it is issued in favor of a non-related third-party that causes deposits to be made to a Sub-account opened in the Participant's name under the master account of the Trust in accordance with the terms and conditions of a "Trust Participation Agreement," thereby causing the Participant to be de-facto a Beneficiary of the Trust to the extent of the Participant's holdings in the Trust.

- **Trust Funds** The aggregate of all cash funds and other assets deposited to the credit of the Trust by the Settlor, Grantor, Beneficiaries or Participants.
- **Trust Estate** All rights, title and interests the Trust has in the aggregate of all cash deposits of Beneficiaries to their Trust Sub-Accounts at any point in time calculated as the total of all assets less the total of all liabilities, including set-aside reserves that are subject to a fiduciary duty of the Trustee. It is also the amount that is normally available for investment purposes, and it includes any and all accumulated and accrued interest, dividends or profits earned by the Trust as well as any other asset otherwise acquired by the Trust
- **Trust Note** - A debt instrument that obligates the Trust to pay the holder of the note the principal and interest, if any, when due, in accordance with the terms of the Note. A Trust can create an indebtedness secured by Trust Assets, unless such activity is specifically prohibited by the Trust Agreement.

- **Trust Indenture** A legal agreement that establishes the Trust and appoints a Trustee to manage the assets of the Trust. It is an agreement entered into between a Settlor and a qualified Trustee which normally contain protective clauses for bond holders or Beneficiaries, including how funds are to be managed. Its provisions set forth the powers of the Trustee and establish the interest of the Beneficiaries or Participants in the assets held in Trust.
- **Trustee** - A qualified (meaning free of a conflict of interest) person or legal entity, such as a Trust Company that holds title to property for the benefit of one or more Persons, called a "Beneficiary" or "Beneficiaries". A Trustee is usually charged with investing Trust property productively for and on behalf of the Beneficiaries in accordance with the specific instructions of the Trust Agreement or Trust Indenture..

- **Warrant** Also called an "option", obligating a party to sell something of value to someone else under agreed conditions. Depending on the wording of the warrant, it may for example entitle the holder to purchase the item of value (a) at any time until a stated expiration date, (b) on a particular date, or (c) at any time or particular date within a stated range of dates...
- **Zero Coupon Asset** - A registered land asset wherein land sale proceeds paid in exchange for the land title underlying the registered land asset are equal to or less than the present worth associated with land's par value, and wherein no ground rent is due

- **Zero Coupon Security** - A security that makes no periodic interest payments but instead is sold at a deep discount from its face value. The buyer of such a security receives the rate of return by gradual appreciation of the security, which is referred to as the face value on a specified maturity date. A zero coupon security can also be created by stripping the principal of a bond or note from its coupons and selling the stripped principal as a zero coupon instrument. The process of stripping the principal and the coupons of a security for sale separately to investors having different investment objectives is normally referred to as stripping. Stripping results in two separate and distinct instruments being created from a single interest bearing note or bond. These two new securities are normally called "Interest-Only" (I/O) that has the features of an annuity product and "Principal Only" (P/O) that has the features of a zero coupon instrument

SWAPS

- **Short position** - A position wherein a person's interest in a particular series of forwards, futures and/or options is as a net writer or seller (i.e., the number of contracts sold exceeds the number of contracts bought). It refers to one who sells and does not own the underlying commodity or security

GLOSSARY OF TERMS

Trademarks do not enjoy the Constitutional legal protections as patents and copyrights, rather Congress relied on the Commerce Clause in enacting Federal Trademark Law. (1). As Long as the Trademark is used in commerce, it enjoys legal protection. (2) The law grants Trademarks holders rights to exclude other from use likely to cause consumer confusion and protects the holder's investment in the business's goodwill. (3)

As with patents and copyrights, intellectual property rights in trademarks is no longer confined within US borders, but move across borders and through nations, legally and with relative ease. Further though, intellectual property rights are no longer ephemeral rights; they are corporate assets.

UCC ARTICLE

Under Article 9, for a security interest to be enforceable against the debtor and third parties, three conditions must be met:

- Value, such as a loan, credit, or advancement, must be given by the secured party to the debtor
- The debtor must have rights in the collateral or power to transfer rights in the collateral to the secured party
- The debtor must have authenticated a security agreement that provides a description of the collateral.

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order for collateralization of copyrights, patents, and trademarks to occur, the "description of the collateral" requirement must be satisfied.¹⁶

REVISED UCC ARTICLE 9

In both the statutory text and official comments of the 2000 revision of Article 9, the words patents, trademarks, and copyrights were omitted. The Official Comment to the 1972 version of section 9-106 definition for "*general intangibles*" provided examples of general intangibles such as "*goodwill, literary rights and rights to performance ... copyrights, trademarks and patents* " U.C.C. § 9-106 cmt. (1972).

Revised Article 9 includes and the Official Comments explain new intangibles such as:

- health care receivables, credit card accounts, deposit accounts, and payment intangibles;
- Investment property such as bonds, stocks, debentures, security entitlements, securities accounts, commodity contracts, or commodity accounts
- Letters of credit.

REVISED UCC ARTICLE 9

General Intangible

Defined as *"any personal property, including things in action,"* other than the quasi-tangibles and intangibles defined in the UCC.170 . Does not include: "accounts, chattel paper, commercial tort claims, deposit accounts, documents, goods, instruments, investment property, letter-of-credit rights, letters of credit, money, and oil, gas, or other minerals before extraction."

Patents, trademarks, and copyrights, under revised article 9 are relegated to the 'catch-all' of general intangibles.

REVISED UCC ARTICLE 9

How to Foreclose on an Intangible

There is no physical form to copyright, patent, trademark collateral which begs the question how a secured party seizes collateral of this type in exercising its rights under foreclosure, disposition, or strict foreclosure of the collateral.

This is the realm wherein MERS operates

Patents, trademarks, and copyrights, under revised article 9 are relegated to the 'catch-all' of general intangibles.

UCC

General Intangible – Patent Collateral

Patent collateral is recognized as so complex that describing collateral in a security agreement as "general intangibles" is sufficient.. A very good cause of action exists presents itself for the borrowers because nowhere within the borrowers security instrument are the words 'general intangibles' as required under **UCC XXXX**

UCC

A best practices approach to full disclosure of patent collateral would include:

- Identify[ing] all patents or patent applications by number, country, issuance or filing date, expiration date, title and serial number.
- The collateral description or granting clause of the security agreement
- All patent infringement claims
- All inventions and improvements described in the patents
- All inventions and all continuations, continuations-in-part, divisions, renewals, extensions, substitutions, and reissuances of the patents
- Patent applications
- Patentable inventions in the United States or in any foreign country

UCC

General Intangible – Patent Collateral

In addition should include:

- All rights to income, profits, royalties, damages, licenses or other rights related to the patents, applications or inventions including the right to sue for past, present or future infringement; all other rights and goodwill relating to the patents, applications or Inventions
- All proceeds, products and supporting obligations whether existing then or in the future and wherever located. Infringement claims may also need further specification as they constitute "commercial tort claims" under revised Article 9.

MODELING VS. LINEAL ANALYSIS

UCC

General Intangible – Patent Collateral

In addition should include:

- All rights to income, profits, royalties, damages, licenses or other rights related to the patents, applications or inventions including the right to sue for past, present or future infringement; all other rights and goodwill relating to the patents, applications or Inventions
- All proceeds, products and supporting obligations whether existing then or in the future and wherever located. Infringement claims may also need further specification as they constitute "commercial tort claims" under revised Article 9.

SECURITIZATION

(DECOMPOSING PROPERTY INTO SEPARATE ASSETS)

SECURITIZATION – DEFINED

The tenth and eleventh editions of Webster's Collegiate Dictionary (published in 1993 and 2004) defines securitization similar as originally designed, *"to consolidate (as mortgage loans) and sell to other investors for resale to the public"*

A 1996 treatise on asset-backed securities defines "securitization" as *"the process by which loans, consumer installment contracts, leases, receivables, and other relatively illiquid assets with common features are packaged into interest-bearing securities with marketable investment characteristics."*

The 1997 Oxford University Press defines "securitization" as *"the process whereby financial intermediaries, banks in particular, convert claims held on their balance sheets into marketable securities."*

SECURITIZATION

Real Assets

Securitizing Assets

- Fixed-income assets
 - Government debt
 - Corporate debt
 - Mortgage debt
- Tangible assets
- Firms

- Real Property
 - Immobile and has an essentially permanent location
 - Land
- Personal Property
 - Mobile and cannot be assumed to have a permanent location

SECURITIZATION

Real Assets are deeded. A deed to an asset conveys a fee interest (ownership interest) in the asset that is or may become possessory

- A deeded interest in an asset is a fee interest in the asset
- A fee interest in an asset is an ownership interest in the asset
- An ownership interest in the asset is an equity interest in the asset
- A deeded interest in an asset is an equity interest in the asset
- A fee interest in an asset is an equity

The property rights associated with a deeded asset can be conveyed by one or more deeds

- A pool of deeded assets is a deeded asset
- A pool of deeded real assets is a deeded real asset
- A pool of deeded tangible assets is a deeded tangible asset
- A pool of deeded intangible assets is a deeded intangible asset

SECURITIZATION

An Asset is a bundle of property rights that has value

A Component of an Asset is a sub bundle of the bundle of property rights defined by the asset

- A fee simple interest in an asset represents ownership of the bundle of property rights defined by the asset
- A fee interest in an asset other than a fee simple interest in the asset represents ownership of a component of the asset.

SECURITIZED FINANCIAL TRANSACTIONS

- **Primary Qualified Fee Interest** in an asset is a fee interest in the asset that terminates upon an occurrence or nonoccurrence of some specified event or combination of events
- **Secondary Qualified Fee Interest** is a fee interest that commences upon an occurrence or nonoccurrence of some specified event or combination of events
- **Qualified Fee Interest** is a fee interest that is either a primary qualified fee interest or a secondary qualified fee interest
- **Qualified Fee Interest** can be either vested or conditional
- **Deeded Fee Interest** is a fee interest in which the associated property rights are defined by at least one deed

SECURITIZED FINANCIAL TRANSACTIONS

Examples

Primary Qualified Fee Interest include

- Term of years interest and
- An augmented term of years interest

Secondary qualified term of years interest

- Remainder interest and
- Complementary remainder interest

Deeded qualified fee interest in which the associated property rights can be defined by one deed or two deeds

- A deeded augmented term of years interest

SECURITIZED FINANCIAL TRANSACTIONS

- **Deeded component of an asset** can be defined by a deeded qualified fee interest in the asset in the case of both real and personal assets
- **Deeded qualified fee interest in a real asset** can be a real asset or a personal asset, depending on whether the property represented by the qualified fee interest is immobile or mobile.
- **Deeded qualified fee interest in a personal asset** is a personal asset, and a deeded qualified fee interest in a tangible asset is a tangible asset
- **Pool of deeded mineral rights** is a deeded real asset consisting essentially of (or consisting of-depending on the embodiment) deeded mineral rights
- **Pool of deeded water rights** is a deeded real asset consisting essentially of , or consisting of deeded water rights.

SECURITIZED FINANCIAL TRANSACTIONS

A Deeded Interest in Mineral Rights is a real asset.

- A Deeded Qualified Fee Interest in at least one mineral right is a real asset
- A Deeded Interest in Water Rights is a real asset
- A Deeded Qualified Fee Interest in at least one water right is a real asset.

Deeded mineral rights reflect a deed to a fee interest in at least one mineral right in a real asset. Deeded mineral rights can also reflect more than one deed, wherein each said deed is a deed to a fee interest in at least one mineral right in a real asset.

A deeded interest in mineral rights is a real asset.

TANGIBLE ASSET SECURITIZATION

Durable tangible assets that can be stored at marginal cost can be securitized by conveying ownership to a legal holding entity charged with conserving the assets and issuing tradable depository certificates evidencing beneficial ownership rights. Redemption of certificates is by demand.

A Liquid tradable instrument that are marketable with like or related assets that are identical in quality and are interchangeable: Fungible Assets:

Commodities

Options

Securities

QUASI-SECURITIZATION

Traded through privately established and organized commodity exchanges. The exchanges create liquidity in the quasi securitized assets by providing, supporting and promoting a central marketplace for trading the quasi securities. The exchanges reduce investor uncertainty concerning the idiosyncratic physical characteristics of securitized commodities to immaterial levels by standardizing the classification of each commodity into fungible subtypes with homogeneous investment characteristics for market valuation purposes and by imposing minimum quality and uniformity standards on the quasi-securitized commodities.

Commodities

Options

Securities

QUASI-SECURITIZATION

Transportation and transaction fees are minimized on Quasi securities as they are designed as options and futures contracts specified quantities and fungible subtypes of each commodity.

Example

- Storage and Carrier Transportation costs are avoided by investors by closing out positions rather than take delivery of the commodities
 - Bailments

Quasi-securitized tradable contracts are not securities because they are fungible. This is where conversion comes into play, transforming to marketable securities through a Special Purpose Entity (SPE)

LEASED TANGIBLE ASSETS

Transportation and transaction fees are minimized on Quasi securities as they are designed as options and futures contracts specified quantities and fungible subtypes of each commodity.

Example

- Storage and Carrier Transportation costs are avoided by investors by closing out positions rather than take delivery of the commodities
 - Bailments

Quasi-securitized tradable contracts are not securities because they are fungible. This is where conversion comes into play, transforming to marketable securities through a Special Purpose Entity (SPE)

Governmental

Non-Government

- Trusts
- SPE
- REMIC

Agency

Non-Agency

BORROWING CLASSES

Fannie Mae

Freddie Mac

Ginnie Mae

**Private
Placement**



AGENCY



CREDIT SUISSE



Deutsche Bank



BNP PARIBAS



LEHMAN BROTHERS

BEAR
STEARNS

COMMERZBANK



Goldman
Sachs

NON-AGENCY



Merrill Lynch

Morgan Stanley

citigroup



THE
CHASE
MANHATTAN
BANK



JPMorganChase



AGENCY

NON-AGENCY

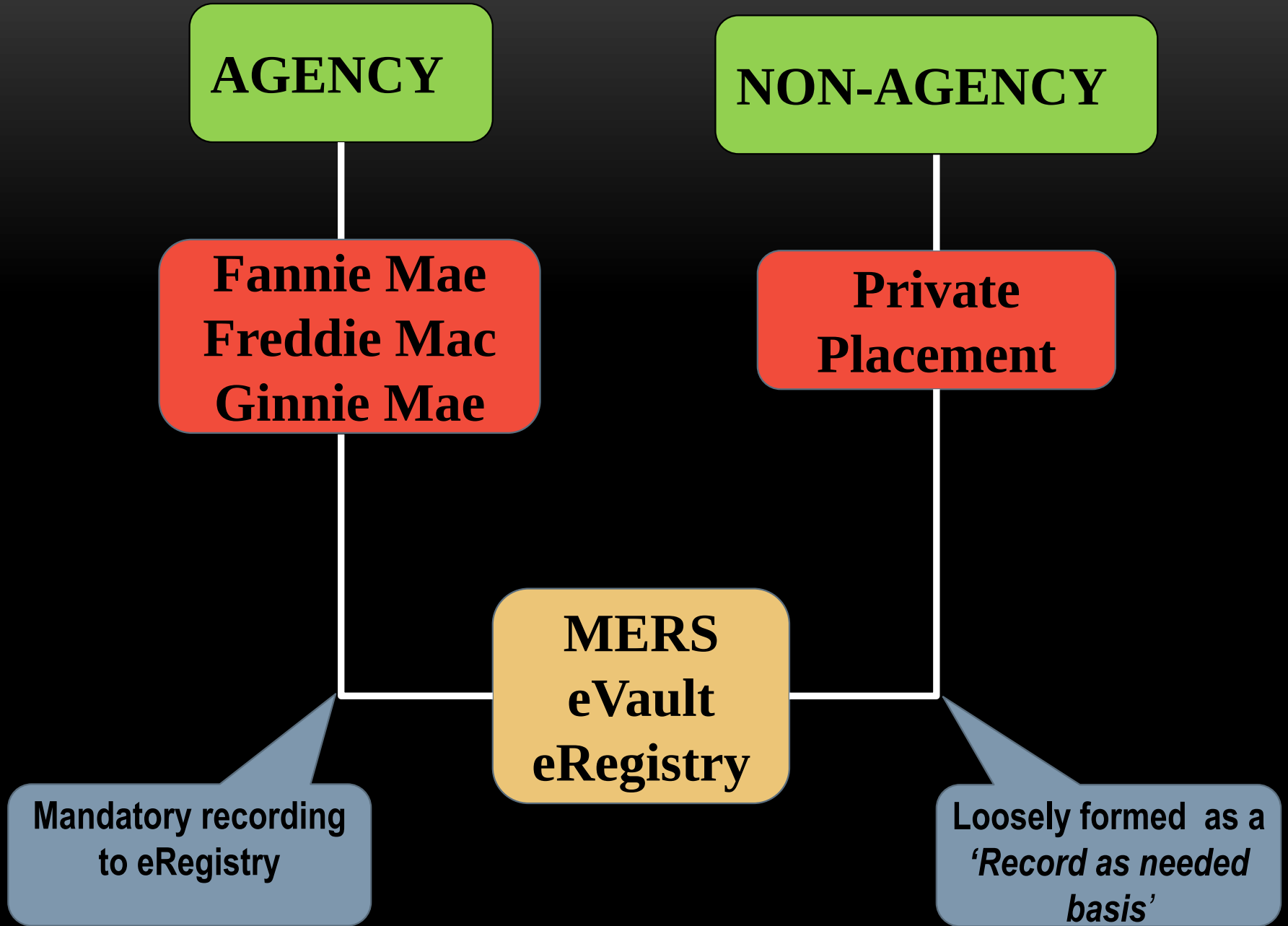
**Fannie Mae
Freddie Mac
Ginnie Mae**

**Private
Placement**

**MERS
eVault
eRegistry**

**Mandatory recording
to eRegistry**

**Loosely formed as a
'Record as needed
basis'**



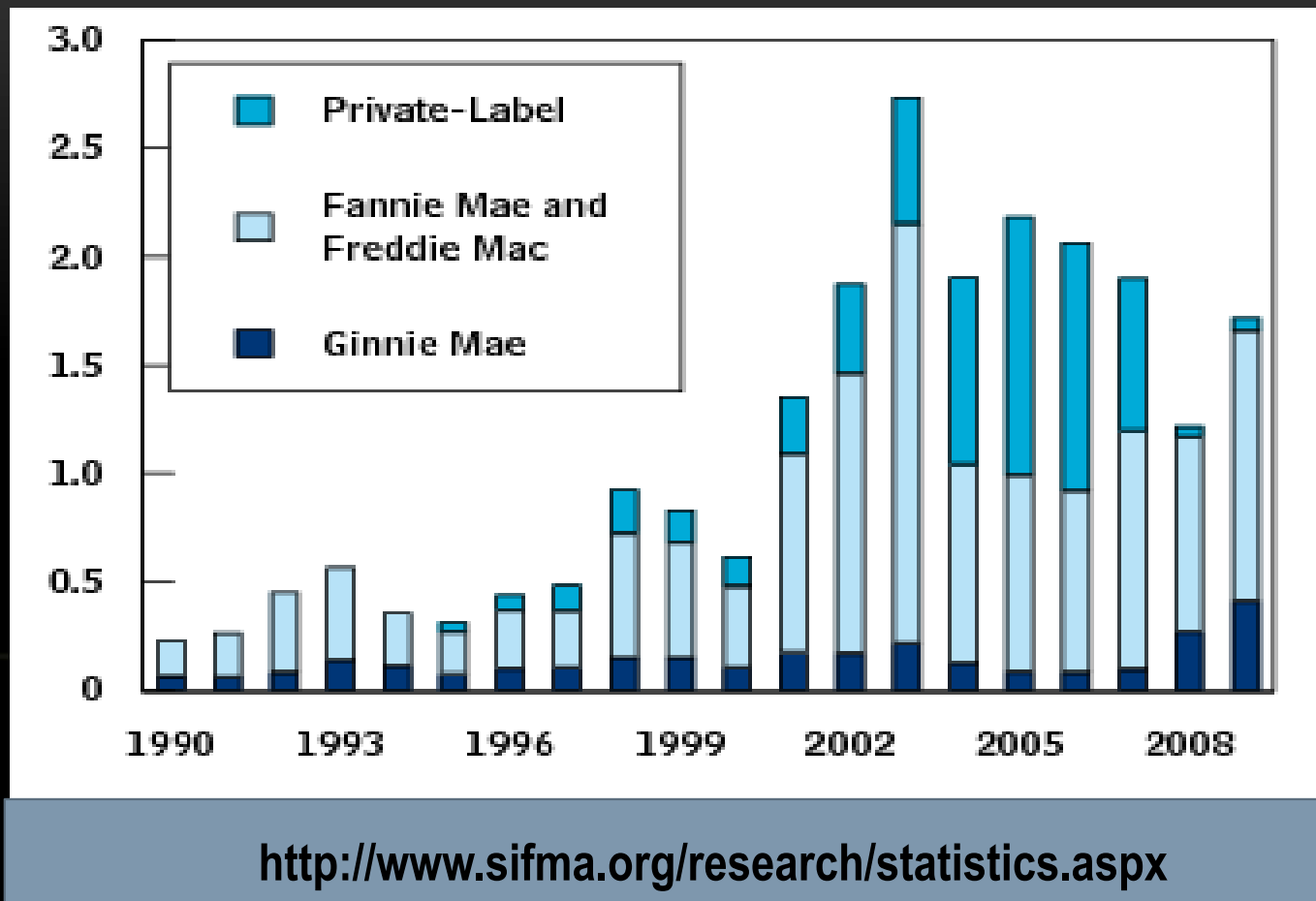
**Fannie Mae
Freddie Mac
Ginnie Mae
Private Placement**

**Fannie/Freddie Uniform
Security Instrument - MERS**

**Mandatory recording
to eRegistry**

**MERS
eVault
eRegistry**

**Loosely formed as a
'Record as needed
basis'**



Notice the sudden overtaking, by private label (non-agency) 2004-2006, followed by a total collapse of private label with the economic collapse

COTTON TRADING EXCHANGE

“Now, gentlemen. I submit that in the history of the commercial jurisprudence of this or any other continent, you cannot exhibit such a record as is presented you tonight by the New Orleans Cotton Exchange. Just think of it – merchants embracing Russians, Prussians, Swedes, Danes, Poles, French, Austrians, Swiss, Scotch, English, Irish, Yankees, Federals and Confederates – and with this great conglomeration of people handling over one hundred millions of the trade of this city, for the last twelve months you see but one case of difference in any way reported.”

