

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK

MAXINE WILSON, et al, Individually and as Class Representatives,	x	Case Number: 01 CV 4568(DRH)(WDW)
	:	
Plaintiffs,	:	
vs.	:	
ISAAC TOUSSIE, et al.	:	
Defendants.	:	
	:	
	:	
	:	
	x	

**NOTICE OF PENDENCY OF CLASS ACTION AND PROPOSED SETTLEMENTS, MOTION FOR
REIMBURSEMENT OF CERTAIN LITIGATION EXPENSES, AND SETTLEMENT FAIRNESS
HEARING**

If you purchased residential real estate on Long Island or Staten Island from Isaac Toussie, Robert Toussie, Toussie Family Homes, David Park Estates, Inc., Easy Home Program Corporation, East Coast Land Developers Corporation, Flend Corporation, Fobert Corporation, Housing Corporation of America, Marconi Realty Ltd., Rod Staten Corporation, Toussie Family Enterprises Ltd., Toussie Group Ltd., Your Long Island Home Corp., or Your Staten Island Home Corp. (the “Toussie Defendants”), then you may be a member of a Settlement Class and entitled to a settlement payment.

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

- Two proposed settlements will provide a total of \$455,000 in settlement funds for the benefit of approximately 257 Settlement Class Members.
- The settlements resolve a lawsuit alleging that the Defendants violated federal civil rights laws, the Equal Credit Opportunity Act, and the Racketeer Influenced and Corrupt Organizations Act.
- Your legal rights are affected whether you act or do not act. Read this notice carefully.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:	
IF NOT ON THE LIST, SUBMIT A CLAIM FORM BY NOVEMBER 20, 2009	If you are on the list (you can check at http://www.gardencitygroup.com/cases/tou/list.pdf and if the Settlements are approved, then you will be paid unless you exclude yourself. If you are not on the list you must prove you are a Class Members using the Notice of Claim form attached hereto. (see Questions 1 and 9 below)
EXCLUDE YOURSELF BY NOVEMBER 20, 2009	Get no payment. This is the only option that allows you to ever be part of any other lawsuit against the Defendants and the other Released Parties about the Settled Claims.
OBJECT BY NOVEMBER 20, 2009	Write to the Court about why you do not like either or both of the settlements.
GO TO A HEARING ON DECEMBER 11, 2009	Ask to speak in Court about either or both of the settlements.
DO NOTHING	Get no payment if not on the list. Give up other rights.

- These rights and options - **and the deadlines to exercise them** - are explained in this notice.
- The Court in charge of this case still has to decide whether to approve the settlements. Payments will be made if the Court approves the settlement and after appeals are resolved. Please be patient.

WHAT THIS NOTICE CONTAINS

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BASIC INFORMATION

1. Why did I get this notice package?

This Notice has been mailed to a list of persons believed to have purchased residential real estate in the Long Island or Staten Island areas from one of the Toussie Defendants and who have claimed to have been the victims of unlawful treatment in connection with that purchase. To confirm whether you are on the list of known Settlement Class Members you may check the list at <http://www.gardencitygroup.com/cases/tou/list.pdf> or call Todd Kammerman of Plaintiffs' Counsel at (646)733-5692.

If you purchased residential real estate in the Long Island or Staten Island areas from one of the Toussie Defendants and claim to have been the victim of unlawful treatment in connection with that purchase, and you are not listed, then you should promptly contact Todd Kammerman of Plaintiffs' Counsel at (646)733-5692. The Court directed that this Notice be sent to Settlement Class Members because they have a right to know about two proposed settlements in a class action lawsuit, and about all of their options, before the Court decides whether to approve the settlements. If the Court approves the settlements, and after objections and appeals are resolved, an administrator appointed by the Court will make the payments that the Settlements allows.

This package explains the lawsuit, the Settlements, Settlement Class Members' legal rights, what benefits are available, who is eligible for them, and how to get them.

The Court in charge of the case is the United States District Court for the Eastern District of New York, and the case is known as *Maxine Wilson, et al. v. Isaac Toussie, et al.*, Case No. 01 CV 4568 (DRH)(WDW). This case was assigned to United States District Judge Denis R. Hurley. The people who sued are called plaintiffs and companies and people they sued -- PMCC Mortgage Corporation ("PMCC") and Smith Haven Mortgage Corporation ("Smith Haven") (PMCC and Smith Haven are also referred to as the "Lenders") and Isaac Toussie, Robert Toussie, Toussie Family Homes, David Park Estates, Inc., Easy Home Program Corporation, East Coast Land Developers Corporation, Flend Corporation, Fobert Corporation, Housing Corporation of America, Marconi Realty Ltd., Rod Staten Corporation, Toussie Family Enterprises Ltd., Toussie Group Ltd., Your Long Island Home Corp., and Your Staten Island Home Corp. (collectively, the "Toussie Defendants" or "Sellers") -- are collectively called the "Defendants." Smith Haven has not appeared in the case.

2. What is this lawsuit about?

One or more of the corporate Toussie Defendants operated real estate businesses in the New York metropolitan area. These corporations sold residential homes and assisted prospective purchasers in securing credit for the purchase of homes.

