**DEPARTMENT OF REAL ESTATE**
PO Box 187000
Sacramento, CA 95818-7000
916 227-0770

November 21, 2008

Steven C. Vondran, Attorney
620 Newport Center Drive Suite 1100
Newport Beach, CA 92660

Re: Advance Fee Agreement

Dear Mr. Vondran,

This letter will acknowledge our receipt of the revised advance fee agreement and accounting format you submitted on behalf of Anchor Funding Inc on November 10, 2008.

The Department has no objection to the broker's use of the advance fee agreement and accounting format **after the following corrections are made** and **a copy of the corrected agreement is sent to the Department**.

1. The broker must submit for our records a description of how the broker completion dates will be determined on the second page (example: no later than 10 days, no later than 30 days, etc).

Please note that any changes to the agreement or the accounting format must be submitted to the Department for review before it is used. Any promotional materials that the broker may subsequently wish to use will require our prior review, as well.

This letter does not constitute, nor may the broker make any representation that the Department of Real Estate has endorsed or approved any aspect of the broker's business activities.

Sincerely,

Sylvia I. Yrigollen
Senior Deputy Commissioner
Advance Fee Review Section

# Anchor Funding Inc.

3750 Convoy Street, Suite 320
San Diego, CA 92111
Phone: (858) 514-8808
Fax: (858) 514-8101

## BROKER/CLIENT ADVANCE FEE AGREEMENT

Client #1: _____ (Name)
_____ (Street Address)
_____ (City, State & Zip Code)

Client #2 (if any): _____ (Name)
_____ (Street Address)
_____ (City, State & Zip Code

Lender: _____ (Lender's Name)
_____ (Lender's Street Address)
_____ (Lender's City, State & Zip Code)
_____ (Loan Number)

Property: _____ (Property Street Address)
_____ (Property City, State & Zip Code)

Advance Fee: _____ (Amount)

How your advance fee is calculated:
If your current outstanding balance is $400,000, your fee is 1% of $400,000 which equals an advance fee of $4,000.

This Broker/Client Advance Fee Agreement is entered into by and between ANCHOR FUNDING, INC., hereafter referred to as "Broker," and the parties named hereinabove who shall be referred to jointly and/or severally as the "Client."

Client agrees to engage Broker to perform services related to loan modification, short sale ( If a short sale, services include submitting to the lender a buyer's offer to purchase property) of real property and any/all similar services as may be requested by the Client. If this contract is being executed Broker shall charge an advance fee for services as defined herein below. Broker is acting on a best effort basis and makes no promises, warranties, and/or conclusion of outcome to the Client.

Client agrees to pay the Broker an Advance Fee no later than 12:00 noon on the 3rd business day following the signing of this agreement.

Broker agrees to deposit the advance fee into its trust account and provide the Client with the verified accountings as required by Business and Professions Code Section 10146. The Client will receive a verified copy of such accountings at the end of each calendar quarter and when the contract has been completely performed by the Broker.

| Trust Account: | | |
|---|---|---|
| | Anchor Funding, Inc. | (Name of Trust Account) |
| | Union Bank | (Bank Name) |
| | 530 B Street 5th floor | (Street Address of Bank) |
| | San Diego, Ca. 92101 | (City, State & Zip Code of Bank) |
| | 9120204057 | (Bank Account Number) |



© 2008 ASB Capital Group, Inc. All rights reserved.

3750 Convoy Street, Suite 320
San Diego, CA 92111
Phone: (858) 514-8808
Fax: (858) 514-8101

The Broker agrees to only disburse the advance fee to fund specified services for the principal's benefit. The services to be performed by the Broker shall consist of the following:

(a) Due diligence analysis of Client/Lender relationship including review of: any and all correspondence to and from existing lender, existing note, existing deed, hardship letter, Asset/Liability Worksheet;

Broker agrees to the following completion date: _____ (no later than 10 days from execution of Advanced Fee Agreement)

(b) Package file for submission to lender for renegotiation;

Broker agrees to the following completion date: _____ (no later than 30 days from execution of Advanced Fee Agreement)

(c) Negotiation with lender and updates to file (if any) as requested by lender; and

Broker agrees to the following completion date: _____ (no later than 60 days from execution of Advanced Fee Agreement)

(d) Finalization of loan modification, short sale (If a short sale, services include submitting to the lender a buyer's offer to purchase property) and/or similar services.

Broker agrees to the following completion date: _____ (no later than 120 days from execution of Advanced Fee Agreement)

The advance fee shall be apportioned and disbursed as follows:
25% to be disbursed upon completion of (a) above;
25% to be disbursed upon completion of (b) above;
25% to be disbursed upon completion of (c) above; and
25% to be disbursed upon completion of (d) above.

Except as set forth in this section, neither this Agreement nor any rights under this Agreement, in whole or in part, shall be assignable or otherwise transferable by either party without the express written consent of the other party. Any attempt by either party to assign any of its rights or delegate any of its duties under this Agreement without the prior written consent of the other party shall be null and void. Subject to the above, this Agreement shall be binding upon and take effect for the benefit of the successors and assigns of the parties to this Agreement.