E.H. Sommers



Cotton Exchange

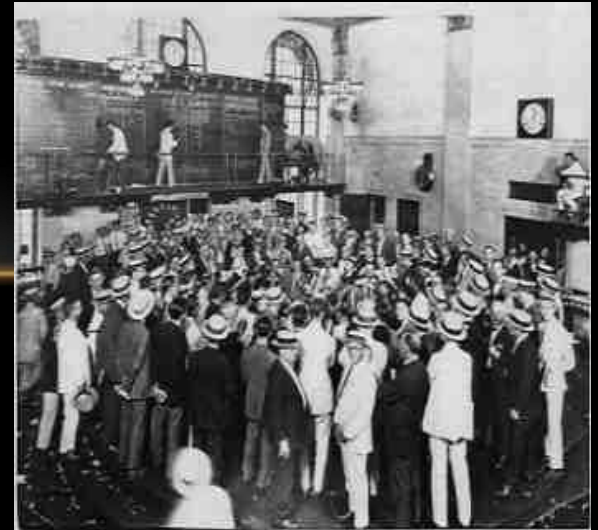
January 17, 1871, a group of eighteen comprising of cotton buyers, cotton factors, cotton brokers and bankers began to lay down terms to what would eventually lead to the creation of the New Orleans Cotton Exchange. On Feb. 20, 1871, the founding members began the first day of trading, which saw 1,600 bales of cotton futures trades. Over 75 years later that figure would rise to as high as 612,100 bales a day being traded

“First, to collect and disseminate speedy, accurate cotton market information.”



“Second, to develop futures trading in cotton as insurance against great risks and losses such as the cotton trade had known, by such stabilization of prices as only futures trading can accomplish.”

Two Purposes Served



Suffering from the decline in volume in trading of cotton futures coupled with changes in the regulation of trading by the federal government, led to closure of the institution on July 9, 1964. An effort to revive the business as the New Orleans Cotton and Commodity Exchange in the mid-1970s did not succeed.

The Tale of Two Exchanges



New Orleans



New York

MORAL & ETHICAL IS ONE ISSUE.....LEGALNESS IS QUITE ANOTHER

COTTON CONTRACTS DECLARED ILLEGAL

**Federal Court Voids Standard
Form of New York and New
Orleans Exchanges.**

INFRACTION OF FUTURES ACT

**Judge Youmans Decides That Every
Transaction Must Show Names
of Buyers and Sellers.**

FORT SMITH, Ark., July 31.—Federal Judge Frank A. Youmans, in a decision here today, held that the present standard form of contract used on the New York and New Orleans Cotton Exchanges does not comply with the provisions of the United States Cotton Futures act, and, therefore, is illegal.

Judge Youmans's decision was rendered in the suit of Thorn and Maginns, cotton brokers of New Orleans, against Fred Browne of Fort Smith, to collect \$23,215 on a cotton futures transaction. The court based its decision on the grounds that the contract did not specifically reveal the name of the principal as the law directs.

"It seems to me," said Judge Youmans in his decision, "the act specifically provides that each separate transaction shall show for itself, in order that it may be determined whether or not the particular transaction in question is subject to taxation.

"Certain exemptions now are made, and this is claimed to be one of those exemptions—that is, that these transactions are claimed to be exempt from taxation. It seems to me that the meaning of that act is that every transaction shall stand by itself. It shall show upon its face the name of the buyer, and the seller, too, and the truth of the transaction. That is the point as I understand it, to get the facts of the transaction. It was intended evidently to modify the law as it stood before.

"Now, if the rules of the Cotton Exchange are such as that they must fall or the statute must fall, why I think there will be no doubt that it must be held that the rules of the Cotton Exchange must be modified to meet the statute. The law was directed only to Cotton Exchange dealings in cotton; that is the point, and Congress saw fit to pick that particular business out from among dealings in any commodity and supplied certain rules to it, and it strikes me that was the object Congress must have had in view; that is, the specific transaction on a Cotton Exchange, and the parties to it cannot be reached except by the construction that is given it."

"The decision, if finally upheld, will prohibit trading in cotton and will close every Exchange," said C. B. Thorn, member of the plaintiff firm, in discussing the effect of the decision. "Under the court's ruling it will be necessary for the slips as they pass from broker to broker on the floor of the Exchange to specifically name the principal. These slips must be signed up the next morning by 9 o'clock. In hundreds of cases the principal lives hundreds of miles from the Exchange, and it is impossible for him to be present, so it readily can be seen what the decision does."

The form of contract used by members of the New York Cotton Exchange was believed to comply with every provision of the United States Cotton Futures act. When this law was enacted the local exchange authorities revised their bylaws and rules, and before adopting the new form of contract had it submitted for approval to Government officials in Washington.

The New York Times

Published: August 1, 1917

Copyright © The New York Times

**.....And a Cotton Exchange
has Pertinence to the Matter
at HandHow?**

Futures Auction & Exchange

&

Assigning and Transferring of Title



Cotton Field



Gin



Baling



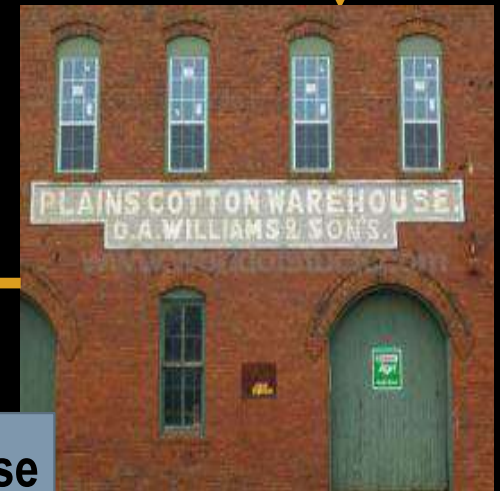
Per Bale Sample



Cotton Exchange



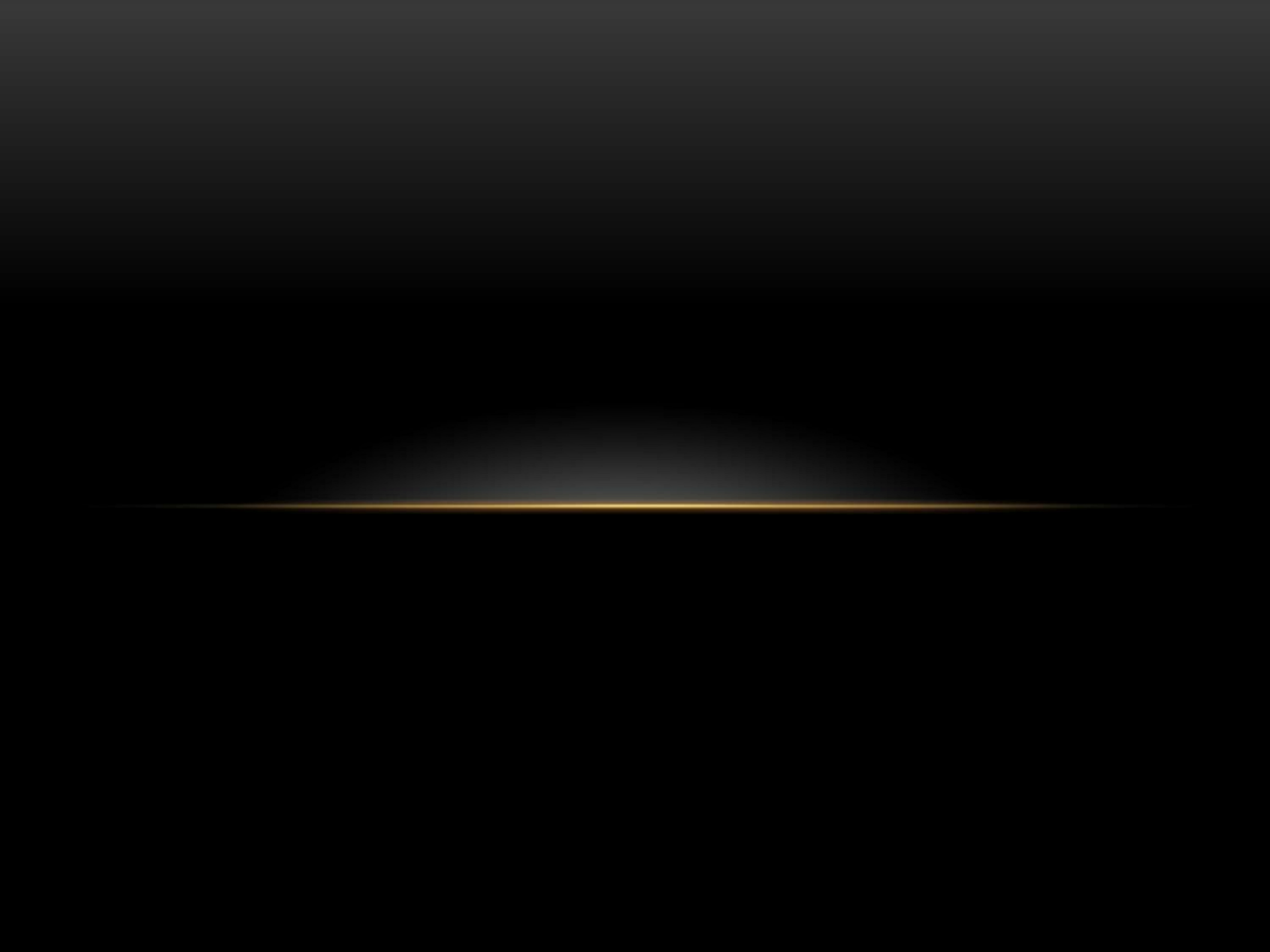
Cotton Warehouse



ELECTRONIC DOCUMENTS

CA	Certification Authority
CRL	Certificate Revocation List
CSS	Certificate Status Service
HTML	Hypertext Markup Language
ID	Identification
IETF	Internet Engineering Task Force
ITU	International Telecommunications Union
LDAP	Lightweight Directory Access Protocol
OCSP	Online Certificate Status Protocol, IETF-RFC 2560 X.509 Internet Public Key Infrastructure Online Certificate Status Protocol - OCSP, June 1999.
PIN	Personal Identification Number
PKCS	Public-Key Cryptographic Standards
PKI	Public Key Infrastructure
PKIX	Public Key Infrastructure (X.509)
S/MIME	Secure Multi-Purpose Internet Mail Extensions
SCVP	Simple Certificate Validation Protocol, Draft-IETF-PKIX-SCVP-06, July 2000
SSL	Secure Socket Layer
TCU	Trusted Custodial Utility
UETA	Uniform Electronic Transactions Act
XML	Extensible Markup Language

ELECTRONIC DOCUMENT ABBREVIATIONS



eORIGINAL



SYSTEM AND METHOD FOR ELECTRONIC TRANSMISSION, STORAGE AND RETRIEVAL OF AUTHENTICATED DOCUMENTS

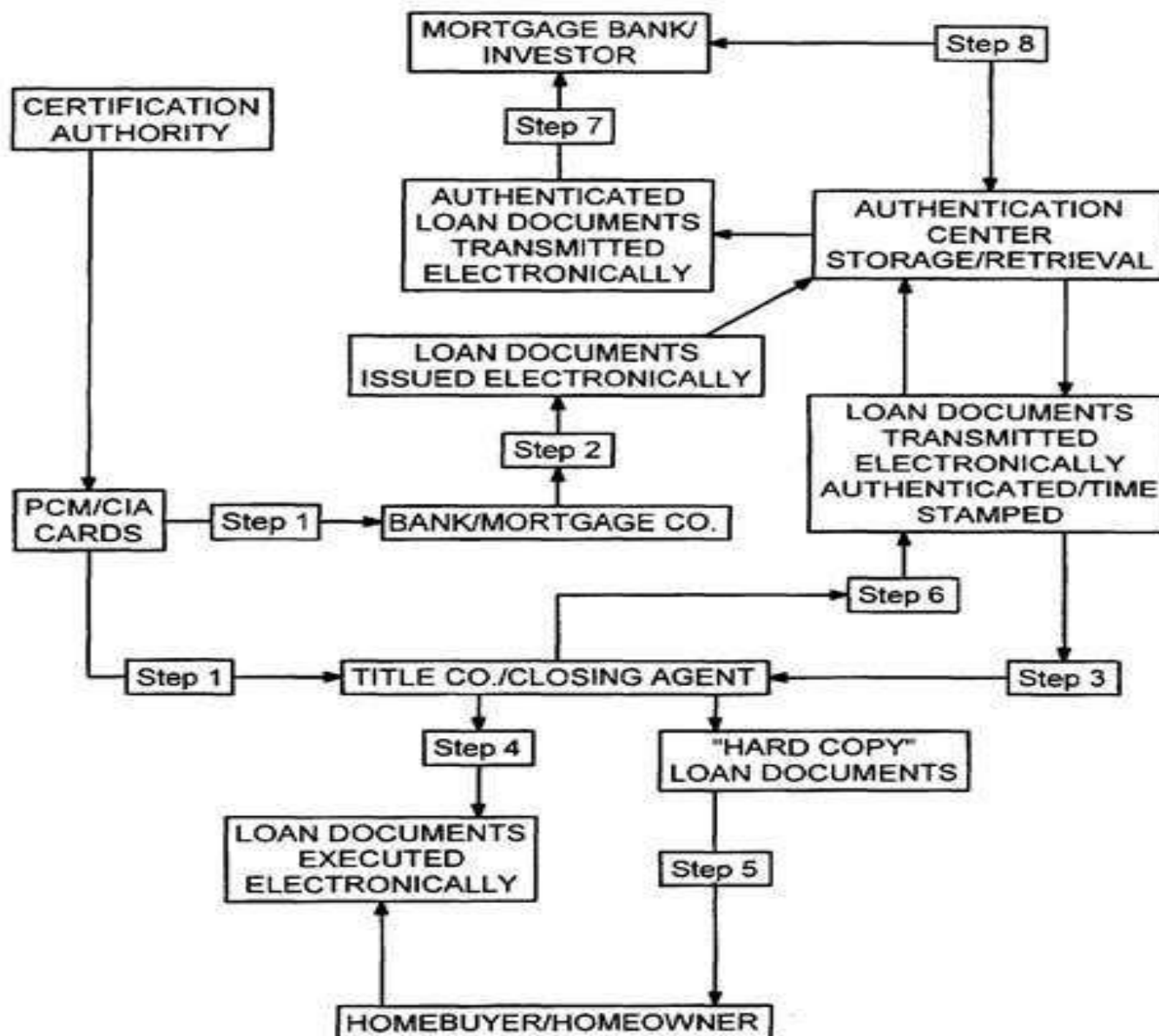
Patent # US 5,748,738

May 5, 1998

ABSTRACT

Methods and apparatus are provided that implement digital signing and/or encryption for the electronic transmission, storage, and retrieval of authenticated documents and that enable the establishment of the identity of the originator of an electronic document and of the integrity of the information contained in such a document. Together these provide irrevocable proof of authenticity of the document. The methods and apparatus make it possible to provide "paperless" commercial transactions, such as real-estate transactions and the financial transactions secured by real estate. A Certification Authority provides tools for initializing and managing the cryptographic material required to sign and seal electronic documents. An Authentication Center provides "third party" verification that a document is executed and transmitted by the document's originator. The methods and apparatus eliminate the need for "hard copies" of original documents as well as hard-copy storage. Retrieval of an authenticated document from the Authentication Center may be done by any number of authorized parties at any time by on-line capability.