The Lender Defendants make residential real estate loans in the New York metropolitan area in connection with the purchase of their houses from one or more of the Toussie Defendants. Former PMCC loan officers Ronald Friedman, Ken Mann and Joshua Weiss were arrested and charged with violating Section 1010 and/or 1012 Title 18 of the United States Code and accused of making false statements to HUD, and knowingly and intentionally making, passing, uttering or publishing statements known to be false regarding loans at issue in this litigation. Ronald Friedman, Ken Mann and Joshua Weiss have pled guilty. Lender Smith Haven appears to have become penurious and is not a likely source of any recovery for the class herein.

The Complaint in this action alleged that, in residential subdivisions that they created and built, the Sellers implemented a policy by which they covertly steered minority buyers to purchase defective houses in predominantly minority neighborhoods and away from predominantly white neighborhoods. The Sellers allegedly would lure inexperienced and low income inner city minority buyers into purchasing houses that they could not afford and that: (i) were intentionally overpriced and falsely appraised above the actual value of the

house; (ii) would have mortgage and/or property tax payments that were dramatically higher than represented to the buyers; (iii) were defectively built; (iv) lacked the amenities promised by Sellers; and (v) were located in different towns and in worse neighborhoods than represented by Sellers.

The Complaint allegedly asserted claims against the Toussie Defendants under the Fair Housing Act of 1968, as amended, 42 U.S.C. § 3601, *et seq.*, the Civil Rights Act of 1866, 42 U.S.C. § 1981, 42 U.S.C. § 1982, 42 U.S.C. § 1985(3), 42 U.S.C. § 1986, Equal Credit Opportunity Act, 15 U.S.C. § 1691, the Racketeer Influenced and Corrupt Organizations Act, 18 U.S.C. § 1962(c), 18 U.S.C. § 1962(d), New York Executive Law § 296, New York General Business Law § 349, Title 8 of the Administrative Code of the City of New York and New York common law. The Complaint asserts claims against the Lender Defendants under the Racketeer Influenced and Corrupt Organizations Act, 18 U.S.C. § 1962(c), 18 U.S.C. § 1962(d), 42 U.S.C. § 1985(3), 42 U.S.C. § 1986, and the Equal Credit Opportunity Act, 15 U.S.C. § 1691. In addition to compensatory, punitive and treble damages, the Complaint sought injunctive relief, including a declaratory injunction that the initial and any subsequent mortgages issued in connection with the purchases of houses from any of the Toussie Defendants are null and void, or should be equitably reformed.

The Defendants deny all allegations of misconduct contained in the Complaint, and deny having engaged in any wrongdoing whatsoever. The Toussie Defendants asserted counterclaims against certain plaintiffs who filed the lawsuit. Those certain plaintiffs were later dismissed without prejudice.

3. Why is this a class action?

In a class action, one or more people called Class Representatives (in this case Plaintiffs Maxine Wilson, Terry T. Wilson, Alfredo Smith, Sharon Smith, Juan Quintanilla, Leticia Quintanilla, Arlington Agard, Jennifer Agard, Lorenzo Alexander, Stephanie Alexander, Robert Alleyne, Albert Burton, Sharon Miller, Alvin Montero, Evelyn Montero, and Dawn Morgan), sue on behalf of people who have similar claims. All these people are a class or class members. Bringing a case, such as this one, as a class action allows adjudication of many similar claims of persons and entities that might be economically too small to bring in individual actions. One court resolves the issues for all class members, except for those who exclude themselves from the class.

4. Why are there settlements?

As described in much more detail in the Stipulation and Agreement of Settlement with Defendant PMCC dated April 3, 2008 (the “PMCC Stipulation”) and the Stipulation and Agreement of Settlement With Toussie Defendants dated July 23, 2009 (the “Toussie Stipulation”), which can be viewed at www.gardencitygroup.com, this action was commenced on or about July 10, 2001. The Complaint arises out of an alleged pattern or practice of racial and national origin discrimination by Defendants involving predatory lending and the discriminatory and predatory marketing and sale of residential real property. Extensive litigation and motion practice has been conducted over the six years following the filing of the original complaint. Certain defendants have filed answers and plaintiffs have served amended complaints, and motions to file amended complaints, including the First Amended Class Action Complaint (“FAC”), which contained 4,555 paragraphs of allegations, and was 573 pages long.

On February 19, 2002, PMCC filed its answer to the amended complaint, denying any liability to Plaintiffs and the Class. On February 26, 2002, the Defendants filed oppositions to Plaintiffs’ motion for leave to amend the complaint, and Plaintiffs filed a reply in further support of their motion for leave to amend on March 1, 2002. On September 6, 2002, the Court denied Plaintiffs’ motion for leave to amend the complaint, after which Plaintiffs timely filed a motion for reconsideration and re-argument on November 8, 2002. On January 6, 2003, the Court heard oral argument from counsel regarding Plaintiffs’ motion for reconsideration and re-argument, at the end of which the Court granted reconsideration but decided to abide by the conclusions of its September 6, 2002 Order. At the January 6, 2003 oral argument, Plaintiffs expressed a desire to submit a

proposed Second Amended Complaint (“SAC”), which the Court granted leave to submit in the form of a renewed motion for leave to amend the complaint;