No waiver, amendment or modification, including those by custom, usage of trade, or course of dealing, of any provision of this Agreement will be effective unless in writing and signed by the party against whom such waiver, amendment or modification is sought to be enforced. No waiver by any party of any default in performance by the other party under this Agreement or of any breach or series of breaches by the other party of any of the terms or conditions of this Agreement shall constitute a waiver of any subsequent default in performance under this Agreement or any subsequent breach of any terms or conditions of that Agreement. Performance of any obligation required of a party under this Agreement may be waived only by a written waiver signed by a duly authorized representative of the other party or the actual party themselves, that waiver shall be effective only with respect to the specific obligation described in that waiver.

Any specific right or remedy provided in this Agreement shall not be exclusive but shall be cumulative upon all other rights and remedies set forth in this section and allowed under applicable law.



© 2008 ASB Capital Group, Inc. All rights reserved.

Anchor Funding Inc.

3750 Convoy Street, Suite 320
San Diego, CA 92111
Phone: (858) 514-8808
Fax: (858) 514-8101

This Agreement shall be governed by the laws of the State of California applicable to Agreements made and fully performed in California by California residents.

This Agreement may be executed in multiple counterparts, any one of which will be deemed an original, but all of which shall constitute one and the same instrument.

If either party is required to retain the services of an attorney to enforce or otherwise litigate or defend any matter or claim arising out of or in connection with this Agreement, then the prevailing party shall be entitled to recover from the other party, in addition to any other relief awarded or granted, its reasonable costs and expenses (including attorneys' fees) incurred in the proceeding.

If any provision of this Agreement is found invalid or unenforceable under judicial decree or decision, the remainder shall remain valid and enforceable according to its terms. Without limiting the previous, it is expressly understood and agreed that each and every provision of this Agreement that provides for a limitation of liability, disclaimer of warranties, or exclusion of damages is intended by the parties to be severable and independent of any other provision and to be enforced as such. Further, it is expressly understood and agreed that if any remedy under this Agreement is determined to have failed of its essential purpose; all other limitations of liability and exclusion of damages set forth in this section shall remain in full force and effect.

**MANADATORY DISCLOSURES**

**The advance service fees held in the trust account remain the property of the Client. Should this agreement be cancelled by either party and to the extent that any portion of the advance services fees are not expended for services specified in this agreement, Broker shall refund the unused portion of the service fee held in the trust account to the Client.**

**Notice: The amount or rate of fees specified in this agreement for services is not fixed by California Law. Fees are set by each broker individually and are subject to negotiation between the client (principal) and the broker.**

**Notice: California Civil Code Section 2945.4 prohibits any real estate licensee from claiming, demanding, charging, collecting or receiving any compensation from a person whose residence is in foreclosure until all of the promised services have been fully performed and completed. DO NOT SIGN THIS AGREEMENT IF A NOTICE OF DEFAULT HAS BEEN RECORDED AGAINST THE PROPERTY.**

Initials: _____ Initials: _____

**CLIENT (PRINCIPAL/PROPERTY OWNER) CERTIFIES THAT A NOTICE OF DEFAULT HAS NOT BEEN RECORDED AGAINST THE PROPERTY.**

Initials: _____ Initials: _____



© 2008 ASB Capital Group, Inc. All rights reserved.

# Anchor Funding Inc.

3750 Convoy Street, Suite 320
San Diego, CA 92111
Phone: (858) 514-8808
Fax: (858) 514-8101

Anchor Funding

Signature: _____

Name: Stacy Katz, DRE License # 01145336

Title: Broker of Record

Date: _____

Client # 1

Signature: _____

Date: _____

Client # 2 (if any)

Signature: _____

Date: _____



© 2008 ASB Capital Group, Inc. All rights reserved.

# Anchor Funding Inc.

3750 Convoy Street, Suite 320
San Diego, CA 92111
Phone: (858) 514-8808
Fax: (858) 514-8101

## Trust Account Adjustment Notification

**Date:** _____

Client: _____ (Name)
_____ (Street Address)
_____ (City, State & Zip Code)

Lender: _____ (Lender's Name)
_____ (Lender's Street Address)
_____ (Lender's City, State & Zip Code)
_____ (Loan Number) Date Modification Package Submitted: _____

Property: _____ (Property Street Address)
_____ (Property City, State & Zip Code)

Advance Fee: _____ (Amount)

| | | |
|---|---|---|
| Trust Account: | Anchor Funding, Inc. | (Name of Trust Account) |
| | Union Bank | (Bank Name) |
| | 530 B Street 5th floor | (Street Address of Bank) |
| | San Diego, Ca. 92101 | (City, State & Zip Code of Bank) |
| | 9120204057 | (Bank Account Number) |

Description of Service Rendered: _____

_____.

Your account has been debited pursuant to the Broker-Client Advance Fee Agreement signed on: _____

Debit Amount: _____. Total debits to date are: _____.

Your remaining balance is: _____.

**If you have any questions please do not hesitate contacting us. We thank you for your business and are working diligently for a resolution.**

I attest that the accounting is a true and accurate reporting.

_____
Stacy Katz, DRE License # 01145336

California Department of Real Estate License # 01276087

© 2008 ASB Capital Group, Inc. All rights reserved.