DOCUMENT AUTHENTICATION SYSTEM LOAN TRANSACTION

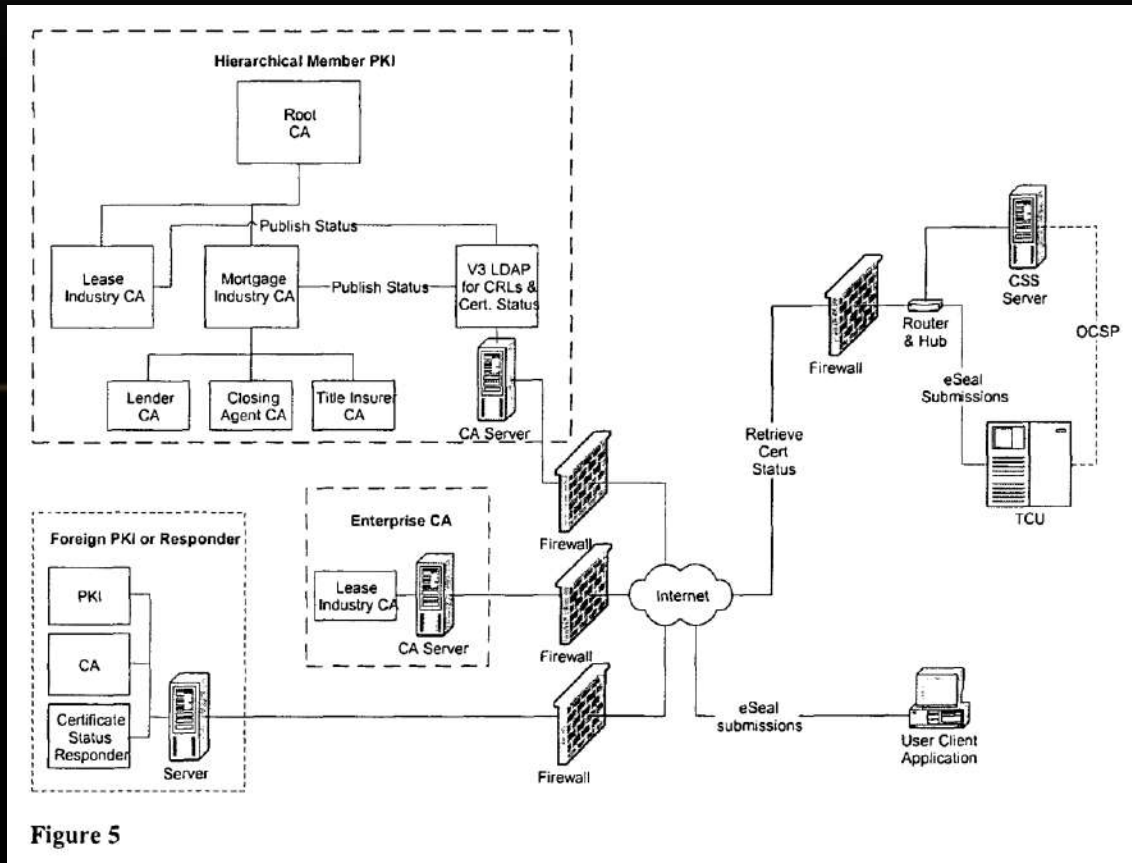


DOCUMENT AUTHENTICATION SYSTEM's LOAN TRANSACTION STEPS

- Step 1.** Complete Certification Authority code generation and card issuing to parties transferring the documents establishing legal evidence trail. Equip parties to transmit and receive documents
- Step 2.** Bank/ Mortgage Co. loads and electronically transmits documents to Authentication Center which forwards to Title Co./Closing Agent
- Step 3.** Authentication Center transmits documents to Title Co./Closing Agent
- Step 4.** Title Co./Closing Agent has documents executed by digital signature by Homebuyer/Homeowner
- Step 5.** Title Co./Closing Agent provides Homeowner/ Homebuyer with "Hard Copy" of signed documents
- Step 6.** Title Co./Closing Agent transmits documents to Authentication Center which dates and time stamps the executed documents and forwards documents to Bank/Mortgage Co.
- Whenever Bank/Mortgage Co. needs authentic documents, can retrieve on-line from Authentication Center storage
- Step 7.** Bank/Mortgage Co. directs authentic documents to be transferred by Authentication Authority to secondary market investor
- Step 8.** Whenever investor needs authentic documents, can retrieve on-line from Authentication Center

System and method for a remote access service enabling trust and interoperability when retrieving certificate status from multiple certification authority reporting components

Patent # US 7743248 B2



eORIGINAL

SYSTEMS AND METHODS FOR STATE-LESS AUTHENTICATION

Patent # US 7,020,645 B2

Mar. 28, 2006

SUMMARY

This invention relates to authentication of users of electronic information and transaction processing systems, and more specifically to systems and methods for authenticating users of program objects in distributed computing environments based on negotiated security contexts.

A password is one form of identification that may be presented to the logon component that authenticates the user's access rights, which may range from simply viewing selected records in the system to performing all transactions permitted by the system. This kind of secured transaction processing is typically "state-full" in that it maintains, in the transaction session, the process state and content of the user's logon access information. Different transactions are typically implemented in modern distributed, nested, transaction processing systems by different program objects, e.g., applications or subroutines, that are substantially independent, even to the extent of executing on different processor hardware.

SYSTEM AND METHOD FOR ELECTRONIC TRANSMISSION STORAGE AND RETRIEVAL OF AUTHENTICATED DOCUMENTS

Patent # EP 1617589 B1

Mar 28, 2007

SUMMARY

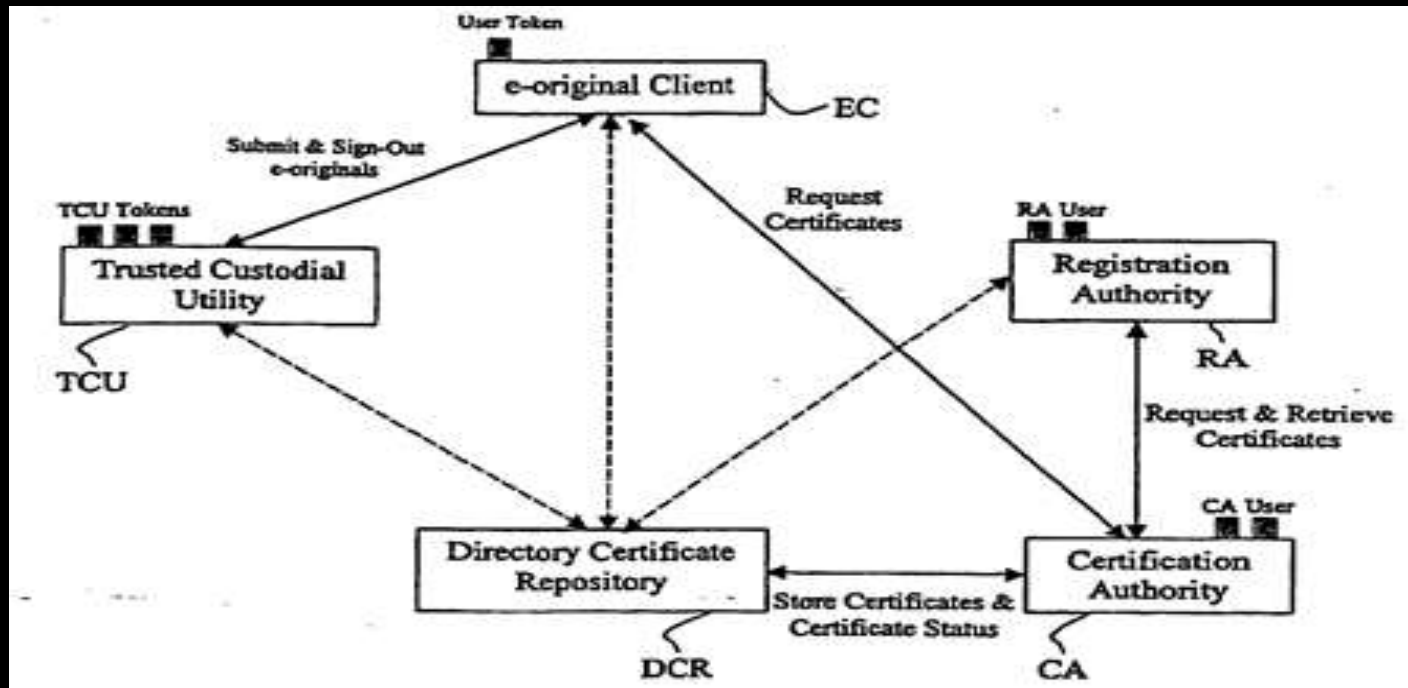
The invention relates to systems and methods for providing a verifiable chain of evidence and security for the transfer and retrieval of documents and other information objects in digital formats.

The continuing evolution of the methods of commerce is evident in the increasing replacement of paper-based communications with electronic communications. When communication is by electronically reproduced messages such as e-mail, facsimile machine, imaging, electronic data interchange or electronic fund transfer, however, there no longer exists a signature or seal to authenticate the identity of a party to a deal or transaction. The traditional legally accepted methods of verifying the identity of a document's originator, such as physical presence or appearance, a blue-ink signature, personal witness or Notary Public acknowledgment, are not possible.

An electronic original object having the same legal weight as a blue- ink- signed paper document (e.g., a negotiable instrument) is made possible by contract and by the PKI and associated technology. An electronic document, or more generally an information object, is created, and the information object is executed by appending one or more digital signatures and authentication certificates. Control of the resulting digitally signed information object is then transferred to a Trusted Custodial Utility (TCU) that is a trusted third-party repository of information objects and that is specifically designed and empowered by contract to store reliably any such object for its full effective life.

it is important to realize that a digital signature is not valid indefinitely but only during the validity period of its authentication certificate. The validity period of an authentication certificate is also not indefinite but typically is set so as to limit the chances for compromise of the digital signature, e.g., as a result of theft of the secret signature key or decreased cryptographic viability. Validity periods can be in the range of one year to three years, although other periods are also possible. A TCU's authentication certificate's validity period is normally longer than the validity period of a user's certificate, and the cryptographic strength of a TCU's certificate is normally stronger than that of a user's certificate

In general, however, an e-original may be, but is not required to be, a transferable record. In other words, not all e-originals are transferable records, but transferable records are e-originals. This can be important to information objects such as agreements that may be executed in any number of "counterparts", each of which should be an e-original with the same effect as if the signatures on the various counterparts were upon one document. A "counterpart" of an agreement or information object is one of possibly many e-originals that are replicas of an agreement or object that may be executed separately, with each counterpart being an original with the same effect as if the signatures on the counterparts were upon the same original.



In general, however, an e-original may be, but is not required to be, a transferable record. In other words, not all e-originals are transferable records, but transferable records are e-originals. This can be important to information objects such as agreements that may be executed in any number of "counterparts", each of which should be an e-original with the same effect as if the signatures on the various counterparts were upon one document. A "counterpart" of an agreement or information object is one of possibly many e-originals that are replicas of an agreement or object that may be executed separately, with each counterpart being an original with the same effect as if the signatures on the counterparts were upon the same original.

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BOB FAIRBANKS, EXAMINING ATTORNEY

Int. Cl.: 9
Prior U.S. Cls.: 21, 23, 26, 36, and 38
Reg. No. 2,836,889
United States Patent and Trademark Office Registered Apr. 27, 2004

TRADEMARK
PRINCIPAL REGISTER

PAPER OUT

ORIGINAL, INC. (DELAWARE CORPORATION)
THE WAREHOUSE AT CAMDEN YARDS
331 WEST CAMDEN STREET, SUITE 800
BALTIMORE, MD 21201

SENT AND FEATURE OF COMPUTER SOFTWARE, IN CLASS 9 (U.S. CLS. 21, 23, 26, 36 AND 38)

FIRST USE 5-6-2000; IN COMMERCE 5-6-2000

SN 76-28133, FILED 7-6-2001

FOR: COMPONENT FEATURE FOR THE RETRIEVAL, TRANSMISSION, AND TRANSFER OF ORIGINAL ELECTRONIC AUTHENTICATED INFORMATION OBJECTS INTO PAPER OR OTHER TANGIBLE FORM SOLD AS A INTEGRAL COMPONENT

JOHN SCHUYLER YARD, EXAMINING ATTORNEY

Int. Cl.: 39
Prior U.S. Cls.: 100 and 105
Reg. No. 2,705,531
United States Patent and Trademark Office Registered Apr. 8, 2003

SERVICE MARK
SUPPLEMENTAL REGISTER

ESEAL

ORIGINAL, INC. (DELAWARE CORPORATION)
331 WEST CAMDEN STREET SUITE 800
BALTIMORE, MD 21201

FOR: PROVIDING A SECURE ELECTRONIC STORAGE FACILITY FEATURING ELECTRONIC APPLICATION OF A SIGNATURE AND/OR AUTHENTICATION OF ELECTRONIC DOCUMENTS AND OTHER INFORMATION OBJECTS USING SOPHISTICATED CRYPTOGRAPHIC TECHNOLOGY AND FOR USE IN THE ENCAPSULATION AND

CONTROL OF DOCUMENTATION AND OTHER INFORMATION OBJECTS IN MORTGAGE, LEASING, HEALTHCARE, SHIPPING/TRANSPORTATION AND OTHER BUSINESS APPLICATIONS, IN CLASS 39 (U.S. CLS. 100 AND 105)

FIRST USE 3-6-1999; IN COMMERCE 3-6-1999

SER. NO. 76-01650, FILED P.R. 12-15-2000 AM, S.I. 10-22-2002

BARBARA GAYNOR, EXAMINING ATTORNEY

United States of America
United States Patent and Trademark Office

PAPER IN

Reg. No. 3,796,192
ORIGINAL, INC. (DELAWARE CORPORATION)
331 WEST CAMDEN STREET, SUITE 800
BALTIMORE, MD 21201

Int. Cl.: 9
FOR: COMPONENT FEATURE OF COMPUTER SOFTWARE FOR THE RETRIEVAL, TRANSMISSION, AND TRANSFER OF ORIGINAL ELECTRONIC AUTHENTICATED INFORMATION OBJECTS INTO PAPER OR OTHER TANGIBLE FORM SOLD AS A INTEGRAL COMPONENT

TRADEMARK
PRINCIPAL REGISTER

FIRST USE 5-6-2000; IN COMMERCE 5-6-2000

THE WAREHOUSE AT CAMDEN YARDS
331 WEST CAMDEN STREET, SUITE 800
BALTIMORE, MD 21201

SN 76-28133, FILED 7-6-2001

JOHN SCHUYLER YARD, EXAMINING ATTORNEY

Int. Cls.: 9 and 39
Prior U.S. Cls.: 21, 23, 26, 36, 38, 100, and 105
Reg. No. 2,800,839
United States Patent and Trademark Office Registered Dec. 30, 2004

TRADEMARK
SERVICE MARK
PRINCIPAL REGISTER

TCU

ORIGINAL, INC. (DELAWARE CORPORATION)
THE WAREHOUSE AT CAMDEN YARDS
331 WEST CAMDEN STREET, SUITE 800
BALTIMORE, MD 21201

FIRST USE 3-6-1999; IN COMMERCE 3-6-1999

FOR: COMPUTER SOFTWARE AND HARDWARE FOR THE ELECTRONIC TRANSMISSION, STORAGE, TRANSFER, SIGNIFICATION, AND RE-RETRIEVAL, RETRIEVAL AND DESTRUCTION OF AUTHENTICATED ELECTRONIC INFORMATION OBJECTS USING SOPHISTICATED CRYPTOGRAPHIC TECHNOLOGY AND PROVIDING ACCESS, VERSION AND DISTRIBUTION CONTROLS TOGETHER WITH A SECURE ELECTRONIC STORAGE FACILITY, ALL FOR USE IN THE CONTROL OF DOCUMENTATION OR OTHER INFORMATION OBJECTS IN MORTGAGE, LEASING, HEALTHCARE, SHIPPING/TRANSPORTATION AND OTHER BUSINESS APPLICATIONS, IN CLASS 9 (U.S. CLS. 21, 23, 26, 36 AND 38)

FIRST USE 3-6-1999; IN COMMERCE 3-6-1999

SN 76-28133, FILED 7-6-2001

WENDY GOODMAN, EXAMINING ATTORNEY

Int. Cls.: 38 and 39
Prior U.S. Cls.: 100, 101, 104 and 105
Reg. No. 2,720,753
United States Patent and Trademark Office Registered June 3, 2003

SERVICE MARK
PRINCIPAL REGISTER

DOCUGUARD

ORIGINAL, INC. (DELAWARE CORPORATION)
THE WAREHOUSE AT CAMDEN YARDS
331 WEST CAMDEN STREET, SUITE 800
BALTIMORE, MD 21201

FOR: ELECTRONIC TRANSMISSION OF AUTHENTICATED ELECTRONIC DOCUMENTS USING SOPHISTICATED CRYPTOGRAPHIC TECHNOLOGY AND PROVIDING ACCESS, VERSION AND DISTRIBUTION CONTROLS, ALL FOR USE IN THE CONTROL OF DOCUMENTATION OR OTHER INFORMATION OBJECTS IN MORTGAGE, LEASING, PHARMACEUTICAL AND OTHER BUSINESS APPLICATIONS, IN CLASS 38 (U.S. CLS. 100, 101 AND 105)

FOR: ELECTRONIC STORAGE OF AUTHENTICATED ELECTRONIC DOCUMENTS USING SOPHISTICATED CRYPTOGRAPHIC TECHNOLOGY AND PROVIDING A SECURE ELECTRONIC STORAGE FACILITY, ALL FOR USE IN THE CONTROL OF DOCUMENTATION OR OTHER INFORMATION OBJECTS IN MORTGAGE, LEASING, PHARMACEUTICAL AND OTHER BUSINESS APPLICATIONS, IN CLASS 39 (U.S. CLS. 100 AND 105)

FIRST USE 3-6-1999; IN COMMERCE 3-6-1999

MAURELY A. TIERNEY, EXAMINING ATTORNEY

Int. Cls.: 9, 38 and 39
Prior U.S. Cls.: 21, 23, 26, 36, 38, 100, 101, 104 and 105
Reg. No. 2,881,176
United States Patent and Trademark Office Registered Sep. 7, 2004

TRADEMARK
SERVICE MARK
PRINCIPAL REGISTER

EORIGINAL ECORE

ORIGINAL, INC. (DELAWARE CORPORATION)
THE WAREHOUSE AT CAMDEN YARDS
331 WEST CAMDEN STREET, SUITE 800
BALTIMORE, MD 21201

FIRST USE 4-6-2000; IN COMMERCE 9-6-2000

FOR: COMPUTER SOFTWARE FOR THE ELECTRONIC TRANSMISSION, STORAGE, TRANSFER, RETRIEVAL AND DESTRUCTION OF AUTHENTICATED INFORMATION OBJECTS USING SOPHISTICATED CRYPTOGRAPHIC TECHNOLOGY, IN CLASS 9 (U.S. CLS. 21, 23, 26, 36 AND 38)

FOR: ELECTRONIC STORAGE OF AUTHENTICATED INFORMATION OBJECTS USING SOPHISTICATED CRYPTOGRAPHIC TECHNOLOGY, IN CLASS 39 (U.S. CLS. 100 AND 105)

FIRST USE 4-6-2000; IN COMMERCE 9-6-2000

OWNER OF U.S. REG. NOS. 2,534,032, 2,613,910 AND OTHERS

FIRST USE 4-6-2000; IN COMMERCE 9-6-2000

FOR: ELECTRONIC TRANSMISSION OF AUTHENTICATED INFORMATION OBJECTS USING SOPHISTICATED CRYPTOGRAPHIC TECHNOLOGY, IN CLASS 38 (U.S. CLS. 100, 101 AND 105)

SER. NO. 76-547,059, FILED 9-25-2003

LINDA POWELL, EXAMINING ATTORNEY

eORIGINAL

Int. Cls.: 9 and 42

Prior U.S. Cls.: 21, 23, 26, 36, 38, 100, and 101

Reg. No. 3,096,414

United States Patent and Trademark Office

Registered May 23, 2006

TRADEMARK
SERVICE MARK
PRINCIPAL REGISTER

SMART DOC

MORTGAGE BANKERS ASSOCIATION OF
AMERICA (ILLINOIS CORPORATION)
1919 PENNSYLVANIA AVENUE, N.W.
WASHINGTON, DC 20006

FOR: DOWNLOADABLE PRERECORDED ELEC-
TRONIC FILES IN THE FIELD OF REAL ESTATE
FINANCE STORED ON MEDIA, NAMELY MAG-
NETIC AND OPTICAL MEDIA, THAT CONTAINS
SECURITY FEATURES, AND MAY BE MANAGED,
ARCHIVED, RETRIEVED AND TRANSFERRED
AMONG AND BY USERS, IN CLASS 9 (U.S. CLS.
21, 23, 26, 36 AND 38).

FIRST USE 9-28-2005; IN COMMERCE 9-28-2005.

FOR: NON-DOWNLOADABLE PRERECORDED
ELECTRONIC FILES IN THE FIELD OF REAL
ESTATE FINANCE THAT CONTAIN SECURITY
FEATURES AND MAY BE MANAGED, ARCHIVED,
RETRIEVED AND TRANSFERRED AMONG AND
BY USERS, IN CLASS 42 (U.S. CLS. 100 AND 101).