On January 27, 2003 Plaintiffs filed their second motion for leave to amend the complaint, attaching therewith the SAC. The SAC was filed on behalf of thirty-two Plaintiffs, who were named individually and in their capacity as members of a putative class. The SAC named as defendants Isaac Toussie, Robert Toussie and various real estate businesses (referred to collectively as Seller Defendants); PMCC and Smith-Haven Mortgage Corp. (referred to collectively as the Lender Defendants); and thirty-four current holders of mortgage notes (collectively referred to as the Current Lender Defendants). On March 7, 2003, PMCC filed an opposition for Plaintiffs’ motion for leave to amend the complaint, to which Plaintiffs responded on March 21, 2003. On April 25, 2003, the Court denied Plaintiffs’ second motion for leave to amend the complaint, dismissing the SAC without prejudice as to the Seller and Lender Defendants, and granting leave to file a renewed motion for leave with a proposed Third Amended Complaint within thirty days. On May 28, 2003 Plaintiffs filed their motion for leave to file a third amended complaint, attaching therewith the proposed Third Amended Class Action Complaint (the “Complaint”). On July 22, 2003 PMCC and the Toussie Defendants filed oppositions to Plaintiffs’ motion for leave to file the Complaint, as well as cross-motions to dismiss the Complaint, to which Plaintiffs responded on August 12, 2003, and to which PMCC filed a reply on August 21, 2003. On October 8, 2003, the Court granted Plaintiffs’ motion for leave to file the Complaint, thereby accepting the Complaint as filed, and denied the cross-motions to dismiss by PMCC and the Toussie Defendants.

On October 29, 2003, PMCC filed its answer to the Complaint, denying any liability to Plaintiffs and the Class, and filed a cross-claim against all remaining Defendants. Thereafter the Toussie Defendants filed a motion to dismiss the Complaint, to which Plaintiffs filed an opposition memorandum, and the Toussie Defendants filed a reply. On August 18, 2004, the Court granted in part and denied in part the Toussie Defendants’ motion to dismiss, finding that the Complaint contains adequate allegations of fact so that, consistent with those allegations, a Trier of fact could conclude that Plaintiffs possess standing, and could conclude that based upon the allegations in the Complaint, there is an adequate proximate link between the alleged HUD fraud and two injuries, specifically the alleged over inflated house values and oppressive mortgages. On September 2, 2004, the Toussie Defendants filed their answer to the Complaint, denying any liability to Plaintiffs and the Class, and filed a cross-claim against PMCC and a counterclaim against certain plaintiffs. PMCC answered the Toussie Defendants’ cross-claim on September 13, 2004, denying any liability. The plaintiffs named in the Toussie Defendants’ cross-claim were later dismissed without prejudice.

On October 4, 2004, the Court ordered the parties to submit a joint proposed discovery plan by October 15, 2004. The parties submitted a joint proposed discovery plan on October 15, 2004, calling for an initial phase of discovery limited solely to class certification issues, namely whether this action should be certified as a class action pursuant to Rule 23, and setting a schedule for class discovery and a briefing schedule for Plaintiffs’ motion for class certification. The Court granted the joint proposed discovery plan on October 18, 2004.

On or about October 19, 2004, the Toussie Defendants served Plaintiffs with 32 sets of class certification document requests and 31 sets of class certification interrogatories. On or about November 5, 2004, Plaintiffs served Defendants with their first request for the production of documents. On or about November 12, 2004, PMCC served Plaintiffs with a request for the production of documents and 22 sets of interrogatories. On or about December 23, 2004, Plaintiffs served the Toussie Defendants with their responses to the Toussie Defendants’ document requests and interrogatories. On or about January 6, 2005, PMCC served Plaintiffs with their responses to Plaintiffs’ first set of class certification document requests. On February 7, 2005, the parties submitted a stipulation and proposed order to the Court, agreeing to the voluntary dismissal of fifteen of the thirty-two named plaintiffs in this action, which the Court granted on February 8, 2005. On or about March 24, 2005, Plaintiffs served the Toussie Defendants with eight supplemental responses to the Toussie Defendants’ class certification interrogatories. On or about May 6, 2005, Plaintiffs served the Defendants with their first set of class certification interrogatory requests.

In the following months Defendants took the depositions of all proposed class representatives.

Plaintiffs also took numerous depositions during these months, including the depositions of: Lisa Massaro, a former Toussie employee, on September 13, 2005; Victoria Sweet, a former employee of Smith-Haven Mortgage Corporation, on October 24, 2005; Teresalyn Turo, a former Toussie employee, on October 28, 2005; Jed Nelson, a real estate appraiser that worked with the Toussies, on November 7, 2005; Defendant Isaac Toussie on November 8, 2005; Danielle Skelly, a former Toussie employee, on November 9, 2005; and Defendant Robert I. Toussie on November 10, 2005;

On or about December 16, 2005, Plaintiffs filed their motion for class certification. On or about February 17, 2006, the Toussie Defendants and PMCC filed their oppositions to Plaintiffs' motion for class certification.

On March 21, 2006, PMCC filed a motion to compel arbitration, for severance and separate trials. On April 7, 2006, Plaintiffs and PMCC jointly requested that the Court temporarily adjourn and hold in abeyance all proceedings pertaining to PMCC, and reported to the Court that Plaintiffs and PMCC were in the process of attempting to negotiate a class-wide settlement that would satisfy all claims against PMCC. On April 25, 2006, the Court granted Plaintiffs' and PMCC's request, holding in abeyance any proceeding against PMCC pending the negotiation of a potential class-wide settlement which would satisfy all claims as to PMCC.

