**11.1.7 Strategic Relationships**

**Quantum Default Services**

Located in Park City, UT.  
Partnership with QuREOs, Inc.

Key People:

***Douglas Yeaman, CEO***  
Doug Yeaman, who has trained more than 140,000 real estate professionals, is the founder of Quantum Management Systems. A highly respected management consultant, he is known for his ability to create people-effective systems and train and consult within organizations, enabling them to become high-performance work groups and significantly increasing profitability. He has worked for 30 years extensively within the real estate industry and his work has influenced most of the best-run real estate companies in the U.S.

Mr. Yeaman established his national recognition and reputation by founding a soft drink company at the age of 23 which he subsequently sold to a Fortune 500 company. . Mr. Yeaman spent several years as a business consultant in Europe and the United Kingdom. Upon his return to the United States in the early 1970s, he organized a large management consulting company in the San Francisco Bay area. The firm specialized in organizational development, and management consulting and training. His education is in physics and math, with extensive post-graduate work in management and human resource development.

***David Boxall, Vice President***  
 Mr. Boxall, who most recently was Wells Fargo Premier Asset Services Vendor and Marketing Director, has now moved into establishing a new enterprise focusing on changing the paradigm for foreclosed REO properties. David is a recognized speaker for several Fortune 500 companies including Kodak, Lockheed, AGFA, as well as targeted organizations such as the NRBA and REOMAC. Mr. Boxall also managed several large public companies in the UK before moving to the US twenty-five years ago.

For the past five years Mr. Boxall has overseen several major marketing and sales programs focused on improving communication and providing sales tools and training programs for agents, brokers, clients, and vendors within the Wells Fargo family REO marketplace. Mr. Boxall’s senior management experience spans 30 years, in addition torunning his own successful international consulting business. Mr. Boxall specializes in identifying cutting edge technologies and predicting future market trends, while adapting product strategies to take advantage of global opportunities.

One of Mr. Boxall’s most publicized achievements was the inception, launch and distribution of Calcomp/Lockheed’s “EcoGraphics System,” a revolutionary dry film imaging system. This was his first move towards developing and marketing products that were considered “Green.” This unique imaging solution was further enhanced and modified under Mr. Boxall’s direction by OYO Instruments for the Screen Printing and Flexography markets. This system continues to be successfully deployed around the world today.

***Sherry Pitcock, Title?***  
Ms. Pitcock has been a real estate executive and a Realtor for thirty years. She has managed top real estate offices for Prudential California Realty, Coldwell Banker, and Jon Douglas, and has held training positions with other companies such as Fred Sands and Keller Williams. She fully understands real estate at all levels, including the issues of managing agents and creating accountability.  She is uniquely prepared to address and resolve the issues involved in system design, training, and working with agents and managers to implement a successful program.

Prior to her real estate career, Ms. Pitcock was a rocket scientist and mathematician, both areas of expertise which bring a valuable analytic approach to her work.

***Ellaine Calhoun, Officer***   
Ms. Calhoun is Operations officer for Quantum Management Systems and an officer of Quantum Default Services.  She came to Quantum in 1991 from Prudential Mortgage Bank, where, during her 18 year career, she had been a senior loan officer and ultimately a Vice President. In 1998 she took a sabbatical from Quantum at the request of Prudential Real Estate Services to help start Prudential Preferred Properties real estate in Chicago as Vice President of Operations.

Currently, she is a seasoned trainer and responsible for certifying Quantum’s trainers. Her strong systems management skills have made her a highly sought after profession within the real estate industry.

***Ray Mathoda, Board Member***  
Ms. Mathoda is the former Chief ‘People and Efficiency’ Officer of Indymac, now OneWest Bank. In that role, she was in charge of all in-person and online employee training and education for 10,000 people, in addition to all other aspects of workforce management. She is highly experienced in training and education, knowing how to prepare theoretical models and putting them into practice in order to make a workforce, process and operation succeed.

In addition, she has significant experience on the policy and implementation-experience front. She proposed HAFA to Treasury in early 2009, and has been advising them on HAFA this year.

**Dialogue Marketing, Inc.**

Located at centers in Auburn Hills, MI (250 stations), Troy, MI (210 stations) and Orem, UT (140 stations), DMI a nationally recognized leader in customer management and will employ the talents, skills, and expertise of its staff on behalf of our clients. DMI is known for recruiting the top talent in marketing, inside sales, sales management, and IT development. With millions of dollars invested in telephony systems and three fully redundant contact centers throughout the United States.

DMI’s contact centers operate on a technologically advanced platform featuring open system architecture, allowing for integration of new technologies, custom design innovations, and process efficiencies that deliver unparalleled results.