FIRST USE 9-28-2005; IN COMMERCE 9-28-2005.

THE MARK CONSISTS OF STANDARD CHAR-
ACTERS WITHOUT CLAIM TO ANY PARTICULAR
FONT, STYLE, SIZE, OR COLOR.

SN 78-344,673, FILED 12-23-2003.

DARRYL SPRULL, EXAMINING ATTORNEY

eORIGINAL

TRADEMARKS, SERVICE MARKS, PATENTS, COPYRIGHTS, & TRADE SECRETS

TRADE/SERVICE MARKS

There exist no question in fact that MERS is a registered Service Mark, substantiated by United States government issued registration to a government

Assignment is an issue in relation to the perfection of security interests with a trademark as collateral. In the case of a trademark the Lanham Act has special restrictions and limits on the transfer of trademarks. Under the Lanham Act the trademark must be assigned with the goodwill of a business in which the mark is used. A trademark cannot exist separately or apart from the business with which they have become associated with. Assignments in relation to a trademark even those with the intent to create a security interest must include

TRADE/SERVICE MARKS

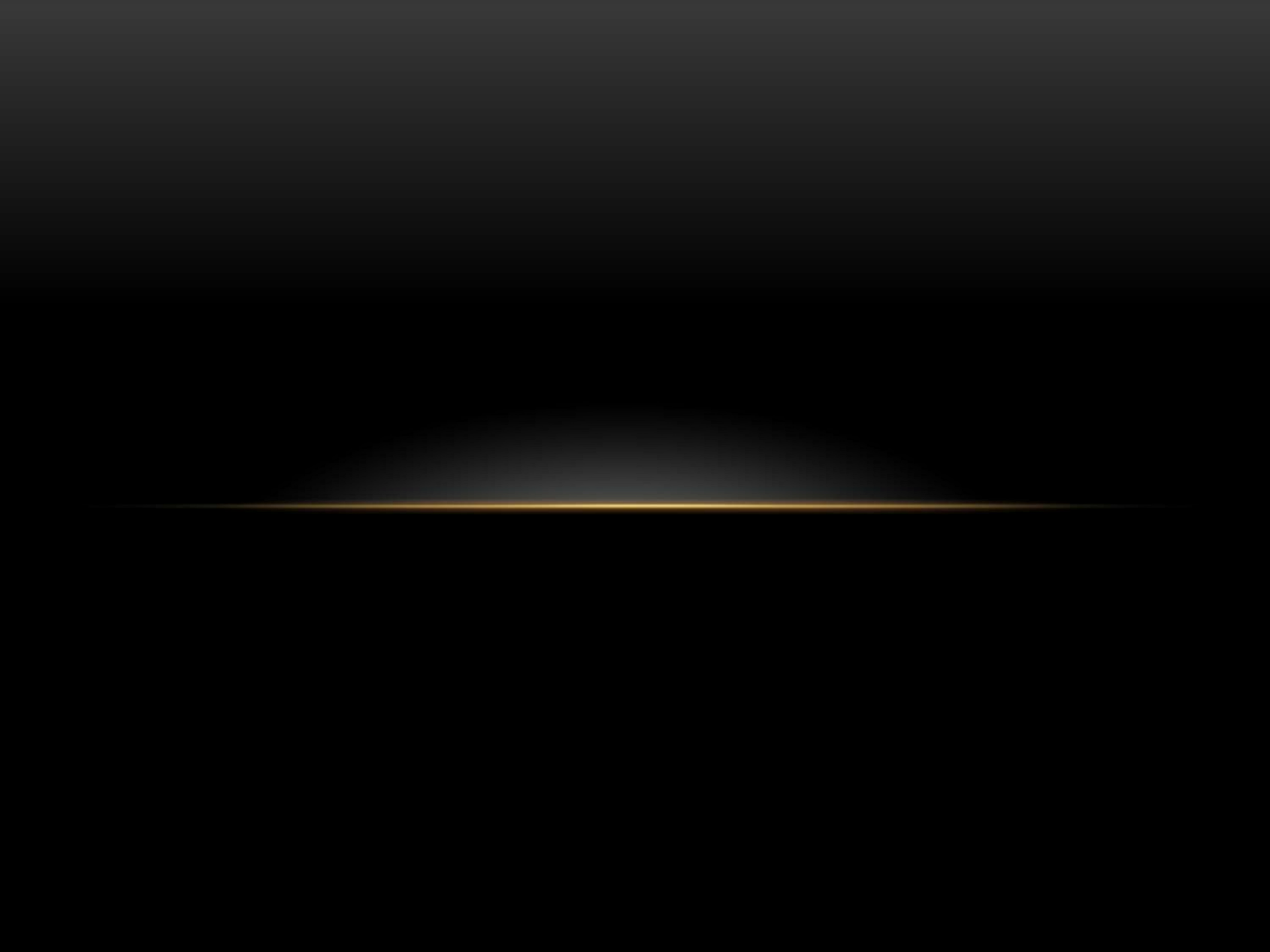
Stahly, Inc. v. M.H. Jacobs Co., 183 F.2d 914, 917 (7th Cir. 1950) (“It must be remembered that the trade-mark laws and the law of unfair competition are concerned not alone with the protection of a property right existing in an individual, but also with the protection of the public from fraud and deceit, and it is obvious that the right of the public to be so protected is a right which transcends the rights of the individual trade-mark owner and is beyond his power to waive.” (citations omitted)).

Secret Liens

'The law decries a "secret lien", [1] universally castigating them. the U.S. Court of Appeals for the Fourth Circuit long ago stated,, "secret liens have always been repugnant to the law." [2] Secret liens are interests in personal property that are not recorded or readily observable. Prominent American jurisprudential scholar, Karl Lewellyn equated the secret lien as *'the rat in Denmark'*. [3]

. The Solution to the Secret Lien **The Financing Statement**

The financing statement makes generally enforceable any loan or similar transaction involving personal property. A simple statement identifying the borrower, the lender and the property involved filed with the public office designated by law (usually Article 9 of the Uniform Commercial Code). [4] If the financing statement filed is in proper form, and the underlying contracts were executed, the lender's rights in the borrower's property would be "perfected"—enforceable not only against the borrower but also against anyone else seeking to stake a claim in that property, such as buyers, other creditors or a bankruptcy trustee, should the debtor fail.



Secret Liens, Notice Filing & Revised Article 9

The courts are requiring of a refresher course in the historical annals of consistent case law that deplores secret liens as it applies present day property rights and notice filing, because revised UCC Article 9 is ripe with schemes in creating a plethora of secret liens.

Revised UCC Article 9 is a direct assault on individual property rights....***scratch that***....more accurately, it is the direct theft of an individuals property, what he/she/they own or ever will own. Revised UCC Article 9 is the playbook for those possessing tremendous superior knowledge in creating new forms of property and property rights (collateralized) as the instruments and tools used in the thievery.

Bank Accounts

Data

Brokerage Accounts

Intellectual Property

Fraudulent Conveyance

A fraudulent conveyance involved a transfer of property after a debt was incurred and not satisfied. Placing the property out of reach of the creditor being the chief evil.
(ex post)

Secret lien cases often involve a transfer of property prior to a debt being incurred.
(ex post or ex ante)

One way to understand fraudulent conveyance was as an affront to community norms. The statute that Twyne's Case enforced – the Statute 13 Elizabeth c. 5 – was enacted in part to deal with debtors who would remove themselves and/or their property from the community once it became apparent that they could not satisfy their debts. 91 As Professor Flint explains –

'Overburdened debtors in the fourteenth and fifteenth centuries frequently transferred all their lands and goods to their friends in trust for use of the grantor through fictitious sales, fled to one of the numerous sanctuaries where the king's court's power did not govern, lived luxuriously from the income of

Recordation

Recordation systems, in part, developed as an informational proxy for possession which could deter or correct the problems of fraudulent conveyance and secret liens which began to flourish in the early part of the 19th century. Recording was viewed as a means of deterring the actual or constructive fraud presumed to be at the heart of the non-possessory property interest. As for community norms, fraudulent conveyance was a transgression whereby the disclosure of information became a method of regulating that which the community could not.

‘Overburdened debtors in the fourteenth and fifteenth centuries frequently transferred all their lands and goods to their friends in trust for use of the grantor through fictitious sales, fled to one of the numerous sanctuaries where the king's courts' power did not govern, lived luxuriously from the income of the property transferred until the creditor accepted payment of a small portion of the debt and released the remainder, then returned, and had back their property.’ [1]

Rev UCC Article 9 – Asset Securitization

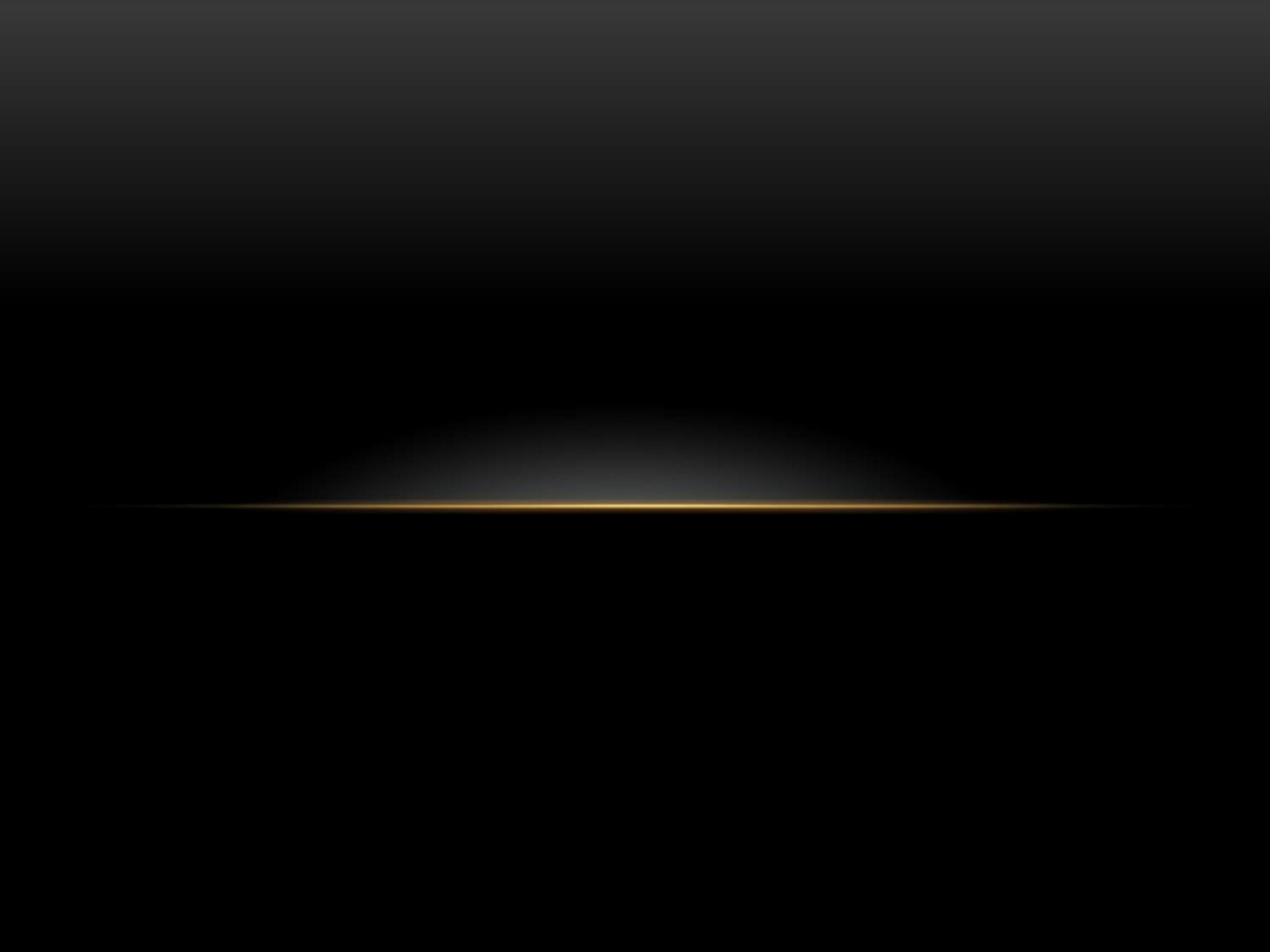
Three Ways a “proceeds” Security Interest Create Secret Liens:

- Revised section 9-102(a)(64)(A) defines proceeds as including, among other things, “*whatever is acquired upon the . . . license . . . of collateral.*” This means that licenses of a copyright or patent, for example, should be “proceeds” of the original collateral.
- Revised section 9-102(a)(64)(A) provides that the secured party may pursue proceeds in the hands of parties other than the debtor. This means that, unless a license is “ordinary course” (non-exclusive), the security interest continues even as to third party licensees, sub-licensees, and so on.
- Revised section 9-102(a)(64)(C) provides that proceeds include “rights arising out of collateral” picking up all kinds of rights associated with original collateral, including intangible rights in technologies and data associated with original collateral.

Rev UCC Article 9 - Proceeds

Three Ways a “proceeds” Security Interest Create Secret Liens:

- Revised section 9-102(a)(64)(A) defines proceeds as including, among other things, “*whatever is acquired upon the . . . license . . . of collateral.*” This means that licenses of a copyright or patent, for example, should be “proceeds” of the original collateral.
- Revised section 9-102(a)(64)(A) provides that the secured party may pursue proceeds in the hands of parties other than the debtor. This means that, unless a license is “ordinary course” (non-exclusive), the security interest continues even as to third party licensees, sub-licensees, and so on.
- Revised section 9-102(a)(64)(C) provides that proceeds include “rights arising out of collateral” picking up all kinds of rights associated with original collateral, including intangible rights in technologies and data associated with original collateral.



MINDBOX



Artificial Intelligence is a term used to describe a number of technologies and problem-solving methodologies. What the different AI techniques have in common is that they were all initially developed by academic research laboratories, and that they all aim at mimicking the way that human beings think, behave, or solve problems



Welcome to the world of MindboxThe AI foundational base of the New Paradigm, human decisioning custom designed to how Corporate Privatization wants us to think.....for their gain to society's loss

MindBox, Inc. was formed as a newly created and independent company in April 2000 in a management-led leveraged buyout from Brightware Inc. Formerly Brightware's Custom Solutions Division. MindBox's focus is on developing and providing software and services based on ART*Enterprise®, the leading rule- and case-based reasoning solution on the market today.



Brightware, Inc., MindBox's former parent company, was itself formed in 1995, as a spin-off from Inference Corporation, an artificial-intelligence software design company. Brightware was responsible for the ART development tools family and related consulting solutions. Inference, founded in 1983, was the originator of the ART case-based reasoning software.

Inference

Case-Based Reasoning System

Patent #: EP 0575473 B1

March 4, 1992

US 5581664 A

May 23, 1994

WO 1992015951 A1

Sept 17, 1992

Autonomous Learning and Reasoning Agent

Patent #: WO 1993021586 A1

Apr 14, 1993

US 5852814 A

Dec 10, 1996

US 5586218 A

Aug 24, 1995

Machine Learning with a Relational Database

Patent #: WO 1993021587 A3

Apr 14, 1993

Inference

Integration of Case-Based Search Engine into Help Database

Patent #: US 5701399 A

December 20, 1996

Case-Based Organizing and Querying of a Database

Patent #: WO 1995002221 A1

Jul 5, 1994



Automatic Elect Message Interpretation & Routing

Patent #: US 6182059 B1

May 8, 1997

System and Method for Message Process and Response

Patent #: US 6278996 B1

March 30, 1998

Automatic Message Interpretation and Routing System

Patent #: US 6411947 B1

April 2, 1998

“Brightware is focusing on key market segments to drive forward on its mission to make the Net the world’s best sales channel. We have leveraged our strength in financial services to successfully penetrate the retail banking and mortgage segments and now are making inroads into the securities and insurance sectors.”

**Chuck Williams, president and CEO of
Brightware**



Number of Patents

0

us



Netherlands

Method and program for generating a
subset of data from a database.

Aanvraagnummer: 2002900

MindBox B.V.

5/15/2009



Mindbox did not require any patents, they already possessed them through Inference & Brightware. The products that spun off the patents though became the foundational base that Mindbox & Brightware used in custom applications across the entire banking, investment, and financial services sectors and whom retained Mindbox and Brightware to design, changing forever the world we live in.

reference

ART*Enterprise

(Expert System)



Rule-Based

Expert System

Cased-Based



Rule-Based

```
graph TD; RB[Rule-Based] --> C[CONDITION]; RB --> A[ACTION]; C --> A;
```

CONDITION

If

the doorbell rings

ACTION

then

answer the door

“The biggest difficulty in managing knowledge is changing people's behavior”

CONDITION

If

the doorbell rings

CONDITION

and

You know the person

CONDITION

and

You are expecting that
person

ACTION

then

answer the door

OR

CONDITION

If

the doorbell rings

CONDITION

and

You do not know
the person

CONDITION

or

You do know the
person

CONDITION

and

The visit is
unexpected

ACTION

then

do not answer
the door

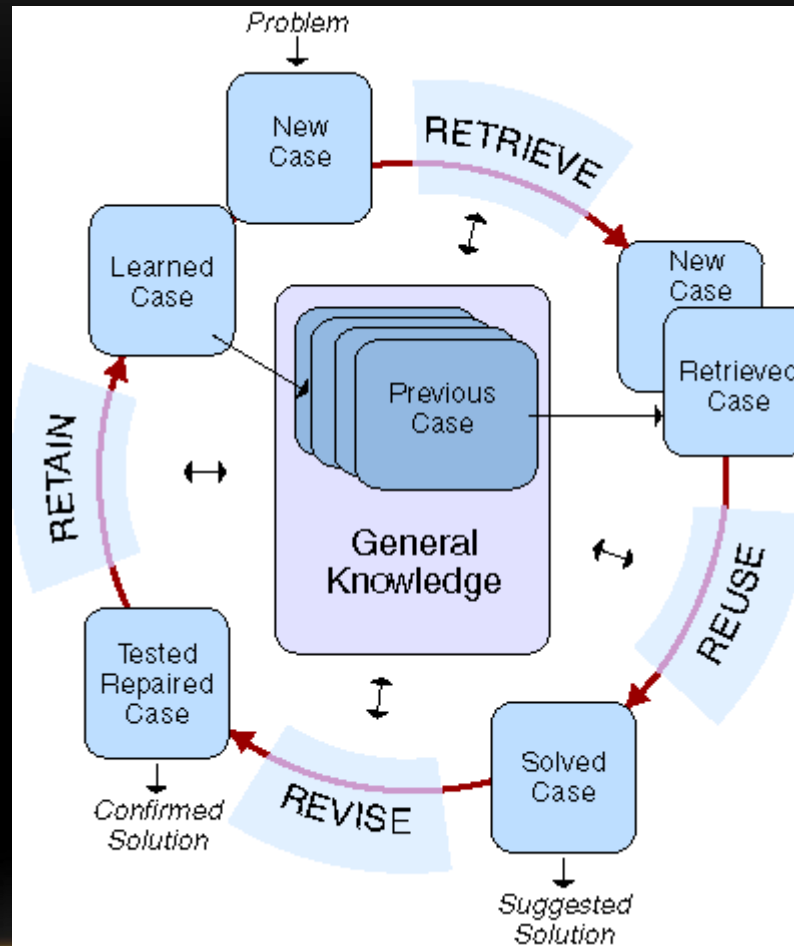
Case-Based

Case-based reasoning is a four cycle process:

- RETRIEVE the most similar case or cases
- REUSE the information and knowledge in that case to solve the problem.
- REVISE the proposed solution
- RETAIN the parts of this experience likely to be useful for future problem solving

Refer to Diagram, next slide

Case-Based



ART*Enterprise

(Products, Clients, and Implementations)

ART*Enterprise

(Component Products)

ART*Credit

Provides companies with a framework that can be used to build a customized credit tool, including an interface to credit bureau or agency information, and support for analyzing and grading credit. ART*Credit pulls in credit sources, interprets those sources, and then allows for the incorporation of rules by which the credit will be graded and a decision on best action to take will be provided.