On April 10, 2006, Plaintiffs filed their reply brief in further support of class certification. On March 1, 2007, the Court ordered the parties to file additional memoranda on the issue of class certification, specifically directing Plaintiffs, among other things, to set forth a proposed class definition and explain how that definition meets the requirements of Rule 23, and directing the parties to include a discussion of the Second Circuit's recent class certification decision in *In re Strip Search Cases*, 461 F.3d 219 (2d Cir. 2006). On April 16, 2007, Plaintiffs filed their Supplemental Motion for Class Certification, in which they informed the Court that Plaintiffs and PMCC had reached a tentative agreement on a Class-wide settlement of the claims against PMCC, and that Plaintiffs and PMCC anticipated moving the Court for approval of a settlement class;

On March 31, 2008, the Court denied Plaintiffs' motion for class certification, on the ground that the proposed class definition did not meet the requirements of Rule 23, after which Plaintiffs indicated that they intended to submit a renewed motion for class certification with a revised class definition;

The Settlement with defendant PMCC does not settle any claims against any of the Toussie Defendants. The Toussie Defendants opposed the approval of the PMCC Settlement and specifically challenged the proposed class certification for purposes of the PMCC Settlement. The Settlement with the Toussie Defendants is conditioned on the PMCC Stipulation being approved.

PMCC denies any wrongdoing whatsoever and the PMCC Stipulation shall in no event be construed or deemed to be evidence of or an admission or concession on the part of PMCC with respect to any claim or of any fault or liability or wrongdoing or damage whatsoever, or any infirmity in the defenses that PMCC has asserted.

The Toussie Defendants deny any wrongdoing whatsoever and the Toussie Stipulation shall in no event be construed or deemed to be evidence of or an admission or concession on the part of any of the Toussie Defendants with respect to any claim or of any fault or liability or wrongdoing or damage whatsoever, or any infirmity in the defenses that the Toussie Defendants have asserted.

The Stipulations are not and may not be construed or deemed to be a concession by any Plaintiff of any infirmity in the claims asserted against any of the Defendants, or anyone else, in the Action.

PMCC has indicated that it has only a limited insurance policy with \$1 million of total coverage. Further the insurance policy has been, and is still being, used to pay the costs of defending this action (it is thus a "wasting" asset). PMCC has further indicated that even if Plaintiffs were successful in obtaining a judgment

against PMCC, it is unlikely that plaintiffs would be able to collect significantly more from PMCC than is being presently proposed to be paid for the PMCC Settlement.

The Toussie Defendants, other than Robert Toussie, have indicated that they have only limited assets that even if Plaintiffs were successful in obtaining a judgment against them, it is unlikely that Plaintiffs would be able to collect significantly more from them than is being presently proposed to be paid for the Toussie Settlement.

Plaintiffs' Counsel have conducted an investigation relating to the claims and the underlying events and transactions alleged in the Complaint. Plaintiffs' Counsel have analyzed the evidence produced, and have researched the applicable law with respect to the claims of Lead Plaintiffs and the Class against the Defendants and the potential defenses thereto;

Based upon their investigation and review as set forth above, Plaintiffs' Counsel have concluded that the terms and conditions of the Stipulations are fair, reasonable and adequate to Lead Plaintiffs and the Settlement Class, and in their best interests, and have agreed to settle the claims raised in the Action pursuant to the terms and provisions of this Stipulations, after considering (a) the benefits that Lead Plaintiffs and the members of the Class will receive from settlement of the Action, (b) the attendant risks of litigation, and (c) the desirability of permitting the Settlements to be consummated as provided by the terms of the Stipulations.

The Court did not finally decide in favor of Plaintiffs or the Defendants. Instead, Plaintiffs and Defendants agreed to the settlements. That way, they avoid the risks and cost of a trial, and the people affected will get compensation. The Class Representatives and their attorneys think the settlements are best for all Settlement Class Members.

WHO IS IN THE SETTLEMENT

To see if you will get money from the settlements, you first have to decide if you are a Settlement Class Member.

5. How do I know if I am part of the settlements?

The Court directed, for the purposes of the proposed settlements only, that this action may be certified as a class action on behalf of a Settlement Class consisting of "all persons who purchased residential real estate located in Staten Island or on Long Island from a Toussie Defendant and who have claimed to have been the victims of unlawful treatment because of their minority heritage in connection with that purchase, including the Two Hundred and Fifty-Seven (257) persons listed on Schedule 1 to the Stipulation (all of whom purchased residential real estate located in Staten Island or on Long Island from a Toussie Defendant and who have claimed to have been the victims of unlawful treatment because of their minority heritage in connection with that purchase)." Any putative Settlement Class Members who exclude themselves by filing a request for exclusion in accordance with the requirements set forth in the Notice shall be Excluded from the Settlement Class. You may call Todd Kammerman of Plaintiffs' Counsel at (646)733-5692 to confirm whether you are included on the list of potential Settlement Class Members.

If you purchased residential real estate in the Long Island or Staten Island areas from one of the Toussie Defendants and claim to have been the victim of unlawful treatment in connection with that purchase **and are not listed, you should contact Todd Kammerman of Plaintiffs' Counsel at (646)733-5692**. If you are not included on the list, and you believe you are a Class Member, you must submit a Notice of Claimed Class Membership to Plaintiffs' Counsel in the form attached to the end of this Notice by first class mail postmarked no later than November 20, 2009.

