

**UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF NEW YORK**

UNITED STATES OF AMERICA,

Plaintiff,

v.

UBS SECURITIES LLC, UBS AG,  
MORTGAGE ASSET SECURITIZATION  
TRANSACTIONS, INC. and UBS REAL  
ESTATE SECURITIES, INC.,

Defendants.

Case No. 18-cv-6369

**AGREEMENT FOR SETTLEMENT AND RELEASE**

This Agreement for Settlement and Release (the “Agreement”) is entered into between Plaintiff the United States of America (the “United States”) on the one hand, and Defendants UBS Securities LLC, UBS AG, Mortgage Asset Securitization Transactions, Inc., and UBS Real Estate Securities, Inc. (collectively, “UBS”), on the other hand. The United States and Defendants are collectively referred to herein as “the Parties” to the above-captioned civil action (“this Action”).

**RECITALS**

A. On November 8, 2018, the United States commenced this Action against the Defendants by filing a Complaint to recover civil penalties from Defendants pursuant to the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (“FIRREA”), Pub. L. No. 101-73, 103 Stat. 498, tit. IX, § 951, codified as amended at 12 U.S.C. § 1833a.

B. The Complaint alleges that between January 1, 2005, and December 31, 2007 (the “Relevant Period”), UBS engaged in violations of predicate offenses under FIRREA when it sponsored, issued, underwrote, managed, or offered 40 residential mortgage-backed securities

("RMBS"), which are identified in Table 1 annexed to the Complaint. The Complaint asserts claims for civil penalties under FIRREA against UBS as to these 40 securitizations ("the Subject Deals").

C. "Covered Conduct" as used herein is defined as the conduct alleged in the Complaint, as well as, more broadly:

- a. the creation, pooling, structuring, arranging, formation, packaging, marketing, underwriting, sale, or issuance by UBS during the Relevant Period of the RMBS and related securities identified in Appendix 1 to this Agreement; and
- b. the representations, disclosures, or non-disclosures by Defendants in connection with the RMBS and related securities identified in Appendix 1, where the representation, disclosure, or non-disclosure involves information about (or obtained during the origination, purchase, acquisition, securitization, underwriting, or servicing of) any residential mortgage loans included in the RMBS and related securities identified in Appendix 1.

D. Covered Conduct does not include:

- a. conduct relating to the origination of residential mortgages, except for representations, disclosures, or non-disclosures by Defendants about the origination of such loans, or about information obtained in the course of originating such loans;
- b. conduct relating to the servicing of residential mortgage loans, except representations, disclosures, or non-disclosures by Defendants about the

servicing of such loans, or about information obtained in the course of servicing such loans; or

- c. conduct relating to collateralized debt obligations and other derivative securities, or to the secondary trading of RMBS, as well as representations, disclosures, or non-disclosures made in connection therewith, except to the extent that such conduct, representations, disclosures, or non-disclosures relate to the RMBS and related securities listed in Appendix 1.

E. All Parties desire to bring this matter to a mutually acceptable resolution so as to avoid the delay, uncertainty, inconvenience, and expense of further litigation.

F. The Parties have therefore determined and decided to enter into this Agreement, in mutual consideration of the promises, covenants, and obligations set forth below.

G. This Agreement is made in compromise of disputed claims. The Parties acknowledge that this Agreement is made without any trial or adjudication or judicial finding of any issue of fact or law and is not a final order of any court or governmental authority. This Agreement does not constitute an admission by any of the Defendants of any facts or liability or wrongdoing, including, but not limited to, any liability or wrongdoing with respect to any allegations that were or could have been raised in this Action. This Agreement also does not constitute a concession by the United States that its claims are not well-founded, and nothing in this Agreement should be construed as, or deemed to constitute, approval, sanction, or authorization by the United States of any of Defendants' actions or business practices, or of any event or action alleged in the Amended Complaint.

## **TERMS AND CONDITIONS**

1. **Payment.**

a. UBS agrees to pay the amount of one billion four hundred thirty-five million dollars (US\$1,435,000,000) to resolve the claims against it brought in this Action.

b. Within fifteen (15) business days of receiving written payment processing instructions from the United States Attorney's Office, Defendants shall pay the entire amount set forth above in paragraph 1.a (the "Settlement Amount") by electronic funds transfer to the United States.

c. The entirety of the Settlement Amount is a civil monetary penalty recovered pursuant to FIRREA, 12 U.S.C. § 1833a.

d. Each Party shall bear its own legal and other costs, fees, and expenses incurred in connection with this matter, including those incurred in the preparation and performance of this Agreement.