ART*Explain

Provides explanation of why a final or intermediate decision was reached regarding an applicant's credit or loan. It dynamically generates explanations during the reasoning process, and incorporates specific transaction information in these explanations. ART*Explain enhances customer service by providing clear reasons, at the time of interaction, why a particular decision or recommendation was made.

ART*Enterprise

ART*Animate

Assists in the maintenance of a process flow within a rule based system. It allows a developer to manage and track process flows within the system. They can therefore make sure the sequencing, prioritization and strategy of decisioning within the system is consistent and in keeping with company policy

ART*Exclude

Automates decisions regarding particular product offerings to exclude non-qualifying products from an offer to a given client, based on that client's credit information and loan requirements. Using ART*Exclude, institutions can ensure that they are implementing their risk management policies consistently and effectively, regardless of client contact channel.

ART*Optimize

A suite of components that allows for complete personalization of every step in the loan origination and underwriting process, that combines all other components with added functionality to provide a solution set for originating and underwriting a loan.

ART*Enterprise

ART*Stipulate

Automatically provides information regarding what documentation must be provided, or other conditions be met by a borrower in order to finalize a loan. The component allows institution-specific stipulations to be incorporated into the system and creates a central repository for such policies, ensuring consistent treatment of product requirements or constraints enterprise-wide.

ART*Price

ART*Price provides a framework for automated pricing of a given product or service. This price is specific to a given customer and is based on that financial institution's policies, the particular customer's requirements, credit background, and ability to pay. ART*Price allows lenders to meet customer needs with a price tailored to the individual, while also ensuring compliance with company's pricing policies and bottom line financial goals.

Mindbox – Trademark Registrations

Int. Cls.: 9, 41 and 42

Prior U.S. Cls.: 21, 23, 26, 36, 38, 100, 101 and 107

United States Patent and Trademark Office

Reg. No. 2,521,963
Registered Dec. 25, 2001

TRADEMARK SERVICE MARK PRINCIPAL REGISTER

MINDBOX

MINDBOX, INC. (CALIFORNIA CORPORATION)
300 DRAKE'S LANDING, SUITE 155
GREENBRAE, CA 94904

FOR: COMPUTER SOFTWARE, NAMELY COMPUTER SOFTWARE FOR AUTOMATING BUSINESS PROCESSES AND FOR LINKING BACK OFFICE BUSINESS OPERATIONS WITH FRONT OFFICE OPERATIONS, AND FOR INTERFACING WITH COMPUTER NETWORKS AND TELECOMMUNICATION EQUIPMENT, AND MANUALS SOLD AS A UNIT THEREFORE, IN CLASS 9 (U.S. CLS. 21, 23, 26, 36 AND 38).

FIRST USE 4-1-2000; IN COMMERCE 4-1-2000.

FOR: SOFTWARE APPLICATION DEVELOPMENT TRAINING AND EDUCATION, AND EDUCATIONAL MATERIALS USED THEREWITH, IN CLASS 41 (U.S. CLS. 100, 101 AND 107).

FIRST USE 4-1-2000; IN COMMERCE 4-1-2000.

FOR: CONSULTING SERVICES, NAMELY CONSULTING WITH AND DEVELOPING COMPUTER PROGRAMS FOR OTHERS, IN CLASS 42 (U.S. CLS. 100 AND 101).

FIRST USE 4-1-2000; IN COMMERCE 4-1-2000.

SER. NO. 76-090,624, FILED 5-17-2000.

GARY THAYER, EXAMINING ATTORNEY

United States of America United States Patent and Trademark Office

ARTAdvisor

Reg. No. 3,880,547

Registered Nov. 23, 2010

Int. Cl.: 9

TRADEMARK

PRINCIPAL REGISTER

MIND LENDING SOLUTIONS, INC. (DELAWARE CORPORATION)
3300 BRANDYBROOK PARKWAY, SUITE 100
WILMINGTON, DE 19803

FOR: PORTFOLIO REVIEW SOFTWARE THAT FACILITATES THE ACQUISITION OF INTERNAL DATA SERVICES AND INCORPORATES IT IN A REVIEW AND RISK ANALYSIS IN A PORTFOLIO OF LOANS FOR ACQUISITION, SERVING AND LOSS MITIGATION IN CLASS 9 (U.S. CLS. 21, 23, 26, 36 AND 38).

FIRST USE 10-11-2008; IN COMMERCE 12-31-2008

THE MARK CONSISTS OF STANDARD CHARACTERS WITHOUT CLAIM TO ANY PARTICULAR FONT, STYLE, SIZE, OR COLOR.

SER. NO. 76-011,484, FILED 12-01-2008

JEFFERY CONRAD, EXAMINING ATTORNEY

Int. Cl.: 9

Prior U.S. Cls.: 21, 23, 26, 36 and 38

United States Patent and Trademark Office

Reg. No. 2,544,497
Registered Mar. 5, 2002

TRADEMARK PRINCIPAL REGISTER

ART CREDIT

MINDBOX, INC. (CALIFORNIA CORPORATION)
300 DRAKE'S LANDING, SUITE 155
GREENBRAE, CA 94904

FOR: COMPUTER SOFTWARE, NAMELY COMPUTER SOFTWARE MODULES FOR AUTOMATING BUSINESS DECISION MAKING PROCESSES AND FOR EVALUATING CREDIT INFORMATION AND FOR LINKING BACK OFFICE BUSINESS OPERATIONS WITH FRONT OFFICE OPERATIONS, AND FOR INTERFACING WITH COMPUTER NETWORKS AND TELECOMMUNICATION EQUIPMENT, AND MANUALS SOLD AS A UNIT

THEREFORE, IN CLASS 9 (U.S. CLS. 21, 23, 26, 36 AND 38).

FIRST USE 9-1-2000; IN COMMERCE 9-15-2000.

NO CLAIM IS MADE TO THE EXCLUSIVE RIGHT TO USE "CREDIT", APART FROM THE MARK AS SHOWN.

SER. NO. 76-157,368, FILED 10-31-2000.

MIDGE BUTLER, EXAMINING ATTORNEY

Int. Cl.: 9

Prior U.S. Cls.: 21, 23, 26, 36 and 38

United States Patent and Trademark Office

Reg. No. 3,037,997
Registered Jan. 3, 2006

TRADEMARK PRINCIPAL REGISTER

ARTOPTIMIZE

MINDBOX, LLC (CALIFORNIA LTD LIABILITY CO.)
26 N. WESTLAKE BLVD., SUITE 200
WESTLAKE VILLAGE, CA 91361

FOR: COMPUTER SOFTWARE, NAMELY COMPUTED SOFTWARE MODULES FOR AUTOMATING BUSINESS PROCESSES BY COLLECTING INFORMATION CONCERNING HOW INTERMEDIATE AND FINAL CREDIT DECISIONS ARE ARRIVED, AND FOR LINKING BACK OFFICE BUSINESS OPERATIONS WITH FRONT OFFICE OPERATIONS, AND FOR INTERFACING WITH COMPUTER NETWORKS AND TELECOMMUNICATION EQUIPMENT, AND MANUALS SOLD AS A

UNIT THEREFORE, IN CLASS 9 (U.S. CLS. 21, 23, 26, 36 AND 38).

FIRST USE 10-2003; IN COMMERCE 10-2003

THE MARK CONSISTS OF STANDARD CHARACTERS WITHOUT CLAIM TO ANY PARTICULAR FONT, STYLE, SIZE, OR COLOR.

OWNER OF U.S. REG. NOS. 3,000,100, 3,000,101, AND 3,000,102.

SER. NO. 76-011,484, FILED 12-01-2008

JEFFERY CONRAD, EXAMINING ATTORNEY

Int. Cl.: 9

Prior U.S. Cls.: 21, 23, 26, 36 and 38

United States Patent and Trademark Office

Reg. No. 2,504,057
Registered Nov. 6, 2001

TRADEMARK PRINCIPAL REGISTER

ART EXPLAIN

MINDBOX, INC. (CALIFORNIA CORPORATION)
300 DRAKE'S LANDING, SUITE 155
GREENBRAE, CA 94904

FOR: COMPUTER SOFTWARE, NAMELY COMPUTER SOFTWARE MODULES FOR AUTOMATING BUSINESS PROCESSES BY COLLECTING INFORMATION CONCERNING HOW INTERMEDIATE AND FINAL CREDIT DECISIONS ARE ARRIVED, AND FOR LINKING BACK OFFICE BUSINESS OPERATIONS WITH FRONT OFFICE OPERATIONS, AND FOR INTERFACING WITH COMPUTER NETWORKS AND TELECOMMUNICATION EQUIPMENT, AND MANUALS SOLD AS A

UNIT THEREFORE, IN CLASS 9 (U.S. CLS. 21, 23, 26, 36 AND 38).

FIRST USE 9-1-2000; IN COMMERCE 9-15-2000.

OWNER OF U.S. REG. NOS. 3,000,100, 3,000,101, AND 3,000,102.

SER. NO. 76-157,368, FILED 10-31-2000.

MIDGE BUTLER, EXAMINING ATTORNEY

Int. Cl.: 9

Prior U.S. Cls.: 21, 23, 26, 36 and 38

United States Patent and Trademark Office

Reg. No. 3,041,179
Registered Jan. 10, 2006

TRADEMARK PRINCIPAL REGISTER

ARTPRICE

MINDBOX, LLC (CALIFORNIA LTD LIABILITY CO.)
26 N. WESTLAKE BLVD., SUITE 200
WESTLAKE VILLAGE, CA 91361

FOR: COMPUTER SOFTWARE, NAMELY COMPUTED SOFTWARE MODULES FOR AUTOMATING BUSINESS PROCESSES BY COLLECTING INFORMATION CONCERNING HOW INTERMEDIATE AND FINAL CREDIT DECISIONS ARE ARRIVED, AND FOR LINKING BACK OFFICE BUSINESS OPERATIONS WITH FRONT OFFICE OPERATIONS, AND FOR INTERFACING WITH COMPUTER NETWORKS AND TELECOMMUNICATION EQUIPMENT, AND MANUALS SOLD AS A

UNIT THEREFORE, IN CLASS 9 (U.S. CLS. 21, 23, 26, 36 AND 38).

FIRST USE 10-2003; IN COMMERCE 10-2003

THE MARK CONSISTS OF STANDARD CHARACTERS WITHOUT CLAIM TO ANY PARTICULAR FONT, STYLE, SIZE, OR COLOR.

OWNER OF U.S. REG. NOS. 3,000,100, 3,000,101, AND 3,000,102.

SER. NO. 76-011,484, FILED 12-01-2008

JEFFERY CONRAD, EXAMINING ATTORNEY

Int. Cl.: 9

Prior U.S. Cls.: 21, 23, 26, 36 and 38

United States Patent and Trademark Office

Reg. No. 3,037,998
Registered Jan. 3, 2006

TRADEMARK PRINCIPAL REGISTER

ARTQUALIFY

MINDBOX, LLC (CALIFORNIA LTD LIABILITY CO.)
26 N. WESTLAKE BLVD., SUITE 200
WESTLAKE VILLAGE, CA 91361

FOR: COMPUTER SOFTWARE, NAMELY COMPUTED SOFTWARE MODULES FOR AUTOMATING BUSINESS PROCESSES BY COLLECTING INFORMATION CONCERNING HOW INTERMEDIATE AND FINAL CREDIT DECISIONS ARE ARRIVED, AND FOR LINKING BACK OFFICE BUSINESS OPERATIONS WITH FRONT OFFICE OPERATIONS, AND FOR INTERFACING WITH COMPUTER NETWORKS AND TELECOMMUNICATION EQUIPMENT, AND MANUALS SOLD AS A

UNIT THEREFORE, IN CLASS 9 (U.S. CLS. 21, 23, 26, 36 AND 38).

FIRST USE 10-2003; IN COMMERCE 10-2003

THE MARK CONSISTS OF STANDARD CHARACTERS WITHOUT CLAIM TO ANY PARTICULAR FONT, STYLE, SIZE, OR COLOR.

OWNER OF U.S. REG. NOS. 3,000,100, 3,000,101, AND 3,000,102.

SER. NO. 76-011,484, FILED 12-01-2008

JEFFERY CONRAD, EXAMINING ATTORNEY

ART*Enterprise

(Component Products)

BrightResponse

acts as an inbound telemarketing agent, automating responses to e-mail and Web inquiries generated by Internet consumers as they shop on-line for mortgages

BrightAdvisor

works as an electronic “sales agent” on the Net, tracking a consumer’s actions and offering sales advice on-line



Brightware –Timeline/Client Listings

Credit Risk Management Report (Jun 3, 1996)

Brightware, Inc. today announced the signing of a Value-Added Reseller (VAR) agreement whereby CounselWare will market embedded intelligent technology built with Brightware's ART*Enterprise(R) tool in a software framework that lets legal experts generate knowledge-based software applications.

"We are pleased that CounselWare has chosen Brightware's technology to provide a truly market-leading product," said Chuck Williams, CEO of Brightware. "Now companies can leverage the knowledge of in-house or external legal counsel in software that mitigates legal risk across an entire organization. Furthermore, using Counselware's framework, they can do so without relying on specialized programming staff. The potential payback is tremendous."

Brightware Inc. has received \$3 million in new venture-capital funding from Norwest Venture Capital, a unit of the Minneapolis-based bank, and Venrock Associates, a venture capital firm. Brightware will use the funds to develop so-called knowledge deployment frameworks, which help automate decision-making processes in a variety of areas, including lending and investment. Brightware provides risk-management software to about 200 organizations.

Credit Risk Management Report (Jun 3, 1996)....cont'd

- Chase Manhattan Corporation uses Brightware's EZ Reader Internet software to analyze E-mail coming into its World Wide Web site on the Internet.
- The Federal National Mortgage Association (Fannie Mae) policy analysts use Brightware software to create underwriting rules for Desktop Underwriter, Fannie Mae's automated underwriting system.
- Brightware also provides Equifax Check Services with software used in consumer-check authorizations at the point of sale..

Brightware Inc. has received \$3 million in new venture-capital funding from Norwest Venture Capital, a unit of the Minneapolis-based bank, and Venrock Associates, a venture capital firm. Brightware will use the funds to develop so-called knowledge deployment frameworks, which help automate decision-making processes in a variety of areas, including lending and investment. Brightware provides risk-management software to about 200 organizations.

Gerlach, Kara. Real Estate Finance Today14. 5 (Mar 3, 1997)

Brightware Inc. designed and provides support for American Finance and Investment Inc. (AFI) CyberSmart Instant Mortgage Web site, a Web site that provides consumers with an interactive online environment where a mortgage loan can be approved in minutes.

Washington-based AFI, A subsidiary of Virginia First Savings Bank has licensed BrightResponse and BrightAdvice software from Brightware for use with its Cybersmart Instant Mortgage Web site. Cybersmart is an underwriting system that processes mortgage applications and is supported by customer service representatives 24 hours a day, seven days a week.

Kutler, Jeffrey. American Banker [New York, N.Y] 17 Oct 1997

Norwest Venture Capital and Venrock Associates is a Rockefeller Family venture capital and investment firm, its name derived from "Venture" and "Rockefeller" – Venture. Invested, TTC Ventures owned by Thomson Corporation, a Canadian publishing company whose holdings include American Banker. Wilson Sonsini is a prominent Silicon Valley law firm advances \$11.1 million to Brightware in developing automated sales and marketing tools for the Internet. Advanta Partners LP bought \$5 million of Series B preferred stock in Brightware in hopes to capitalize

NOVATO, Calif–(BUSINESS WIRE)–March 17, 1998

Brightware, today announced that its strategy of focusing on the financial service market in the first six months of shipping Brightware(R) has yielded significant momentum in retail banking and mortgage lending.

Brightware expands its retail client list to include:

- Bank of America
- Swiss Bank
- The Toronto-Dominion Bank
- Wells Fargo

Brightware's mortgage banking clients expands to include:

- American Finance and Investment
- Countrywide
- Fannie Mae
- Finet
- HomeSide Lending
- Registered Australian Mortgage Securities.
- iQualify
- Access National Mortgage

In the mortgage sector, Brightware helps companies improve their use of the Net to directly source more home loans. Consumers need guidance in finding the right mortgages and making a decision to close. Brightware helps companies automate routine questions and answers in the early part of the process, and then forward qualified leads to human loan officers for rapid closing.

Brightware Forms Product Services Group: The product services group offers specialized vertical service capabilities for retail banks and mortgage companies today. The group plans to add specialized vertical services for securities and insurance companies in the near term.

Brightware Bolsters its International Presence: Brightware, Ltd. The UK-based operation runs all of Brightware's international business outside North America. In October, 1997, Brightware, Ltd. signed Term Software as a Brightware distributor for Australia and New Zealand. This new Pacific Rim presence has yielded Brightware's first customer in the region, Registered Australian Mortgage Securities

NOVATO, Calif.-(BUSINESS WIRE)-April 15, 1998

Brightware Inc. today announced an alliance with Rockwell Electronic Commerce, Wood Dale, Ill., the leading vendor of call center systems. The Brightware call center systems application automatically answers free-form, natural language questions that customers enter on a Web page or send via e-mail. It interprets each inquiry and takes action according to a company's business policies and best practices. Brightware generates immediate, informative, and personalized answers. It also makes proactive, appropriate suggestions and offers, notifies relevant company employees of important situations or opportunities, and acts on requests or routes them for follow-up.

NEW YORK–(BUSINESS WIRE)–May 4, 1998

The Chase Manhattan Bank Monday announced an agreement whereby Chase will use the Brightware(R) server application to automatically classify E-mail messages received from retail banking customers.

Brightware licensed clients by March 1999, amongst others included:

- Access National Mortgage
- Advanta
- Amway
- Bank of America
- Bank of Ireland
- Chase Manhattan
- Countrywide
- Coverdell
- Egghead.com
- Fannie Mae Desktop Underwriter
- Freddie Mac Terms of Business
- HomeSide Lending
- Intuit Australia
- Loanshop.com
- MediaOne
- Peterson's
- Rockwell
- Swiss Bank
- TD Bank
- Waterhouse Securities
- Wells Fargo

NOVATO, Calif.-(BUSINESS WIRE)-March 23, 1999

Brightware, Inc., the leading supplier of customer relation management (CRM) software for the Internet, today announced a strategic partnership with The Vantive Corporation whereby Brightware(R) 3 will integrate with the Vantive Enterprise and Vantive Web solutions to meet the needs of the e-customer. Vantive merged with Peoplesoft this same year, Peoplesoft, in turn was absorbed by Oracle in 2005.

**Business Editors & High Tech Writers. Business Wire
[New York] 12 July ,1999**

Brightware has raised the bar for email management applications by providing the first in a series of industry-focused solutions,” said Chris Erickson, president and chief executive officer of Brightware. *“Brightware’s Knowledge Packs leverage our deep industry experience to provide financial service institutions with tailored email workflow and automation solutions that deliver unparalleled ROI and an exceptional e Customer experience. Our customers also benefit from our new integrator partnerships with Bowne Internet Solutions and SRA International, both of whom can help financial institutions design and implement eCustomer Assistance strategies that incorporate our products.”*

Brightware's New Partners

Bowne & Co – Bowne Internet Solutions is a consulting and development services company that partners with clients in the financial services industry to manage every stage in the evolution of their online business. Bowne brings long-term value to its relationships by combining practical application of Internet technology, in-depth knowledge in the financial services industry and the stability and resources of a worldwide company with a long history of superior customer service. Part of Bowne & Co., the world's largest financial printer, Bowne Internet Solutions can manage, repurpose and distribute a client's information to any audience, through any medium, in any language, anywhere in the world

SRA International, Inc. offers consulting and systems integration services, as well as products and business solutions, to clients in business and government. SRA provides comprehensive solutions for Internet customer relationship management projects, including customer email management and compliance integrating Brightware's award-winning email assistance solution with Assentor (R), SRA's market-leading email message screening and archiving software that helps securities firms utilize email in compliance with Securities and Exchange Commission (SEC) monitoring guidelines. With the Assentor-Brightware combination, securities firms can facilitate email communication with clients while applying technology to the compliance review process.