6. What if I am still not sure if I am included?

If you are still not sure whether you are included, you can ask for free help. You can call Todd Kammerman of Plaintiffs' Counsel at (646)733-5692 or visit www.gardencitygroup.com for more information.

THE SETTLEMENT BENEFITS — WHAT YOU GET

7. What do the settlements provide?

In exchange for the Settlement and dismissal of the Action as against PMCC, PMCC has agreed to create a \$400,000 fund to be divided, after reimbursement to Plaintiffs' Counsel of certain expenses (the "PMCC Net Settlement Fund"), in accordance with the following proposed "Plan of Allocation": One-half¹ of the PMCC Net Settlement Fund will be distributed *per capita*² to Settlement Class Members who obtained their mortgages from PMCC (and who do not elect to be excluded from the Settlement Class), and one-half³ of the PMCC Net Settlement Fund will be distributed *per capita* to Settlement Class Members who obtained their mortgages from Smith-Haven Mortgage Corp. or lenders other than PMCC (and who do not elect to be excluded from the Settlement Class).

In exchange for the Settlement and dismissal of the Action as against the Toussie Defendants, the Toussie Defendants are withdrawing their opposition to the PMCC Settlement and Flend Corporation (one of the Toussie Defendants) has agreed to create a \$55,000 fund to be divided, after reimbursement to Plaintiffs' Counsel of certain expenses (the "Toussie Net Settlement Fund"), in accordance with the following proposed "Plan of Allocation": The Toussie Net Settlement Fund will be distributed *per capita*⁴ to Settlement Class Members who do not elect to be excluded from the Settlement Class.

¹ This allocation is Plaintiffs' proposal, but it is not a condition of the Settlement that this specific allocation be approved by the Court. If the Court determines that this allocation is inappropriate and may not be approved, but that another allocation would be appropriate the Parties hereto agree to adopt such allocation as is deemed acceptable to the Court.

² For purposes of the *per capita* allocation, if a husband and wife jointly purchased a house from a Toussie Defendant they are considered as one person or one claimant, and If they have divorced, each ex-spouse would be entitled to one-half one full distribution amount. Similarly, if three or more persons purchased a house from a Toussie Defendant as Joint Tenants or as Tenants-In-Common, they will be counted as one person or one claimant, and all such tenants purchasing that house will be collectively entitled to share in just one full allocation. If the joint tenants no longer own the house jointly, their shares will be divided accordingly, provided they provide Plaintiffs' Counsel with evidence of their allocable interests in the jointly purchased property.

³ Settlement Class Members who obtained their mortgages through PMCC have stronger, direct claims against PMCC than Settlement Class Members who obtained their mortgages from Smith Haven Mortgage Corp. However **all** Settlement Class Members are alleged to have claims against PMCC as a conspirator with the Toussie Defendants under the RICO statute. PMCC will require that it be released from **all** the Settled Claims from **all** Settlement Class Members, accordingly Settlement Class Members who obtained their mortgages from Smith Haven Mortgage Corp are appropriately allocated a portion of the proceeds of PMCC's settlement payment.

⁴ See footnote 2.

If any funds remain in either of the Net Settlement Funds by reason of un-cashed distributions or otherwise, then, after reasonable and diligent efforts have been made to have Settlement Class Members who are entitled to participate in the distribution of the Net Settlement Funds cash their distributions, any balance remaining in the Net Settlement Funds one (1) year after the initial distribution of such funds shall be re-distributed to Settlement Class Members who have cashed their initial distributions, after payment of any unpaid costs or fees incurred in administering the Net Settlement Fund for such re-distribution. If after six months after such re-distribution any funds shall remain in the Net Settlement Funds, then such balance shall be first be paid to Plaintiffs' Counsel, in reimbursement of their unpaid expenses, if and to the extent that all their expenses have not been reimbursed by that time, and if any money still remains, then such balance shall be contributed to non-sectarian, not-for-profit, 501(c)(3) organization(s) designated by Plaintiffs' Counsel.

8. How much will my payment be?

The Settlement Class is thought to include Twenty-Two (22) Settlement Class Members who obtained their mortgages from PMCC, and Two Hundred and Thirty-Five (235) Settlement Class Members who obtained their mortgages from Smith-Haven Mortgage Corp. or others. If no other Settlement Class Members come forward and identify themselves, and if the proposed Plan of Allocation of the PMCC Net Settlement Fund is approved, and if no Settlement Class Members request exclusion, and if the Court approves the award of \$120,000 requested from the PMCC Settlement Fund by Plaintiffs' Counsel to reimburse them for part of the expenses they have already incurred in the prosecution of this litigation, then each Settlement Class Member who obtained their mortgage from PMCC will receive a net payment of approximately \$6,086 and each Settlement Class Member who obtained their mortgage from Smith-Haven Mortgage Corp. will receive a net payment of approximately \$562.

With respect to the Toussie Settlement, there are 257 known members of the Settlement Class. If no other Settlement Class Members come forward and identify themselves, and if the proposed Plan of Allocation of the Toussie Net Settlement Fund is approved, and if no Settlement Class Members request exclusion, and if the Court approves the award of \$16,500 requested from the Toussie Settlement Fund by Plaintiffs' Counsel to reimburse them for part of the expenses they have already incurred in the prosecution of this litigation, then each Settlement Class Member will receive a net payment from the Toussie Net Settlement Fund of approximately \$150.