2. **Voluntary Dismissal.** Within two (2) business days after the United States Attorney's Office confirms receipt of payment by Defendants of the full Settlement Amount, and in consideration of such payment, the Parties shall execute and file in the District Court for the Eastern District of New York a Stipulation of Voluntary Dismissal with Prejudice, in the form attached hereto as Exhibit A, which shall dismiss with prejudice all claims in this Action in their entirety against Defendants. However, the Protective Order entered by the Court on March 29, 2019 (ECF No. 34), as supplemented by the Addendum to the Protective Order entered by the Court on April 5, 2019 (ECF No. 37), and the Protective Order entered by the Court on June 6, 2019 (ECF No. 51) shall survive the dismissal of this Action to the extent necessary to govern the return or destruction of documents that the Parties or any non-Parties have designated as

Confidential Information, and the Parties shall cooperate with each other to effectuate the terms of those Protective Orders.

3. **Releases by the United States.** Subject to the exceptions set forth in Paragraph 4 (“Excluded Claims”), in consideration for and conditioned upon Defendants’ full and timely payment of the Settlement Amount, the United States fully and finally releases UBS, each of its current and former parents, subsidiaries, and affiliates, and each of their respective successors and assigns (collectively, the “Released Entities”), from all claims that were or could have been asserted by Plaintiff the United States in this Action, as well as any other civil claim the United States has against the Released Entities for the Covered Conduct, where such civil claim arises under:

- a. FIRREA, 12 U.S.C. § 1833a;
- b. the False Claims Act, 31 U.S.C. §§ 3729, *et seq.*;
- c. the Program Fraud Civil Remedies Act, 31 U.S.C. §§ 3801, *et seq.*;
- d. the Racketeer Influenced and Corrupt Organizations Act, 18 U.S.C. §§ 1961, *et seq.*;
- e. the Injunctions Against Fraud Act, 18 U.S.C. § 1345;
- f. common law theories of negligence, gross negligence, payment by mistake, unjust enrichment, money had and received, breach of fiduciary duty, breach of contract, misrepresentation, deceit, fraud, and aiding and abetting any of the foregoing; and/or
- g. any other claim that the Civil Division of the Department of Justice has actual and present authority to assert and compromise pursuant to 28 CFR § 0.45(d)

4. **Reservations by the United States (Excluded Claims).** Notwithstanding the Releases by the United States set forth in Paragraph 3, and notwithstanding any other term of this

Agreement, the United States specifically reserves, and does not release the Released Entities from, the following claims, regardless of the relationship of such claims to the Covered Conduct:

- a. any criminal liability;
- b. any liability of any person or entity other than the Released Entities;
- c. any liability arising under Title 26 of the United States Code (the Internal Revenue Code);
- d. any administrative liability, including the suspension and debarment rights of any federal agency, establishment, instrumentality, or corporation; and
- e. any liability based upon obligations created by this Agreement.

5. **Clarification of Excluded Claims.** For the avoidance of doubt, nothing in this Agreement shall be construed as suggesting that the United States Department of Justice has the authority to release, or by this Agreement is releasing:

- a. any private right of action that entities other than the United States may have against the Released Entities, regardless whether such claims have been asserted or not; or
- b. any liability to or claims of the Federal Deposit Insurance Corporation (“FDIC”) (in its capacity as a corporation, receiver, or conservator), National Credit Union Administration (in its capacity as a corporation, receiver, or conservator), Federal Housing Finance Agency, any of the Federal Home Loan Banks, the Federal Reserve Board and its member institutions, the Consumer Financial Protection Bureau, the Securities & Exchange Commission (“SEC”), or the Federal Trade Commission.

6. **Releases and Waivers by Defendants.**

- a. The Released Entities hereby irrevocably release the United States, its agencies, establishments, and instrumentalities, together with their respective officers, officials,

agents, employees, and servants, from any and all claims (including claims for attorney's fees, costs, and expenses of every kind), however denominated, that the Released Entities have asserted, could have asserted, or may assert in the future against the United States, its agencies, establishments, instrumentalities, officers, officials, agents, employees, and servants, related to the Covered Conduct or related to the investigation and litigation thereof.

b. The Released Entities hereby irrevocably waive, and agree not to assert, any rights that they otherwise might have to seek any form of indemnification, reimbursement, or contribution from the FDIC in any capacity, including in its corporate capacity and its receiver and conservator capacities, for any payment that is a portion of the Settlement Amount.

c. The Released Entities hereby irrevocably waive and agree not to assert any defenses that they may have to any criminal prosecution or administrative action relating to the Covered Conduct as to which the defense is based in whole or in part on a contention that, under the Double Jeopardy Clause in the Fifth Amendment of the United States Constitution, or under the Excessive Fines Clause in the Eight Amendment of the United States Constitution, this Agreement bars a remedy sought in such criminal prosecution or administrative action.

d. The Released Entities hereby agree to separately determine and account for all Unallowable Costs for government contracting purposes, and not to charge any Unallowable Costs, directly or indirectly, to any contract that any of them may have with the United States, or with any agency, establishment, or instrumentality of the United States. For purposes of this provision, an "Unallowable Cost" is any cost (as defined in the Federal Acquisition Regulation, 48 C.F.R. § 31.205-47) incurred by or on behalf of the Released Entities or any of their present and former officers, directors, employees, shareholders, and agents, in connection with: any matters covered by this Agreement; the negotiation and performance of this Agreement; the

Settlement Amount payments made pursuant to this Agreement; the litigation and settlement of this Action, including any attorney's fees and costs; the United States' investigation of any matters covered by this Agreement; and the Released Entities' investigation, defense, and corrective actions undertaken in response to the United States' investigation and litigation of any matters covered by this Agreement.