Brightware Acquires over a dozen new financial institutions, July, 1999

- CIBC
- Cariplo of Italy
- Cendant Mortgage
- Creditland
- New Century
- Paytrust
- Upland Mortgage
- Valley National Bank
- Westpac Banking Corp. of Australia
- as well as other major banks and brokerage houses in the US, UK and Ireland

Mindbox – Timeline/Client Listings

GREENBRAE, Calif.--(BUSINESS WIRE)--Nov. 6, 2000

MindBox announces that it has joined the Oracle Partner Program. The Oracle Partner Program is a global business network of more than 17,000 companies who deliver innovative e-business solutions based on Oracle software. MindBox will gain exposure to Oracle customers via Oracle's Partner Solutions Catalogue, a comprehensive listing of products and services from Oracle's partner community. Focusing on the Financial Services industry will allow both companies the opportunity to reach more clients facing the need for decisioning technology in their applications in order to better service their customers.

Mortgage Banking, April 2001 v61 i7 p107

MINDBOX[™], Inc. signed Jacksonville, Florida-based Alliance Mortgage Co. Alliance will deploy ArtPrice[™], a product component that provides automated pricing of products or deals for a specific customer or borrower. By evaluating the information provided by the borrower and the guidelines of the institution, the component creates pricing tailored to a given individual and situation.

American Banker, May 29, 2001 v166 i102 p24

MindBox it will build an automated underwriting system for GMAC Mortgage Corp. The system, called EnGenious by GMAC Mortgage, will automate the underwriting, product qualification, and pricing of the company's products. GMAC's mortgage operations more efficient and permit it to handle larger and more complex deal structures.

GREENBRAE, Calif.--(BUSINESS WIRE)--Oct. 8, 2001

Wells Fargo Home Mortgage's website will use MindBox's ARTOptimize(TM) software to implement new website functionalities. ARTOptimize is a sophisticated deal-structuring software product that allows for complete personalization of every step in the loan origination and underwriting process.

GREENBRAE, Calif.--(BUSINESS WIRE)--Oct. 29, 2001

MindBox and CapitalStream, a Seattle-based provider of commercial finance automation technology for banks, financial institutions and manufacturers, announce forming a partnership that will enable both companies to jointly offer loan automation solutions to the small business and leasing market. The partnership will provide customers with the ability to integrate the two companies' products to create an automated lending and leasing system focused on providing highly-personalized loan and lease options to customers.

GREENBRAE, Calif.--(BUSINESS WIRE)--Jan. 8, 2002

The lending system called EnGenious(sm), uses MindBox's sophisticated ARTEnterprise(TM) technology to fully automate underwriting, product qualification, product pricing and exception handling for all of GMAC Mortgage's products. When the system is fully implemented, GMAC Mortgage will be able to offer its customers a more individually-tailored mortgage lending experience. For example, with EnGenious, a customer will be able to receive personalized responses during the mortgage lending application procedure that will not only offer customer-specific assistance and responses, but also accelerate the entire process.

GREENBRAE, Calif.--(BUSINESS WIRE)--Oct. 21, 2002

MindBox(TM), Inc., the worldwide leader in providing intelligent technology that automates complex business and decision processes, announced today that it is working with Ocwen Financial Corp. (NYSE:OCN) to provide case-based reasoning and artificial intelligence to enhance Ocwen's Customer Relations Platform. The system, which is called the Customer Relations Expert, or CRE, will assist Ocwen's Customer Relations Agents in diagnosing and resolving complex issues for Ocwen's mortgage servicing customers.

GREENBRAE, Calif.--(BUSINESS WIRE)--Aug. 13, 2003

MindBox, a leading provider of intelligent automation software for the mortgage lending process, announced today it has reached an agreement with Aegis Mortgage Corporation's lending subsidiary, Aegis Lending Corporation, to build the company's multi channel automated mortgage lending system using MindBox's ARTOptimize software.

Initially, the Aegis system will help loan originators ask borrowers questions about their loan needs, and then analyze the responses against a given set of business and industry policies to provide the consumer with a selection of products and services available to fulfill their stated objectives.

The ARTOptimize Solution can automatically perform all of the typical steps involved in originating, underwriting and structuring a loan:

- Leverages loan application data provided by internal sources or directly from the retail customer
- Determines the qualified products and associated price for the customer.
- Provides recommendations and counter offers for applications that are not approved
For those loans that are not "approved" as is, allows users to modify the request and re-submit
- Creates an audit log of activities
- During the sales process, assists the consumers in structuring deals that meet their needs
- Prices the final product, providing an optimized offer for the specific customer.
Initially, the Aegis system will help loan originators ask borrowers questions about their loan needs, and then analyze the responses against a given set of business and industry policies to provide the consumer with a selection of products and services available to fulfill their stated objectives.

Mortgage Servicing News, Nov 2003 v7 i9 p14

MindBox, Greenbrae, Calif., has released Interactive Customer Account Manager. The intelligent system is designed for corporate call centers and servicing centers, and consists of software and services frameworks that are used to deploy a call center application utilizing intelligent scripting and proactive problem diagnosis and resolution.

Known within Ocwen as the Customer Relations Expert (CRE), the system uses MindBox's patented case-based reasoning engine to help Ocwen's customer relations agents both diagnose and resolve customer issues, and also to proactively identify and resolve other potential problems with a customer's account. The tool automatically generates scripts and instructions for call-center agents.

American Banker, Dec 3, 2003 v168 i231 p12

MindBox has released Interactive Customer Account Manager. The intelligent system is designed for corporate call centers and servicing centers, and consists of software and services frameworks that are used to deploy a call center application utilizing intelligent scripting and proactive problem diagnosis and resolution. The software automatically analyzes customer accounts in real time, and provides call-center agents with dynamically generated scripts and question prompts, the company said. The scripting information is available before the support call conversation begins and is further refined based on the conversation.

Mortgage Technology, Jan-Feb 2004 v11 i1 p4

MindBox LLC announced that Countrywide Home Loans had bought a more extensive annual license of technology used in the lender's Clues automated underwriting system.

MindBox's ARTEnterprise software now can be used in every Countrywide mortgage underwriting decision regardless of the application's origination channel.

- Wells Fargo & Co.
- J.P. Morgan Chase & Co.
- General Motors Corp.
- Principal Financial Group Inc.

GREENBRAE, CA, Mar. 22, 2004 MARKET WIRE via COMTEX

MindBox(TM), LLC, announced the addition of several new mid-market banking customers including: HomeBanc, First Preference Mortgage Corporation and ACT Mortgage Capital.

DUBLIN, CA, Mar 28, 2005 (MARKET WIRE via COMTEX)

Ellie Mae(R) Inc. announced a strategic alliance with MindBox(R),, LLC, to integrate Ellie Mae's ePASS(R) network into all MindBox products.

Ellie Mae provides a comprehensive line of products and services including the company's flagship Encompass(R) mortgage management system, Contour(TM) and Genesis2000(R) loan origination software, Executive Websites(TM) for mortgage brokers, and Ellie Mae Docs(TM) services for document processing. Ellie Mae's ePASS(R) Network is the mortgage industry's online transaction platform enabling 40,000+ mortgage companies in the United States to easily do business online with hundreds of leading lenders and nearly 100,000 settlement service providers.

Mortgage Technology, Oct 2005 v12 i7 p34 - GREENBRAE, CA

MindBox(R) LLC announced today that Saxon Capital, Inc. ("Saxon"), a residential mortgage lending and servicing real estate investment trust (REIT), has implemented a new automated loan underwriting and loan pricing system built with MindBox's ARTOptimize software.

Saxon's new rules-driven underwriting system, called i-Deals(TM), allows consumers to apply for mortgages online and receive loan approval decisions, qualifying conditions, 'best-fit' alternative loan suggestions and even reasons for loan denial -- all instantly and automatically

Saxon used MindBox's industry-proven ARTOptimize suite of software components to build the i-Deals underwriting and pricing system, and is also using the MindBox Power Editor to manage the corporate-wide underwriting rules and pricing policies that define what loan programs and interest rates to offer on any given day.

"The business advantage of having a rules-driven system is being able to instantly respond to market conditions and competitive situations," said Rich Barfus, President and CEO of MindBox, LLC. "And with the MindBox Power Editor, Saxon's loan officers can change the actual loan terms in the system without disturbing the core underwriting policies, and without having to ask for help from their IT department."

Mortgage Technology, July 2005 v12 i5 p33

Aegis Funding Corporation and MindBox(R), LLC today announced the availability of the Aegis Broker Loan Enabler (ABLE). The ABLE web-based portal offers mortgage brokers a way to electronically upload or manually enter loan submission data online, then receive back true, instantaneous underwriting decisions -- complete with conditions, stipulations and detailed pricing.

ABLE is built on MindBox's ARTEnterprise(TM) Product Suite, which automates every decision step in the mortgage lending process using patented rules decisioning technology. ABLE can also provide brokers with repair strategies and alternative loan options drawn from across the entire spectrum of Aegis Funding Corporations products and programs -- ensuring brokers can give their customers the best possible deal.

Aegis chose MindBox for the development of its ABLE portal based on MindBox's ability to address several key business needs, most notably its simplified user maintenance. MindBox's ARTOptimize(TM) and MindBox Power Editor Products are being used to:

- Automate the structuring of a deal tailored to an individual borrower's specific requirements, based on credit scoring, pricing parameters and company strategies.
- Enable line-of-business users to manage and maintain the software rules and guidelines that govern loan policies and approval criteria, instead of relying upon IT staff.
- Be able to automate cross sell of a variety of products, as well as automating product qualification and underwriting.

Aegis Mortgage Corp. has four lending subsidiaries:

- Aegis Lending Corp., headquartered in Baton Rouge, La.
- Aegis Wholesale Corp.
- Aegis Funding Corp. (which also uses the trade name Aegis Home Equity)
- Aegis Correspondent Corp., located in Houston

Aegis chose MindBox for the development of its ABLE portal based on MindBox's ability to address several key business needs, most notably its simplified user maintenance. MindBox's ARTOptimize(TM) and MindBox Power Editor Products are being used to:

News provided by Comtex Oct 24, 2005 (MARKET WIRE via COMTEX)

GREENBRAE, CA, -- MindBox, LLC, a leading provider of rules-based software products for automating loan origination decisions, deal structuring, and underwriting, announced today the launch of the MindBox Loan Decisioning Platform, a complete framework of automated templates and components for deploying web-based loan origination portals for mortgage brokers and loan officers. It allows mortgage lenders to quickly implement a portal where brokers or loan officers can submit loan applications online and get instant loan underwriting, product selection, deal structuring and pricing decisions.

The new decisioning platform announced today has already been successfully deployed in pioneering broker portals at Aegis Mortgage Corporation, ACT Mortgage Capital and Ownit Mortgage Solutions

- Paul Financial used MindBox to build a product scenario and loan submission system for its brokers. The system includes pricing, product selection, deal structuring and product guidelines. It is available via the web to an extended network of brokers.
- Ownit Mortgage Solutions used MindBox to build its OneClick automated approval system and its Broker Management Portal. OneClick is an automated, paperless Broker Approval Process that allows brokers to obtain approval through Ownit's website in about 3-5 days. Broker Management Portal provides all of Ownit's branches with the ability to remotely maintain their broker relationships. In addition, it begins to automate the entire broker management/compliance function.
- ACT Mortgage Capital used MindBox to build its ACTSys broker portal. ACTSys lets brokers get instant decisions on a wide variety of loan decisions including prequalification, pricing, quick quotes, rate locking, credit analysis, product eligibility and best-fit deal structuring.

Copyright 2005 MindBox, LLC. ARTEnterprise(TM)

MindBox(R), LLC, announced today an alliance with MSI Services. The companies plan to integrate MindBox's ARTEnterprise(TM) product family into MSI Services' CallCenterExpress -- an advanced contact center solution designed specifically for financial services companies, that allows intelligent routing of calls according to loan type, real-time access to account history and customer profile, and preview dialing. The resulting integrated solution will enable CallCenterExpress to predict and diagnose possible issues, suggest and approve cross sell products and deals, and automate the underwriting of additional loans.

According to the terms of the partnership, MSI Services will offer the integrated solution to financial services companies of all sizes as an effective tool to transform call centers into profit-generating contact centers. MindBox will also be able to offer the combined solution to its customers.

COPYRIGHT 2006 News Provided by Comtex. , Jan. 3, 2006
(Canada NewsWire)

MacDonald, Dettwiler and Associates Ltd. (MDA:TSX) announced today a significant strategic expansion in the Financial Services market. The Company has acquired privately held MindBox, LLC.

MindBox(R) will become part of MDA's Financial Services business in the U.S., and will continue its operations as a separate business unit under the leadership of Richard Barfus, President and CEO. In order to maximize synergies, MDA is proceeding concurrent with this transaction to bring all of its U.S. Financial Services business (i.e., Marshall & Swift/Boeckh (MSB), DataQuick and MindBox(R)) together under a single unified leadership team.

Mar 06, 2006 (MARKET WIRE via COMTEX) GREENBRAE, CA,

MDA lending Solutions today announced that Option One/H&R Block Mortgage Corporation has selected MindBox's ARTOptimize product suite to build its DealMaker System for automating real time structuring of mortgage loans based on customer preferences. DealMaker will automatically evaluate and respond to all loan requests processed through their point-of-sale (POS) system by retail loan officers.

Option One's new DealMaker system also allows loan officers to play "what if" scenarios to help arrive at the best loan solution. Using various levels of borrower information, the DealMaker system generates valid, fully priced proposals. These loan proposals take into account customer objectives such as rate reduction, cash out, debt consolidation, down payments and closing costs. DealMaker also contains a debt management service which allows the loan officer to plan the best credit scenario for their borrower. The DealMaker system is currently being used by retail channel loan officers and was recently expanded to the internet for use by H&R Block customers and tax professionals.

Mar 29, 2006 (MARKET WIRE via COMTEX) SAN DIEGO, CA

MDA MindBox(R) Inc. today announced that it will offer its award-winning ARTOptimize loan automation software as a hosted service available for a monthly subscription.

May 08, 2006 (MARKET WIRE via COMTEX) COPYRIGHT 2006 News provided by Comtex CHICAGO, IL

MBA National Secondary Market Conference -- MDA MindBox(R) Inc, a leader in information solutions for automating complex business and decision processes, announced today that its ARTEnterprise decisioning technology is powering the industry's first 100 percent automated risk analysis system -- the Walzak Risk Analysis Process Score (WRAPS).

The WRAPS predictive scoring model can be used by lenders and investors to replace manual quality control reviews and due diligence for evaluation and pricing of loans within a portfolio -- reducing to 45 hours what used to take up to 45 days. The patent-pending risk model was built entirely within MindBox's award-winning ARTEnterprise decisioning software system by MindBox's software engineers.

MindBox's ARTEnterprise technology integrates numerous outside data providers and various rules-based processing into one streamlined, efficient system that calculates a standardized investment risk score. Each loan in a portfolio is automatically analyzed against independent data to find potential fraudulent or inconsistent information in six areas: credit, appraised value, regulatory compliance, title, borrower income and general fraud. The system also checks calculations and other variations from policy and procedure requirements.

Jul 17, 2006 (MARKET WIRE via COMTEX) COPYRIGHT

MindBox(R) today released ARTEnterprise 10.1.1. The updated version of ARTEnterprise includes cutting-edge technology to speed the time it takes to match borrower loan requests against available lender loan packages when applying for online mortgage approval. In addition, MindBox has included a new Web service to give lenders new options for integrating ARTEnterprise with their existing applications.

Jul 24, 2006 (MARKET WIRE via COMTEX) COPYRIGHT 2006

Mindbox today introduced the MindBox Power Portal, a customizable web site technology for e-commerce transactions that allows lending institutions to quickly launch private branded, comprehensive web sites for automating the underwriting and approval of mortgage loan applications.

With MindBox Power Portal, brokers, loan officers and other originators are able to submit specific borrower and loan information to a web site for automatic analysis by MindBox's ARTEnterprise Decisioning Engines, including ARTOptimize, ARTQualify and ARTPrice. For every loan submitted, multiple loan scenarios are automatically generated by MindBox's deal structuring capabilities and displayed by the Power Portal.

The MindBox Power Portal is unique in that it is a single source for all of these underwriting and approval services. Before now, financial institutions had to rely on multiple vendors for each of these individual applications.

"In the competitive world of mortgage lending, providing instant and automated loan prequalifications and loan approvals available over the Web at the point of sale has become a necessity in order to attract the best brokers and loan agents, and convert more loan shoppers to borrowers." Rich Barfus, CEO Mindbox

MindBox Power Portal supports multiple channels of business -- including wholesale, correspondent, retail and affinity -- and can be implemented as a stand-alone e-commerce site or integrated into an existing web site to provide a comprehensive business offering.

Among the functionalities of MindBox Power Portal are user authentication for secure, authorized transactions; pipeline management that allows users to view the status of their loans; "Quick Quote" data entry that allows for streamlined loan shopping; comprehensive credit interface and analysis for real-time, accurate scoring; electronic integration into the lender's back office; and the ability to view loan status, underwriting stipulations and conditions in order to reduce the number of calls to the support desk

2006 SourceMedia, Inc. (c) 2006 Origination News and SourceMedia, Inc

MindBox Hit the Bulls-Eye with Its AI System. BOCA RATON, FL -- Citing artificial intelligence as the differentiator, United Mortgage Lenders, Boca Raton, Fla., has chosen MindBox's ARTOptimize product suite for its Bulls-Eye point-of-sale decisioning system

LandAmerica(R) and MindBox(R) Form Partnership

MindBox LLC, a leading provider of rules-based software products for automating loan origination decisions, deal structuring, product eligibility, pricing and underwriting, today announced a strategic partnership with LandAmerica Financial Group, Inc. (NYSE: LFG), a leading provider of real estate transaction services. The partnership was formed to integrate LandAmerica Credit Services technology into all MindBox software products.

LandAmerica Credit Services is one of the nation's largest credit reporting companies providing mortgage brokers and lenders with a full slate of credit reporting products (including tri-bureau merges), fraud products, tax return verification reports, and a broad range of real estate solutions. According to the terms of the partnership agreement with MindBox, LandAmerica will provide MindBox customers access to its credit services directly through MindBox's suite of loan origination and automated loan decisioning products.

LandAmerica Lender Services provides mortgage originators and servicers a broad range of solutions including title, escrow/closing, credit reporting, appraisals, flood hazard certification, mortgage processing and tax services, as well as foreclosure and bankruptcy services. All LandAmerica services can be accessed, quoted, and packaged on-demand through LandAmerica's LenderXtraOrder™ interface.

COPYRIGHT 2006 News provided by Comtex Nov 06, 2006

Ameritrust Mortgage Co. LLC, a nationally recognized mortgage lender based in Charlotte, NC, has deployed MindBox Power Portal and an ASAP system from MindBox(R), a leader in information solutions for automating complex business and decision processes, the company announced today.

With the MindBox solution, Ameritrust is able to automate the loan pre-approval, data gathering and underwriting processes within a Web-based broker portal, allowing the lender to reduce operating costs while increasing the volume of loans processed and approved. Additionally, the simple-to-use, point-and-click functionality allows Ameritrust's sales staff to quickly import 1003 loan application data, pull credit information from dozens of vendors, and obtain loan approvals and pricing. The entire MindBox solution was deployed and operational with a full set of Ameritrust product guidelines in less than 90 days.