The Settlements may be terminated in the event that one or more Settlement Class Members request exclusion or one or more Settlement Class Members are newly identified. To the extent that Settlement Class Members request exclusion or are newly identified and the parties do not terminate the settlement, then the above estimated payments will need to be adjusted to allocate the Net Settlement Funds over the actual number of Settlement Class Members.

HOW YOU GET A PAYMENT

9. How can I get a payment?

If the Settlements are finally approved, Settlement Class Members whose names appear on the list will be automatically mailed distributions from the Net Settlement Funds to the last addresses known to Plaintiffs Counsel. This Notice is being mailed to that address. If this notice has been forwarded to you it is important that you notify the Notice and Claims Administrator of the change of your address. Mail notices of your current address to:

Toussie Housing Purchase Settlement Class -- Notice of Claim
C/O The Garden City Group, Notice and Claims Administrator
PO Box 9349
Dublin OH 43017-4249

If you purchased residential real estate in the Long Island or Staten Island areas from one of the Toussie Defendants and claim to have been the victim of unlawful treatment in connection with that purchase **and are not listed you must submit a “Notice of Claim of Class Membership” (see form attached to the end of this Notice) to the Notice and Claims Administrator before November 20, 2009 to arrange to share in the Net Settlement Funds.**

10. When would I get my payment?

The Court will hold a hearing on **Friday, December 11, 2009**, to decide whether to approve the settlements. If the Court approves the settlements after that, there may be appeals. It is always uncertain whether these appeals can be resolved, and resolving them can take time, perhaps more than a year. Please be patient.

11. What am I giving up to get a payment or stay in the Settlement Class?

Unless you exclude yourself, you are staying in the Settlement Class, and that means that, upon the “Effective Date,” you will release all “Settled Claims” (as defined below) against the “Released Parties” (as defined below).

In the PMCC Settlement, “Settled Claims” means any and all claims, debts (other than primary house mortgages), demands, rights or causes of action or liabilities whatsoever (including, but not limited to, any claims for damages, interest, attorneys’ fees, expert or consulting fees, and any other costs, expenses or liability whatsoever), whether based on United States federal, state, local, statutory or common law or any other law, rule or regulation, whether fixed or contingent, accrued or un-accrued, liquidated or un-liquidated, at law or in equity, matured or un-matured, whether class or individual in nature, including both known claims and Unknown Claims, (i) that have been asserted in this Action by the Settlement Class Members or any of them against any of the Released Parties, or (ii) that could have been asserted in any forum by the Settlement Class Members or any of them against any Released Party which arise out of or are based upon the allegations, transactions, facts, matters or occurrences, representations or omissions involved, set forth, or referred to in the Complaint concerning the Settlement Class Member’s obtaining financing for the purchase of a house from any of the Toussie Defendants or any entity controlled by or affiliated with any Toussie Defendant. Settled Claims also includes claims arising out of, relating to, or in connection with the settlement or resolution of the Action, except to enforce or carry out the terms of the Settlement and this Stipulation. Notwithstanding anything contained herein to the contrary, “Settled Claims” does not include: (i) any claims against the Toussie Defendants or their respective partners, principals, employees, agents and affiliates, or (ii) any claims against Settlement Class Member(s) belonging to any assignees of PMCC for non-payment of any indebtedness and/or claims or obligations arising under assigned mortgage loans and mortgages. “Settled Claims” does not mean or include any rights that a Settlement Class member may have or become entitled to by virtue of legislation enacted subsequent to April 7, 2006 for the benefit of mortgagors in connection with relief on mortgage loans generally relating to the sub-prime mortgage crisis.

In the PMCC Settlement, “Released Party” or “Released Parties” means PMCC, its past or present subsidiaries, parents, successors and predecessors, and all of the aforementioned entities’ officers, directors, agents, employees, attorneys, advisors, insurers (including, but not limited to, Lloyds), and investment advisors, and any person, firm, trust, corporation, officer, director or other individual or entity in which PMCC has a controlling interest or which is related to or affiliated with PMCC, and the legal representatives, heirs, successors in interest or assigns of PMCC. “Released Party” does not include Isaac Toussie, Robert Toussie,

Toussie Family Homes, David Park Estates, Inc., Easy Home Program Corporation, East Coast Land Developers Corporation, Flend Corporation, Fobert Corporation, Housing Corporation of America, Marconi Realty Ltd., Rod Staten Corporation, Toussie Family Enterprises Ltd., Toussie Group Ltd., Your Long Island Home Corp., and Your Staten Island Home Corp. (collectively the “Toussie Defendants”) or their respective partners, principals, employees, agents, affiliates and insurers.