Key People:

## Phoenix Asset Management

Located in Denver, CO with full service offices in Salt Lake City, Phoenix Asset Management is winner of the Pinnacle Award for Best Outsourcer. PAM’s mission is to provide its clients with efficient and cost effective solutions for the management and disposition of residential assets.

Since its formation in 2000, PAM has focused on providing the best-in-class asset management and disposition services to institutional clients within the framework of a fully customized, high-touch environment. PAM’s long term goal is to created enterprise value, as opposed to simply generating short-term revenue—especially important given the objectionable opportunistic ventures that have been formed solely to take advantage of current economic conditions.

Key People:

***Richard Barnes, CEO***  
Mr. Barnes has nearly 25 years of experience in mortgage banking, with over 15 years of experience in mortgage servicing brokerage. In addition to PAM, Mr. Barnes co-founded both Phoenix Capital, Inc. and Phoenix Analytic Services, Inc. and remains active guiding all firms. In addition to brokering hundreds of servicing transactions, Rick is credited with conceptualizing the forward bulk servicing transfer mechanism. This structured transaction has become one of three industry standards that effectuate the sale and transfer of mortgage servicing rights (MSR). Prior to co-founding Phoenix Capital, Inc., Mr. Barnes entered the servicing brokerage industry with Lincoln Financial after gaining experience in warehouse lending and secondary marketing with Security Pacific Mortgage Corporation. Mr. Barnes then spent six years with United Financial, Inc. Rick holds a B.S. in Finance from the University of Wyoming.

***Lorenz Schwarz, President***  
Mr. Schwarz has been active in the commercial and residential mortgage servicing industry for over 20 years. Prior to joining Phoenix in March 2007, Mr. Schwarz was with Select Portfolio Servicing as Director of REO, where he oversaw the management of a portfolio of up to 9,000 REO assets. He also held the position of VP REO at Wilshire Credit Corp, and Director of Real Estate at JE Robert Co. In addition to REO management, he has also been deeply involved with other aspects of mortgage servicing including loss mitigation, foreclosure, and valuation. He has served on various panels for USFN and REOMAC, as well as other industry organizations.

## Precision Asset Management (PAMC)

Precision Asset Management Corporation (PAMC) is a nationwide property management and marketing outsourcer located in Torrance, California, approximately 10 miles south of Los Angeles. PAMC’s founders pride themselves in having over 21 years in REO experience where they initially commenced as REO Brokers. PAMC was incorporated in the State of California in 1998 and has continuously been servicing REO assets since that time.

PAMC qualifies as a minority owned and managed company, met the certification criteria established by the National Minority Supplier Development Council and was approved by the Southern California Minority Business Development Council, Inc. Board of Directors. PAMC maintains a diversity vendor base and is affiliated with organizations such as Women in Default Services as well as NAHREP (National Association of Hispanic Real Estate Professionals). PAMC serves on the NAHREP Corporate Board of Governors. The company’s staff includes over 50 individuals of all ethnic diversities. PAMC manages and markets residential properties throughout the United States of America.

PAMC presently manages REO portfolios for JPM Chase, Washington Mutual and 5th 3rd Bank. With approximately 28,000 square feet of office space, the company has the ability to maintain a staff of 275 employees and manage a portfolio of up to 25,000 assets. The current set-up capacity is 150 employees and expansion to maximize the office space can be implemented in a short period of time.

Key People:

***Rosan Hermosillo Johnson, President***   
Ms. Hermosillo Johnson is a micro-manager who supervises the initial file assignments to asset managers; the occupancy status; the eviction process; the property evaluation process; the property preservation process; the insurance claim process (if applicable); the title curative process; the listing process; the marketing process; and the offer and closing processes.

***Michael Hermosillo, Operations Manager***  
Mr. Hermosillo is responsible for co-managing a staff of approximately 65 employees and overseeing the successful operation of ORE asset liquidation in a nationwide capacity. Through Mr. Hermosillo’s efforts, PAMC has successfully closed and reconciled more than 20,000 transactions from its inception. PAMC recently expanded to a 28,000 square foot office facility in order to accommodate its constant growth. The PAMC office has the ability to accommodate over 300 employees which in turn would allow for a file capacity count of 25,000 assets at any given time.

***Steve A. Johnson, Chief Executive Officer***  
Mr. Johnson is a macro-manager who supervises managers in the following departments: Asset Assignment; Asset Valuation; Asset Managers; Title Curative; Property Preservation; Property Repair; Eviction; Accounting; Property Management; Closing; Human Resources and IT development. Mr. Johnson oversees sales, eviction, and closing projections.

## Major Committed Regional Real Estate Brokerage Companies across the country

In general, the residential real estate industry provides marginal oversight and little accountability. We recognized immediately that these flaws would need to be addressed through reorganization, standardized management, and an effective accountability system.