COPYRIGHT 2006 News provided by Comtex Nov 06, 2006

Ameritrust Mortgage Co. LLC, a nationally recognized mortgage lender based in Charlotte, NC, has deployed MindBox Power Portal and an ASAP system from MindBox(R), a leader in information solutions for automating complex business and decision processes, the company announced today.

August 19, 2008

MDA To Combine DataQuick® and MindBox® with Lending Solutions

October 09, 2008

MDA Lending Solutions®, today announced an upgrade to its suite of Collateral Valuation Solutions with the addition of the Collateral Risk Management (CRM) Platform. The CRM Platform helps lenders more quickly value entire real estate loan portfolios in order to better manage collateral risk throughout the loan life cycle.

October 16, 2008

MDA Lending Solutions®, a provider of advanced information solutions to the real estate lending industry, announced the introduction of MDA DataQuick's Collateral Validation. The most recent addition to MDA Lending Solutions®' Collateral Risk Management platform, Collateral Validation automates the valuation reconciliation process, enabling users to more accurately review individual loans and make better informed decisions regarding default or acquisition strategy.

October 20, 2008

MDA To Combine DataQuick® and MindBox® with Lending Solutions

October 09, 2008

MDA Lending Solutions®, announced today the upgrade of MDA DataQuick's automated valuation model (AVM), which has been renamed as ValueSmart. The enhanced AVM generates accurate property values by automatically selecting and using the most appropriate valuation methodologies.

October 16, 2008

MDA Lending Solutions®, a provider of advanced information solutions to the real estate lending industry, announced the introduction of MDA DataQuick's Collateral Validation. The most recent addition to MDA Lending Solutions®' Collateral Risk Management platform, Collateral Validation automates the valuation reconciliation process, enabling users to more accurately review individual loans and make better informed decisions regarding default or acquisition strategy.

December 8, 2008

WILMINGTON, Del.--(BUSINESS WIRE)--MDA Lending Solutions®, a provider of advanced information solutions to the real estate lending industry, moved all production systems and supporting operations centers to the company's SAS 70-certified data center.

December 30, 2008

MDA Lending Solutions®, has developed its Managed Appraisal Platform, an electronic portal specifically for mortgage lenders seeking a way to achieve appraisal independence and regulatory compliance in their third party originations channel. The portal enables lenders and brokers to easily order appraisals from approved, third party sources without complicated technical integrations or high transaction fees. The portal is designed to provide compliance with the anticipated changes in appraisal regulation. MDA Lending Solutions®, announced today the upgrade of MDA DataQuick's automated valuation model (AVM), which has been renamed as ValueSmart. The enhanced AVM generates accurate property values by automatically selecting and using the most appropriate valuation methodologies.

February 02, 2010

Navy Federal Credit Union began working with MDA MindBox a division of MDA Lending Solutions® that provides advanced decisioning solutions to the mortgage ...

May 11, 2010

WILMINGTON, Del.--(BUSINESS WIRE)--Spokane, WA-based mortgage technology provider SharperLending LLC, provider of appraisal and settlement services technology solutions, has expanded its Appraisal Firewall technology product to offer automated appraisal reviews through a partnership with MDA Lending Solutions® and ValuationLogic. Lenders can now run each appraisal through a rule set that performs a detailed check for errors and takes a matter of seconds to complete. This helps lenders make faster underwriting decisions and increases loan production.

November 5, 2010

MDA Corporate announced the sale of its Property Information business, including MDA Lending Solutions, to TPG Capital on Nov 5th. This is a result of MDA's desire to focus on its core competencies in the space missions and technology business

January 3, 2011

MDA Lending Solutions has launched the LoanShield™ suite of products to assist customers in satisfying Fannie Mae's Loan Quality Initiative (LQI) recommendations and reducing mortgage fraud.

January 4, 2011

TPG Capital (TPG) today announced that it has completed the acquisition of the Property Information business of MacDonald, Dettwiler and Associates Ltd. This business, principally located in the U.S. and Europe, provides property information, solutions and services to insurance, financial, legal and real estate professionals.

January 20, 2011

MDA Lending Solutions, a leading supplier of appraisal and settlement services critical to the day-to-day operations of lenders nationwide, has adjusted its Appraisal products and Non-Appraisal Evaluations to meet the new interagency guidelines issued by the Federal Financial Institutions Examination Council (FFIEC) concerning valuation standards...

May 2, 2011

As a result of TPG Capital's purchase of MDA DataQuick, MDA Lending Solutions and MDA MindBox in January, the three companies will integrate their operations effective May 2, 2011

SUMMARY

Multifaceted Technical Director experienced in Design, Development, Management and Sales

Specialization in Intelligent/Knowledge-intensive Systems with high financial return

12 years experience successfully managing and delivering consulting projects (8 staff/\$2mil budget)

Developed Algorithms for Mortgage Structuring and Pricing, Insurance Adjusting, Process Automation, Optimization, and Effectiveness Evaluation Specialties

Artificial Intelligence Technologies (Rule- and Case-based Expert Systems and tools, Genetic Algorithms, Neural Networks, Fuzzy Logic and hybrid techniques, Signal Processing and Analysis, Image Analysis, Computer Vision, Predictive Maintenance)

Programming Languages and Paradigms (ART*Enterprise Expert System Tools, Perl, Java/JSP, C, C++, C#, Oracle/MySQL RDBMSs, XML, MATLAB, n-tier environments, SOA, SaaS, Agile Development, Extreme Programming)

Consultant to Marshall & Swift/Boeckh

MDA MindBox, Inc.

January 2008 – Present (5 years 7 months)

SOA, SaaS, Agile Development, Extreme Programming)

Chief Architect and Designer of the first application of business rules to the Insurance Adjusting domain. Added a rules engine expert system to an existing insurance adjusting tool to allow business policies and best practices to be enforced for multiple insurers. Modeled the insurance domain to allow business policy makers to edit and maintain their own policies without requiring IT assistance. This project will provide significant saving to insurers by helping to enforce best practices and to eliminate fraud and waste, and will reduce the level of adjusting experience necessary for accurate estimates.

Director, Industry Solutions Group

MDA MindBox, Inc.

November 2007 – Present (5 years 9 months)

As Director, provide MindBox executives and sales team with customized demos and prototypes and support closing deals. Devise solutions to unique customer opportunities and negotiate contracts and agreements such as RFPs, MSAs and SOWs for each client. Recently constructed several proof-of-concept applications in the areas of software pricing, hazard insurance and banking among others, promoting the Industry Solutions Group's warrant to extend MindBox's technology beyond its core mortgage space

Minor Engagements and Internal Development

MDA MindBox, Inc

January 2004 – Present (9 years 7 months)

Led and assisted in numerous projects of 1-2 week duration, as well as designed and implemented parts of several MindBox products when not involved in long term projects. Became familiar with a wide range of technical products and platforms and improved ability to rapidly acquire new technology. Projects have included a mortgage closing costs engine, testing and QA for other projects, generic component development (expert system frameworks) and work on the PowerEditor rules maintenance environment and the ARTAdvisor risk analysis platform.

Consultant to First Horizon Home Loan Corp

MDA MindBox, Inc

August 2005 – April 2007 (1 year 9 months)

Project Manager coordinating the delivery of an ARTOptimize Automated Mortgage Underwriting System (AUS). Originally brought in to turn around a failing project; orchestrated the successful 16-week delivery of a fully functional expert system. Demonstrated the capabilities of the technology, convincing the FHHLC executives to expand the system through several more phases. Led initiative that allowed 34 regional presidents to maintain regional loan pricing over the web using a customized rules editing environment. Personally automated IT support tasks associated with the rules engine, bringing human maintenance time to less than 1 person-hour per month, using a combination of Perl and shell scripting.

Consultant to Saxon Mortgage Inc

MDA MindBox, Inc.

January 2004 – August 2005 (1 year 8 months) Minor

Technical Lead designing and implementing a custom mortgage underwriting expert system. Developed requirements and documentation as well as coded the majority of the engine. Optimized rules engine performance to structure and qualify a borrower for hundreds of potential mortgage loan scenarios in seconds. Prior to production release the system gained the confidence of Saxon management when during QA testing the engine consistently outperformed all human underwriters.

Consultant to USDA Rural Housing Services

MDA MindBox, Inc.

April 2003 – January 2004 (10 months)

Designed and built the first expert system to use the MindBox PowerEditor rules editing environment. PowerEditor allowed business users to maintain their own knowledge bases, and forced a paradigm shift in how MindBox consultants developed systems. Established an implementation methodology for PowerEditor-based systems and cut development time for a standard rules engine project from 16 months to 16 weeks. Oversee support of this client through present day

Consultant to Wells Fargo Home Mortgage
MDA MindBox, Inc.

July 2001 – April 2003 (1 year 10 months)

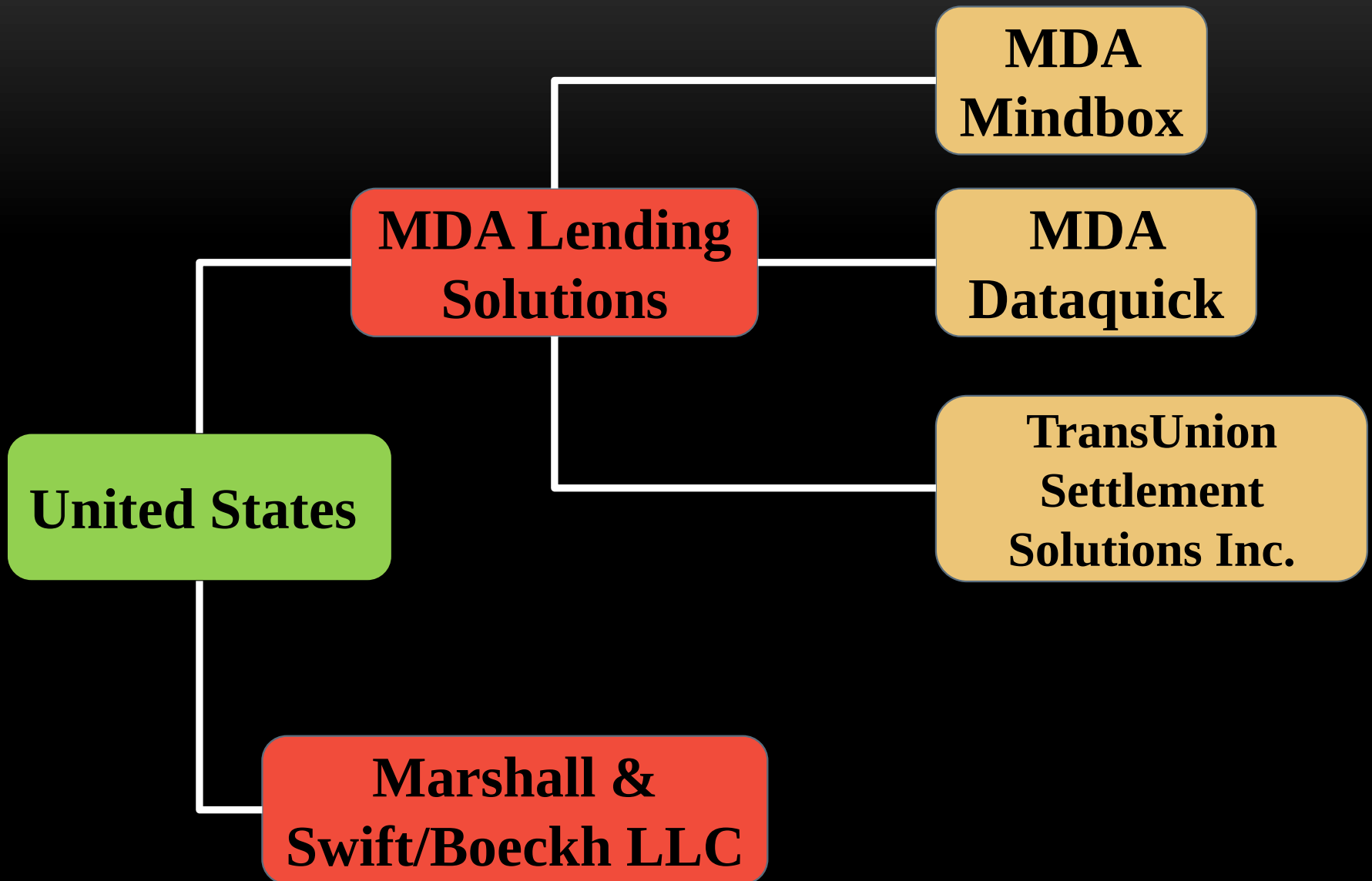
Oracle database guru for the expert system behind the still best-of-breed mortgage loan sandbox on the web. Designed and maintained the elaborate database behind the HLWB rules engine in seven development and test environments. Coded ART*Script rules and engine internals, process automation and performance metrics.

Consultant to American Business Financial Services
MDA MindBox, Inc.

March 2000 – July 2001 (1 year 5 months)

As a Knowledge Engineer, analyzed and coded business policies being implemented into the Easy Loan Advisor automated underwriting system. Led the QA testing effort as a new member of the team, and developed several enhancements and performance metrics during the system's first year in production. Developed process to evaluate the effectiveness of the system vs. manual underwriting.

MacDonald, Dettwiler and Associates



**MDA
Dataquick**

**MDA
Lending
Solutions**

**MDA
Mindbox**

- Credit Approvals
- Title Services
- Collateral Valuations
- Flood zone compliance
- Closing and Funding
- Document Services
- Loan Origination

**TransUnion
Settlement
Solutions Inc.**

Provider of real property information:

- Property history and characteristics
- sales and loan information
- Market valuation
- Neighborhood information.

**Advanced Decisioning
Solutions Provider:**

- ART*Enterprise
- ART*Advisor
- ART*Qualify
- ART*Price
- ART*Optimize
- Mindbox PowerPortal
- Mindbox PowerEditor

Marshall & Swift/Boeckh LLC



Property Intelligence Provider:

- Risk Selection and Pricing Solutions
 - Property and Business Underwriting and Risk Assessment Services
 - Policy Management & Retention Services
 - Claims Settlement & Claims Administration
- .

Canada

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graph TD; Canada[Canada] --> MDA[MDA Access British Columbia Ltd]; MDA --> Services[E-Government Services for Legal, Business, Government and Professionals];
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**MDA Access British
Columbia Ltd**

**E-Government Services for Legal,
Business, Government and
Professionals:**

- Court Services Online
- Land Title and Survey Authority
- Electronic Filing System (EFS)
- Land Title & Survey Information
- LandCor Property Valuation
- TELUS Asset Real Estate
- Atsource Discharge of Mortgage
- Tax Online Certificates BC
- Assessment Manufactured Home
- Registry
- Personal Property Registry
- Corporate Registry
- Wills Registry
- Gas & Electric Permits

Scotland

**Millar & Bryce
Limited**
(Glasgow, Scotland)

Information Services Company:

- Property Valuations and Conveyance
- Land Registry
- Title & Deed Registrations
- Genealogical Search Services
- Coal Authority Mining Reporting
- Company Formations & Searches

Ireland

**Rochford Brady
Group**
(Dublin, Ireland)

Ancillary Legal & Information Services Company For:

- Property Valuations and Conveyance Land Registry
- Title & Deed Registrations
- Licensing and Certifications

England/Wales

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graph TD; A[England/Wales] --> B["The National Land Information Service (NLIS) (West Malling Kent)"]; A --> C["xit2 Limited (Charlbury, Oxfordshire)"]; B --> D["Electronic Land & Property Database e-Conveyance Servicing Co."]; C --> E["➤ Online Property Data Network Mortgage Valuations and Origination<br/>➤ Conveyances<br/>➤ EPC Delivery<br/>➤ Arrears and Debt Management<br/>➤ Repossessions management"];
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The National Land Information Service (NLIS) (West Malling Kent)

Electronic Land & Property Database
e-Conveyance Servicing Co.

xit2 Limited
(Charlbury, Oxfordshire)

- Online Property Data Network Mortgage Valuations and Origination
- Conveyances
- EPC Delivery
- Arrears and Debt Management
- Repossessions management

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graph TD; Germany[Germany] --> HVB[HypoVereinsbank AG (HVB)]; Germany --> BankAustria[Bank Austria Creditanstalt]; HVB --> Wertweiser[Wertweiser GmbH Germany]; Wertweiser --> Database[Electronic Land & Property Database e-Conveyance Servicing Co.];
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Germany

**HypoVereinsbank AG
(HVB)**

**Bank Austria
Creditanstalt**

**Wertweiser GmbH
Germany**

Electronic Land & Property
Database
e-Conveyance Servicing Co.

Creditanstalt AG

Creditanstalt offers commercial and investment banking services to its customers in Austria and abroad. Additionally, the Bank is engaged in mortgage financing, foreign exchange trading, and through its overseas branches, subsidiaries and associated companies, provides services such as trade finance, cross border mergers and acquisitions, the financing of corporate restructurings, portfolio management, commercial paper and privatization. As a supplementary service, Co. also engages in insurance and real estate.

Bank Austria Creditanstalt

UniCredit Bank Austria is engaged in the provision of a range of banking and financial services, including private and retail banking, commercial banking, telephone banking, electronic and online banking, merchant banking, investment banking, leasing, asset and portfolio management, lending to industry, real estate finance, export and trade financing, insurance, pensions, foreign exchange trading, and credit card services..

Vereinsbank International S.A. (Luxembourg) HypoVereinsbank AG (HVB)

A commercial bank engaged in domestic and international lending, foreign exchange transactions, securities dealing, investment management, and inter-bank money market operations. Co. operates through the following business sectors: Private Customer, Corporate Customer, Interest Rate Markets, Treasury Department, and Foreign Exchange Markets.

MDA – Information Systems Division

Surveillance and Intelligence

- AN/APS-508
- Blackwave™ STAP GMTI
- Electronic Filing System (EFS)
- Exploitation Products
- Ferret Acoustic Small Arms Detection
- Geospatial Intelligence Products
- Global Procedure Designer (GPD)
- Hazardous Environments
- IceView
- Instrument Flight Procedure Designer
- Land Title Systems
- Maritime Command Operational Information Network
- Maritime Security
- MDA BlueHawk
- Mobile Scene Modeler (mSM)
- Naval Combat Operator Trainer
- Oil Tracker
- Operational Ground Systems
- RADARSAT Maritime ISR
- RALCAM
- Reconfigurable Naval Tactics Trainer
- SeaView Maritime Monitoring System
- Ship Combat Systems Integration
- SIVAM Airborne Radar System
- Surface Movement Monitoring
- Unmanned Aerial Vehicles - Commercial
- Unmanned Aerial Vehicles - Defence and Intelligence
- Wireless Synthetic Aperture Radar (WiSAR)

MDA – Information Systems Division

Advanced Technology

- Actuators
- Alpha Particle X-Ray Spectrometer (APXS)
- Berthing Cue Systems
- Camera Focus and Zoom
- Canadarm2 End Effector
- CBRN Crime Scene Modeler (C2SM)
- Commercial Space
- Coring and Drilling
- End Effectors
- Extra-vehicular Robotics and Crew Systems
- Gimbals
- Hazard Detection System (HaDS)
- Inspection Boom
- Launch Locks and Re-stow Mechanisms
- Mechanical Ground Support Equipment
- On-Orbit Servicing
- Optical Benches
- Phoenix MET
- Planetary Exploration Rovers
- Robotic Work Station
- Robotics
- Robotics Dynamic Analyses
- Robotics Hardware Design and Analyses
- Robotics Integration and Verification
- Robotics Operations
- Robotics Simulations
- Science Instruments

MDA – Information Systems Division

Advanced Technology

- Instant Mine Modeler (iMM)
- Instant Scene Modeler (iSM)
- Interferometer Instruments
- JEM End Effector
- Software Design, Development, Integration and Test
- System Engineering
- System Engineering and Robotics Operations Support
- Tie-Down Separation Plane (TDSP)
- Underground Global Positioning System (UGPS)
- Vision Systems

Communications

- Antenna Support Structures
- Antennas
- Digital Products
- Electronics
- Passively Damped Structures
- Payloads
- Power Products
- RF Products
- Satellite Terminals
- Specialized Engineering Services
- Test and Manufacturing Services

MDA – Current Operating Subsidiaries

- Cascade Data Services Inc.
- MacDonald, Dettwiler and Associates Corporation
- MacDonald, Dettwiler and Associates GmbH
- MacDonald, Dettwiler and Associates Inc.
- MacDonald, Dettwiler Information Technology Services LLC
- MDA Information Service (Luxembourg) S.a.r.l.
- MDA Geospatial Services Inc.
- MDA Information Services Inc.
 - ATI TITLE COMPANY LLC
5700 SMETANA DR STE 400 HOPKINS, MN
TITLE ABSTRACT AND RELATED INSURANCE
SERVICES
- MDA Insurance Services Inc.
- MDA Systems Inc.
- MDA Systems Ltd.