In the Toussie Settlement, “Settled Claims” means any and all claims, debts (other than primary house mortgages), demands, rights or causes of action or liabilities whatsoever (including, but not limited to, any claims for damages, interest, attorneys’ fees, expert or consulting fees, and any other costs, expenses or liability whatsoever), whether based on United States federal, state, local, statutory or common law or any other law, rule or regulation, whether fixed or contingent, accrued or un-accrued, liquidated or un-liquidated, at law or in equity, matured or un-matured, whether class or individual in nature, including both known claims and Unknown Claims, (i) that have been asserted in this Action by the Settlement Class Members or any of them against any of the Released Parties, or (ii) that could have been asserted in any forum by the Settlement Class Members or any of them against any Released Party which arise out of or are based upon the allegations, transactions, facts, matters or occurrences, representations or omissions involved, set forth, or referred to in the Complaint concerning the Settlement Class Member’s purchase of a house from any of the Toussie Defendants or any entity controlled by or affiliated with any Toussie Defendant. Settled Claims also includes claims arising out of, relating to, or in connection with the settlement or resolution of the Action, except to enforce or carry out the terms of the Settlement and this Stipulation. Notwithstanding anything contained herein to the contrary, “Settled Claims” does not mean or include any rights that a Settlement Class member may have or become entitled to by virtue of legislation enacted subsequent to April 7, 2006 for the benefit of mortgagors in connection with relief on mortgage loans generally relating to the sub-prime mortgage crisis. In the Toussie Settlement, “Released Party” or “Released Parties” means the Toussie Defendants, any of their past or present subsidiaries, parents, successors and predecessors, and all of the aforementioned entities’ officers, directors, agents, employees, attorneys, advisors, insurers, and investment advisors, and any person, firm, trust, corporation, officer, director or other individual or entity in which any of the Toussie Defendants has a controlling interest or which is related to or affiliated with the Toussie Defendants, and the legal representatives, heirs, successors in interest or assigns of the Toussie Defendants.

The “Effective Date” will occur when an Order entered by the Court approving the Settlements becomes final and not subject to appeal.

If you remain a member of the Settlement Class, all of the Court’s orders will apply to you and legally bind you.

EXCLUDING YOURSELF FROM THE SETTLEMENTS

If you do not want a payment from this settlements, but you want to keep any right you may have to sue or continue to sue the Toussie Defendants, PMCC or any of the other Released Parties, on your own, about the Settled Claims, then you must take steps to get out. This is called excluding yourself — or is sometimes referred to as “opting out” of the settlement class. The Defendants may withdraw from and terminate the Settlements if more than a certain number of putative Settlement Class Members exclude themselves from the Settlement Class.

12. How do I get out of the proposed settlements?

To exclude yourself from the Settlement Class, you must send a signed completed Exclusion Request form by mail postmarked no later than **November 20, 2009** to:

Toussie Housing Purchase Settlement Class -- Exclusions
C/O The Garden City Group, Notice and Claims Administrator
PO Box 9349
Dublin OH 43017-4249

A form of Request for Exclusion is attached at the bottom of this Notice. You cannot exclude yourself by telephone or by e-mail. If you ask to be excluded, you will not get any settlement payment, and you cannot object to the settlements. You will not be legally bound by any judgment with regard to the approval of any settlement to be entered in this lawsuit, and you may be able to sue (or continue to sue) the Defendants and the other Released Parties in the future.

13. If I do not exclude myself, can I sue the Defendants and the other Released Parties for the same thing later?

No. Unless you exclude yourself, you give up any rights to sue the Defendants and the other Released Parties for any and all Settled Claims. If you have a pending lawsuit speak to your lawyer in that case immediately. You must exclude yourself from *this* Settlement Class to continue your own lawsuit. Remember, the exclusion deadline is **November 20, 2009**.

14. If I exclude myself, can I get money from the proposed settlements?

No. If you exclude yourself you will not be issued any payment from the Net Settlement Funds. But, you may exercise any right you may have to sue, continue to sue, or be part of a different lawsuit against the Defendants and the other Released Parties.

THE LAWYERS REPRESENTING YOU

15. Do I have a lawyer in this case?

The Court ordered that the law firms of Milberg LLP in New York, NY and Leeds Morelli & Brown, P.C. of Carle Place, NY will represent all Settlement Class Members. These lawyers are called Plaintiffs' Counsel. You will not be separately charged for these lawyers. The Court will determine whether and how much to allow Plaintiffs' Counsel to be reimbursed for expenses they have incurred in connection with the prosecution of this action to date, which expenses will be paid from the Gross Settlement Funds. If you want to be represented by your own lawyer, you may hire one at your own expense.

16. Will the lawyers be paid? If so how much?

Plaintiffs' Counsel are not seeking payment of any attorneys' **fees** from the settlements.

However, Plaintiffs' Counsel are moving the Court to award reimbursement of a part of the **expenses** they have already incurred in the prosecution of this action in the amount of \$120,000, from the PMCC Settlement fund and \$16,500 from the Toussie Settlement Fund. Plaintiffs Counsel have incurred over \$183,000 of out-of-pocket expenses in total through May 30, 2009, but are limiting their total request for reimbursement to \$136,500, or thirty percent (30%) of the settlement funds.

Plaintiffs' Counsel have expended over 10,600 hours of attorneys' and other professionals time in the prosecution of this action. Charged at their regular hourly billing rates, these services would call for a payment of more than \$3.6 million.

OBJECTING TO THE SETTLEMENTS

You can tell the Court that you do not agree with either or both of the settlements or any part of them.

17. How do I tell the Court that I do not like the proposed settlements?

If you are a Settlement Class Member you can object to one or both of the Settlements, or any of their terms, the proposed Plans of Allocation and/or the applications by Plaintiffs' Counsel for an award of reimbursement of expenses. You may write out your objection, or you may give your objection orally at the Settlement Fairness Hearing. You may give reasons why you think the Court should not approve any or all of the Settlements terms or arrangements. The Court will consider your views if you submit a proper objection within the deadline identified, and according to the following procedures, or if you appear at the Settlement Fairness Hearing and make your views known.