A consortium of many of the top real estate companies in the country committed under contract to dedicate a Project Manager to manage a Realtor team.

With over 20,000 agents in these firms, QDS can offer scalable, national service to meet any demand. Both the listing and the buyer-agent specialist are managed to make sure that issues with consumers are properly remediated, that transactions are properly handled, and that the needs of Bank of America are being addressed.

Each member of the team will be trained and certified by a nationally recognized certification organization. This will guarantee that agents are trained to Bank of America’s standards and procedures, and are managed to the bank’s level of performance requirements.

After certification the Realtors are held accountable by the internal Project Manager. The Project Manager reports to QDS. Without accountability, any training in marginally valuable in producing the desired results.

These companies were selected on the basis of meeting strict criteria as follows:

* They have the financial resources to carry large inventory and provide the marketing the current market requires
* They will assign a Project Manager with the internal authority to manage the project under the supervision of QDS.
* They have experience with marketing and selling of distressed properties at prices higher than the average REO agent with less time to contract.
* They have an existing infrastructure for handling an increase in volume and this infrastructure is easily upwardly scaleable
* They have an mature and seasoned agent population that can be easily trained and engaged to specific standards and performance
* They are clear leaders in their market and have a major market share causing properties to sell at a normally top dollar
* They are already present in and capable of handling the specified geographic market requirements
* They will hold their agents accountable to insure that the standards are met and processes are properly and properties are marketed at the highest price in the shortest period of time
* They are politically connected to the cities and communities and have/can meet with those leaders
* They have committed to this project

They are:

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| **Company** | **Area covered** | **Total  Agents** | **Qualified LA†** | **Qualified  SA‡** | **Potential  Short Sales** | **Units/ $Vol 2008** | **President and/or CEO** |
| Coldwell Banker Premier | Las Vegas, Henderson Nevada | 325 | 25 | 25 | 500+ | 3797/ $.74 B | Molly Hamrick |
| Coldwell Banker NRT | Salt Lake City, UT | 900 | 25 | 25 | 250+ |  | Dan Christensen |
| Fuller Sotheby’s | Denver, CO | 200 | 25 | 25 | 500+ | 1353/ $.85 B | Scott Webber |
| Prudential Ruboloff | Chicago | 1700+ | 25 | 30 | 2000+ | 11,300/$3.4 B | David Bracy |
| Baird & Warner | Chicago | 1700+ | 25 | 30 | 2000+ | 11,300/$3.4 B | Jennifer Warden |
| Prudential California | Southern California | 3400 | 30 | 200 | 2-3000 | 16000/$13 B | Jon Cook |
| Keyes Realty | Southern Florida | 600 | 100 | 100 | 1500+ | 7200/ $1.8 B | Mike Pappas |
| Russ Lyons Sotheby’s | Phoenix | 500 | 30 | 50 | 2000+ | 2100/ $.5 B | Glenn Niere |
| Intero Real Estate | Northern California | 1600 | 50 | 50 | 1000+ | 4053/ $2.8 B | Gino Blefari |
| Prudential Georgia | Georgia | 1500 | 30 | 50 | 2-3000 | 6825/ $1.7B | Dan Foresman |
| Greenridge Realty | Western Michigan | 500 | 25 | 30 | 1000 |  | Thomas Paarlberg |
| REMAX Elite | Albuquerque | 250 | 15 | 30 | 200 |  | Michael Dreskin |
| Surovell Realty | SW Michigan | 250 | 20 | 30 | 1500 |  | Ed Surovell |
| Coldwell Banker United | Southern Texas & Gulf area | 3000 | 50 | 75+ | 2000 | 28,000/$6 B | Helen Edwards |
| David Winans GMAC | Dallas - Fort Worth | 400 | 20 | 40 | 1500 | $876M | David Winans |
| D’Ann Harper | San Antonio | 400 | 20 | 30 | 1000 | 4,000/ | D’Ann Harper |
| Edina Realty | MN, WI, ND | 2500 | 50 | 75 | 2500 | 24,000/$5.8B | Bob Peletier |

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| **† Listing Agents Profile**  Full time commitment to real estate. No other jobs.  More than two years active in real estate.  Track record of 10 - 25 successful listings sold.  Current MLS, Board, NAR member.  Answers phone promptly.  Carries a cell phone that is answered promptly  Checks email regularly or has push technology. | **‡ Marketing/Buyers Agent Profile**  Full time commitment to real estate. No other job.  Completed new agent training.  Current MLS, board and NAR member.  Answers phone promptly.  Carries cell phone which is answered promptly.  Checks email regularly or has push technology. |