"Without the technology, there is no way we would have been able to do the amount of business that we did and continue to do."

Scott Berry, the financial institution's Agoura Hills, Calif.-based executive vice president of artificial intelligence.

Countrywide was originating well over 150,000 loans per month

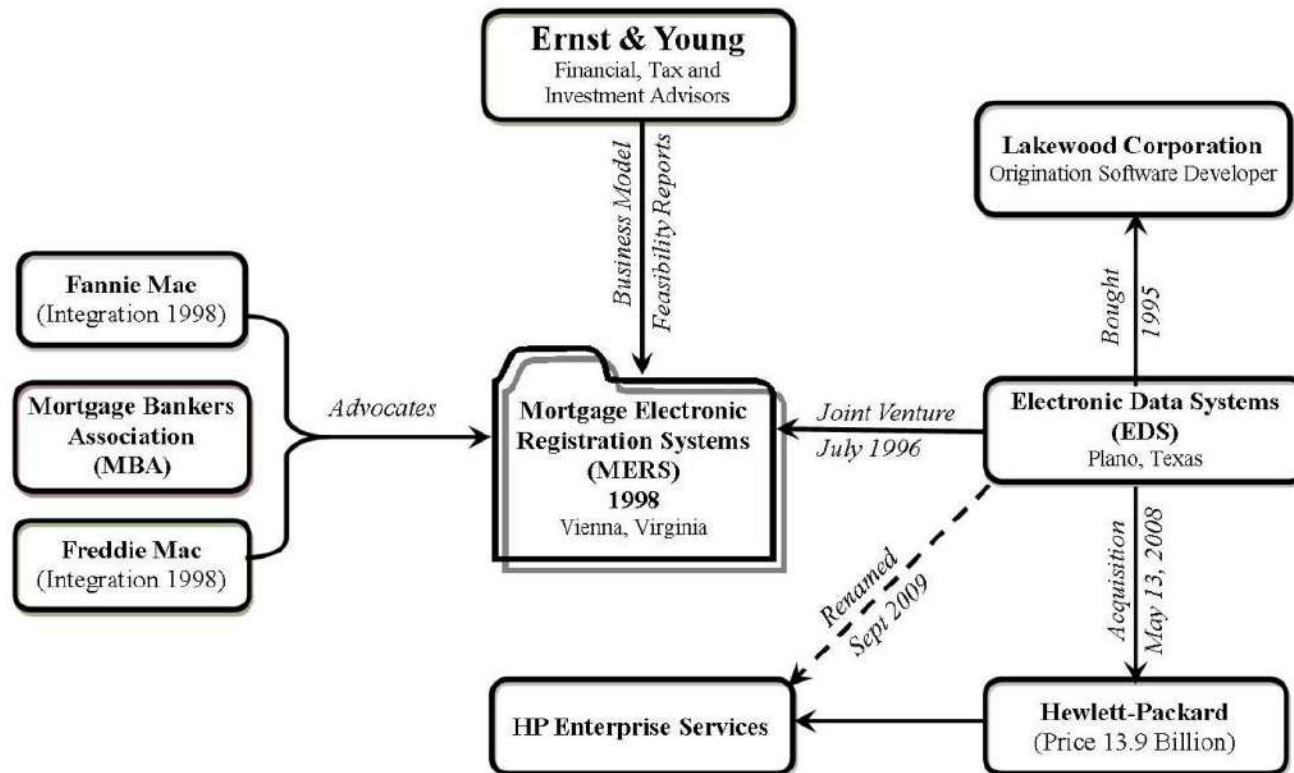
Supply Chains/Commodities

What do commodity/future exchanges in rice, cotton, grain, and wheat all have in common?

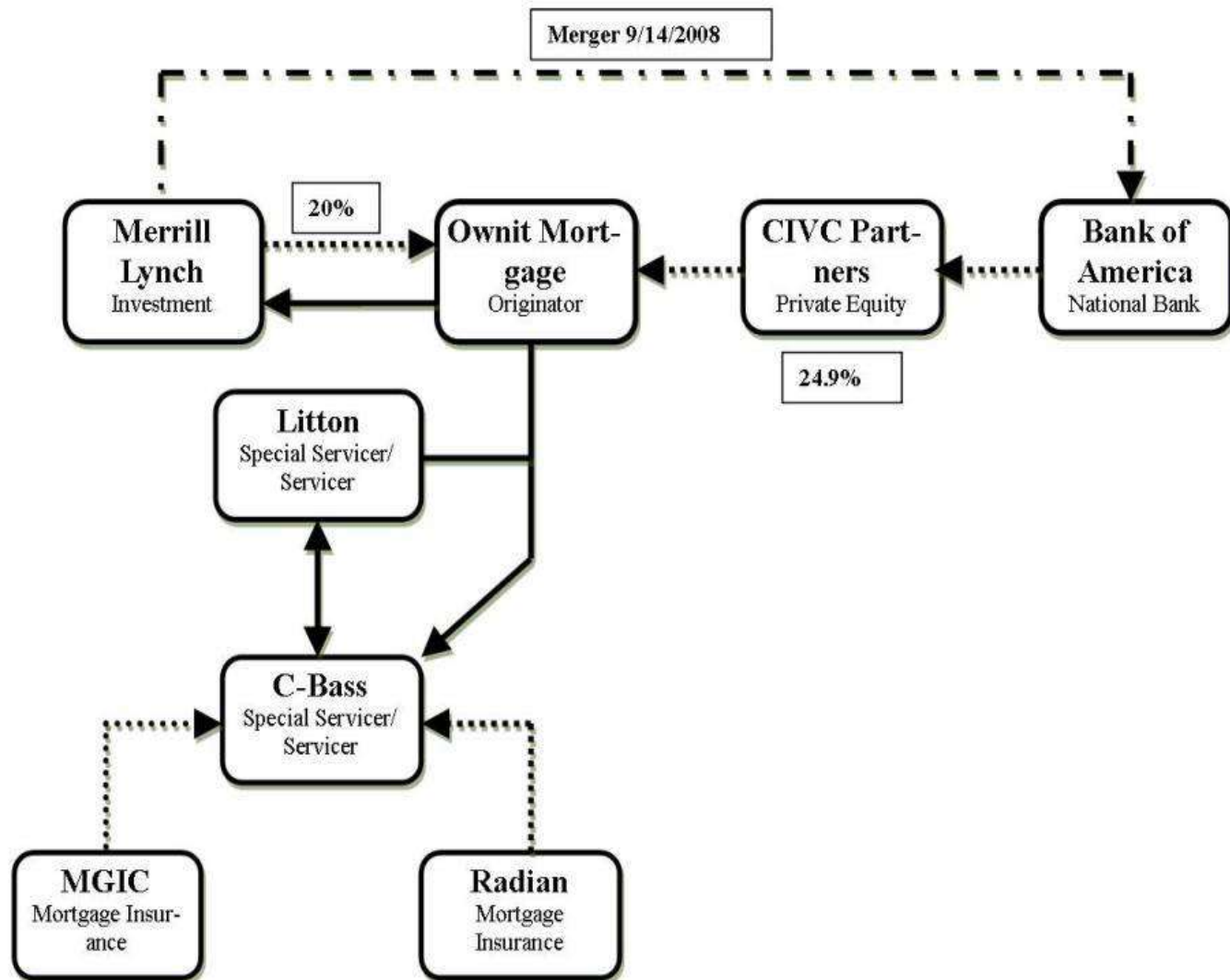
Each is a non-exhaustive resource.... No matter how extreme the weather in any given year that may destroys the regions affected growing season, does not, however affect all regions.

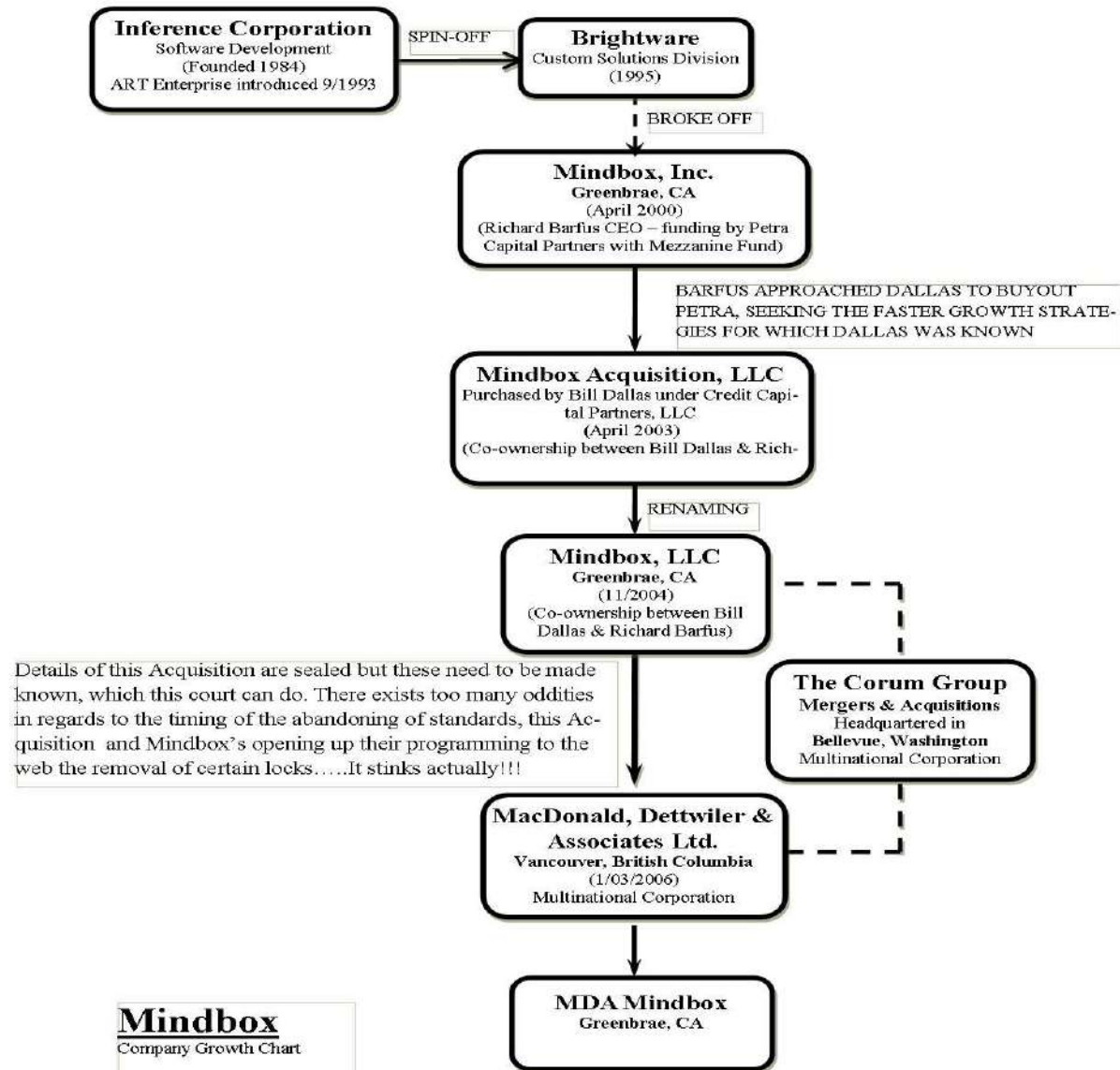
The point to be taken , on a global basis, is that every year some amount of supply will be brought to market for trading and pricing.

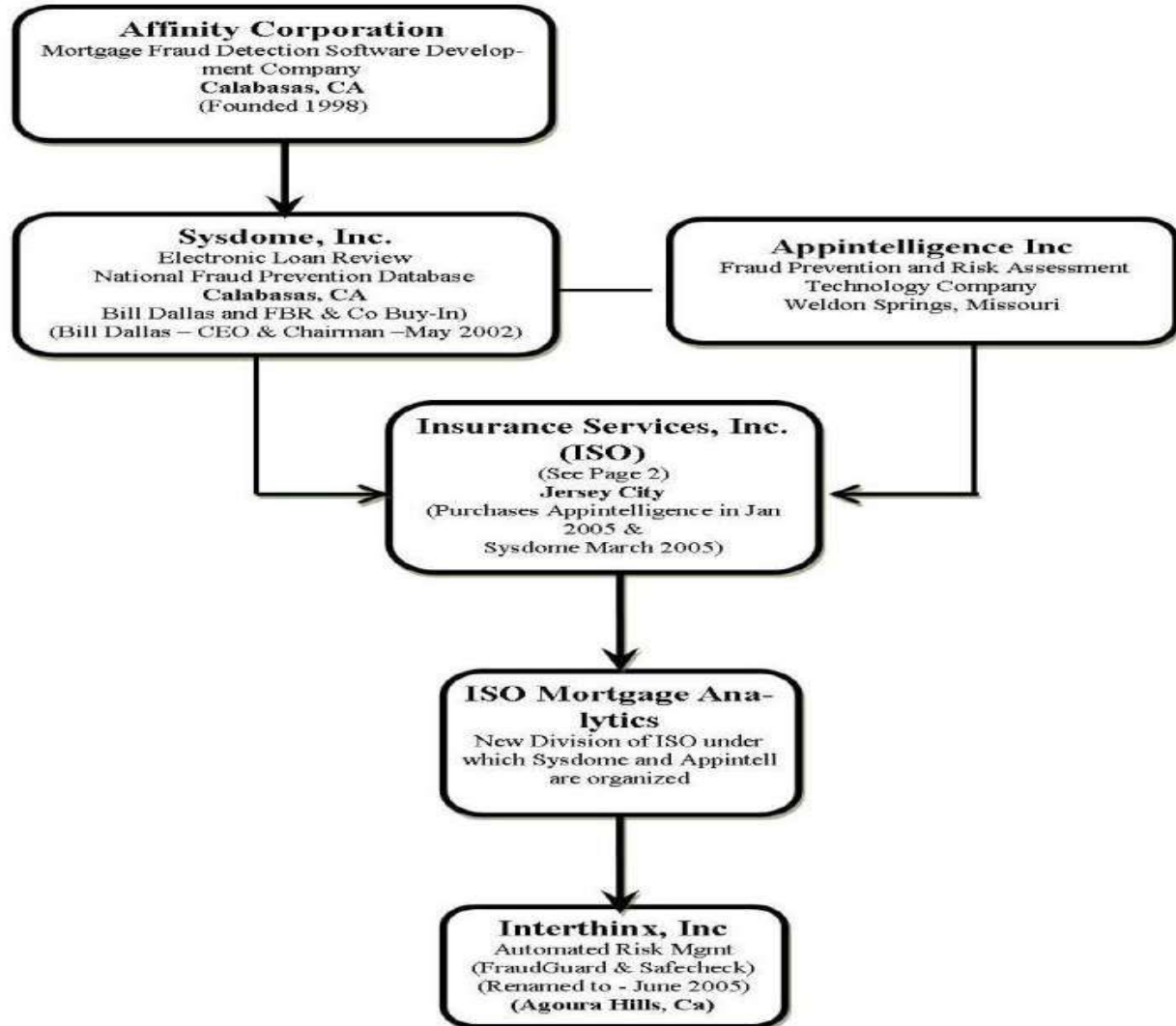
A managed supply chain strives to minimize risk caused by natural or manmade disasters which of course end up being passed onto consumers. Next years crops may be better or may be worse, nonetheless the supply chain lives on.

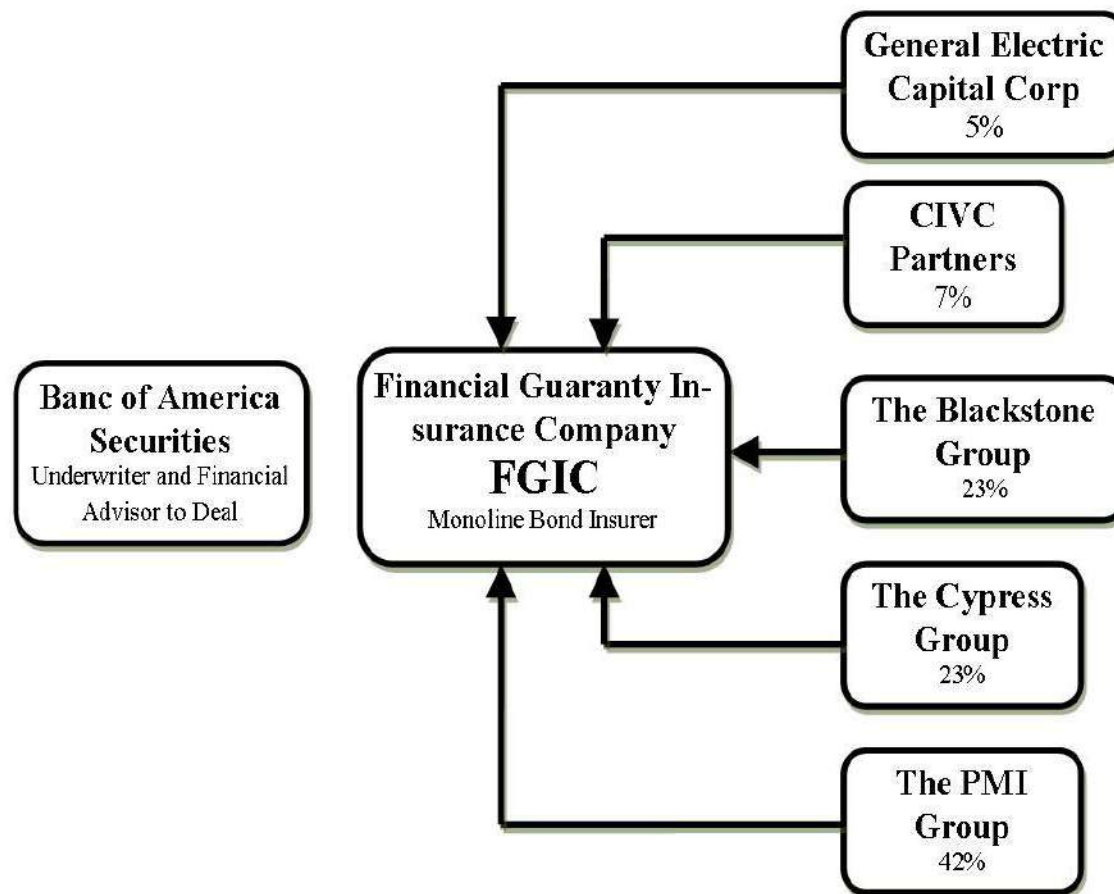


Mortgage Electronic Registration Systems
Startup Model Diagram









Purchased from GE Capital for 2.16 Billion – 8/2003