To object in writing, you must send a signed letter stating that you object to one or both of the proposed settlements in the *Maxine Wilson, et al. v. Isaac Toussie, et al.*, Case No. 01 CV 4568 (DRH)(WDW). Be sure to include your name, current address (and address of the house you purchased from one of the Toussie Defendants if it is not your current address), current telephone number, and your signature, and state the reasons why you object to one or both of the Settlements. Your objection must be mailed or delivered to the following counsel on or before Friday, November 20, 2009:

Peter E. Seidman, Esq.
Milberg LLP
One Penn Plaza
New York, NY 10119-0165

You do not need to go to the Settlement Fairness Hearing to have your written objection considered by the Court. At the Settlement Fairness Hearing, any Settlement Class Member who has not previously submitted a request for exclusion from the Settlement Class may appear and be heard, to the extent allowed by the Court, to state any objection to the Settlement, the Plan of Allocation or Plaintiffs' Counsel's motion for reimbursement of expenses. Any such objector may appear in person or arrange, at that objector's expense, for a lawyer to represent the objector at the Hearing.

18. What is the difference between objecting and excluding?

Objecting is simply telling the Court that you do not like something about the proposed settlements. You can object only if you stay in the Settlement Class. Excluding yourself is telling the Court that you do not want to be part of the Settlement Class. If you exclude yourself, you have no basis to object because the case no longer affects you.

THE COURT'S SETTLEMENT FAIRNESS HEARING

The Court will hold a hearing to decide whether to approve the proposed settlements. You may attend and you may ask to speak, but you do not have to.

19. When and where will the Court decide whether to approve the proposed settlements?

The Court will hold a Settlement Fairness Hearing at **2:00 p.m. on Friday, December 11, 2009**, at the United States District Court for the Eastern District of New York, Alfonse M. D'Amato United States Courthouse, 100

Federal Plaza, Central Islip, NY 11722. At this hearing the Court will consider whether each of the settlements are fair, reasonable and adequate. At the Settlement Fairness Hearing, the Court also will consider the proposed Plans of Allocation for the proceeds of the Settlements and the applications of Plaintiffs' Counsel for reimbursement of expenses. The Court will take into consideration any written objections submitted in accordance with the instructions at question 17. The Court also will listen to Class Members who appear and speak at the hearing; but decisions regarding the conduct of the hearing will be made by the Court. See question 21 for more information about speaking at the hearing. The Court may also decide how much to pay to Plaintiffs' Counsel. After the hearing, the Court will decide whether to approve the settlements. We do not know how long these decisions will take.

You should be aware that the Court may change the date and time of the Settlement Fairness Hearing. Thus, if you want to come to the hearing, you should check with Plaintiffs' Counsel before coming to be sure that the date and/or time has not changed.

20. Do I have to come to the hearing?

No. Plaintiffs' Counsel will answer questions the Court may have. But, you are welcome to come at your own expense. If you send an objection, you do not have to come to Court to talk about it. As long as you filed your written objection on time, the Court will consider it. You may also pay your own lawyer to attend, but it is not necessary. Settlement Class Members do not need to appear at the hearing or take any other action to indicate their approval.

21. May I speak at the hearing?

If you object to one or both of the Settlements, you may appear and speak at the Settlement Fairness Hearing. Persons who intend to object to one or both of the Settlements, the Plans of Allocation, and/or counsel's applications for the reimbursement of expenses, and who desire to call witnesses to testify or to introduce exhibits into evidence at the Settlement Fairness Hearing must submit a written objection as provided in the response to question 17, and must provide the identity of any witnesses they may call to testify and exhibits they intend to introduce into evidence at the Settlement Fairness Hearing. You cannot speak at the hearing if you excluded yourself from the Settlement Class.

IF YOU DO NOTHING

22. What happens if I do nothing at all?
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If you are a Settlement Class Member and do nothing, and if the Settlements are approved, you should (provided Plaintiffs' Counsel have your correct address) receive a cash distribution from this settlements and you will be precluded from starting a lawsuit, continuing with a lawsuit, or being part of any other lawsuit against the Defendants and the other Released Parties about the Settled Claims in this case, ever again. To start, continue or be a part of any other lawsuit against the Defendants or the other Released Parties about the Settled Claims in this case you must exclude yourself from this Settlement Class (see question 13).

GETTING MORE INFORMATION

23. Are there more details about the proposed settlements?

This notice summarizes the proposed settlement. More details are in the PMCC Stipulation and the Toussie Stipulation. You can get a copy of the Stipulations by writing to Peter E. Seidman, Esq., Milberg LLP, One Penn Plaza, New York, NY 10119-0165, or by visiting www.gardencitygroup.com.

24. How do I get more information?

For even more detailed information concerning the matters involved in this Action, reference is made to the pleadings, to the Stipulations, to the Orders entered by the Court and to the other papers filed in the Action, which may be inspected at the Office of the Clerk of the United States District Court for the Eastern District of New York, Alfonse M. D'Amato United States Courthouse, 100 Federal Plaza, Central Islip, NY 11722, during regular business hours.

Dated: Central Islip, New York
August 25, 2009

By Order of the Court
CLERK OF THE COURT