7. **Miscellaneous Provisions.**

a. This Agreement is governed by, and shall be construed according to, the laws of the United States.

b. The Parties agree that the exclusive jurisdiction and venue for any dispute relating to this Agreement or its construction is the United States District Court for the Eastern District of New York, and further agree to submit to the jurisdiction of that court (including personal jurisdiction) for any dispute relating to this Agreement or its construction or enforcement, as well as for any dispute relating to the Protective Orders entered by the Court on March 29, 2019 (ECF No. 34), April 5, 2019 (ECF No. 37), and June 6, 2019 (ECF No. 51).

c. This Agreement is intended for the benefit of the Parties only and does not create any third-party rights.

d. The undersigned represent and warrant that they are fully authorized to execute this Agreement on behalf of the persons and entities indicated below. Each Party and signatory to this Agreement represents that it/he/she freely and voluntarily enters into this Agreement without any degree of duress or compulsion.

e. This Agreement shall be deemed to have been drafted by all Parties and shall not, therefore, be construed against any Party for that reason in any dispute.



f. This Agreement constitutes the complete and entire agreement between the Parties and may not be amended except by written consent of all of the Parties.


g. This Agreement may be executed in counterparts, each of which constitutes an original and all of which constitute one and the same Agreement. Facsimiles of signatures shall constitute acceptable, binding signatures for purposes of this Agreement.

h. This Agreement is binding on Defendants' successors, transferees, heirs, and assigns.


8. **Disclosure.** All Parties agree that this Agreement may be made public in its entirety, and expressly consent to such release and disclosure.

9. **Effective Date.** This Agreement shall take effect on the date of signature of the last signatory to the Agreement.

For Plaintiff the United States of America:

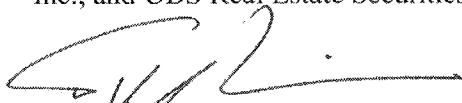
  
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BREON PEACE  
United States Attorney  
Eastern District of New York  
271 Cadman Plaza East  
Brooklyn, NY 11201-1820

Dated: August 14, 2023

  
\_\_\_\_\_  
RYAN K. BUCHANAN  
United States Attorney  
Northern District of Georgia  
Richard B. Russell Federal Building  
74 Ted Turner Dr., SW, Suite 600  
Atlanta, Georgia 30303

Dated: August 11, 2023

For Defendants UBS Securities LLC, UBS AG, Mortgage Asset Securitization Transactions, Inc., and UBS Real Estate Securities, Inc.:



DARRYLL HENDRICKS  
Chief Operating Officer Americas,  
UBS Group AG

Dated: August 14, 2023



PATRICK SHILLING  
General Counsel Americas,  
UBS Group AG

Dated: August 14, 2023

## Appendix 1

AAST0501	CWA06OA8	FHBMD15	FHLS231
AAST0502	CWA07020	FHBME15	FHLS232
AAST0503	CWA07022	FHBVN15	FHLS234
AAST0504	CWA07024	FHBZ213	FHLS236
AAST0505	CWA0711T	FHL2921	FHLS239
AAST0601	CWA073T1	FHL2922	FHLS240
ACCT0602	CWA07OA2	FHL2950	FHLS242
AHA06002	CWF05001	FHL2957	FHLS244
AHA07004	CWF05003	FHL2979	FHLS245
AHM05001	CWF05006	FHL2995	FHLS246
AHM05002	CWF05009	FHL3000	FHLS248
AHM05003	CWF05017	FHL3019	FHMT0502
AHM06002	CWF05020	FHL3039	FHMT0506
AMH05SD1	CWF05021	FHL3053	FHMT0701
AMQ05R02	CWF05022	FHL3068	FHMT0702
AMQ05R07	CWF05025	FHL3068A	FMAN0506
AMQ06M03	CWF05028	FHL3079	FMAN0507
ARS05W03	CWF05030	FHL3088	FMB06B01
ARS06M02	CWF05R02	FHL3099	FMB06B02
ARS06W02	CWF06003	FHL3118	FMB07B02
ARS06W03	CWF06OA5	FHL3138	FNL06059
CBS06CB1	CWF07009	FHL3150	FNM05004
CBS06CB8	CWF07010	FHL3167	FNM05014
CMA06A03	CWF07012	FHL3188	FNM05023
CMS07005	CWF07HY3	FHL3204	FNM05038
CWA05002	CWF07HY4	FHL3210	FNM05047
CWA05016	CWF07Y01	FHL3231	FNM05060
CWA05017	CWHE05A	FHL3242	FNM05078
CWA05027	CWHE0611	FHL3277	FNM05087
CWA05043	CWR0637R	FHL3293	FNM05100
CWA05061	ECRT0504	FHL3308	FNM05107
CWA05063	FFC07IA7	FHL3317	FNM05T03
CWA05072	FFML05F7	FHL3338	FNM05T04
CWA0510C	FHA05A11	FHL3358	FNM06003
CWA0529C	FHA05F10	FHL3377	FNM06024
CWA0535C	FHAT06F4	FHL3385	FNM06033
CWA0574T	FHAT06R2	FHL3385A	FNM06044
CWA0612C	FHAT07A1	FHL3395	FNM06059
CWA0623C	FHAT07F1	FHLR001	FNM06071
CWA0643C	FHB4S12	FHLR002	FNM06087
CWA064CB	FHB606	FHLR003	FNM06097
CWA06H13	FHB7H12	FHLR013	FNM06122
CWA06O10	FHB7I12	FHLS228	FNM06127
CWA06OA3	FHB7R18	FHLS229	FNM07007
CWA06OA7	FHB9M12	FHLS230	FNM07020

FNM07036	GNM06C02	MARM 2004-9	MASTR 2003-5
FNM07045	GNM07005	MARM 2005-1	MASTR 2003-6
FNM07055	GNM07018	MARM 2005-2	MASTR 2003-7
FNM07066	GNM07032	MARM 2005-3	MASTR 2003-8
FNM07084	GNM07047	MARM 2005-6	MASTR 2003-9
FNM07090	GNM07063	MARM 2005-7	MASTR 2004-1
FNM07110	GNM07080	MARM 2005-8	MASTR 2004-10
FNMS0357	HLMT0601	MARM 2006-2	MASTR 2004-11
FNMS0358	IMHE0501	MARM 2006-OA1	MASTR 2004-3
FNMS0360	IMHE0503	MARM 2006-OA2	MASTR 2004-4
FNMS0361	IMHE0505	MARM 2007-1	MASTR 2004-5
FNMS0363	IMHE0506	MARM 2007-2	MASTR 2004-6
FNMS0367	IMHE0507	MARM 2007-3	MASTR 2004-8
FNMS0370	IMHE0508	MARM 2007-HF1	MASTR 2004-9
FNMS0371	IMJA07A1	MARM 2007-HF2	MASTR 2004-P2
FNMS0372	IMR06SD1	MARP 2005-1	MASTR 2005-1
FNMS0373	IMSC07H1	MARP 2005-2	MASTR 2005-2
FNMS0375	INDS0601	MARP 2006-1	MASTR 2006-1
FNMS0377	INDS0603	MARP 2006-2	MASTR 2006-2
FNMS0379	INDS062B	MASD 2004-1	MASTR 2006-3
FNMS0380	INDS06A	MASD 2004-2	MASTR 2007-1
FRHE05D	INDS0701	MASD 2005-1	MIT05001
FRHE05E	INDS0702	MASD 2005-2	MIT05002
FRHE06B	INMC05A	MASD 2005-3	MIT06001
GEWM0601	INMC05B	MASD 2006-1	MSSTR 2003-1
GMM05AA1	INMC05C	MASD 2006-2	MSSTR 2004-1
GMM05AR1	INMC05D	MASD 2006-3	MSSTR 2005-1
GNM05003	INMC06A	MASD 2007-1	MSSTR 2005-2
GNM05011	INMC06B	MASD 2007-2	NAA06AR4
GNM05024	INMC06C	MASL 2005-1	NCC05002
GNM05030	INMC06D	MASL 2006-1	NCC05003
GNM05036	INMC06E	MASTR 2002-1	NCC06S01
GNM05047	INMC06H2	MASTR 2002-2	NMHE0702
GNM05057	INMC07A	MASTR 2002-3	OMAC0501
GNM05073	INMC07B	MASTR 2002-4	OMAC0502
GNM05081	INX05A10	MASTR 2002-5	OMAC0504
GNM05092	ISC05001	MASTR 2002-6	OMAC0505
GNM06014	ISC05002	MASTR 2002-7	OMAC0601
GNM06020	MARM 2004-15	MASTR 2002-8	PCH05003
GNM06023	MARM 2004-2	MASTR 2003-1	PCH05004
GNM06027	MARM 2004-3	MASTR 2003-10	PFRM0601
GNM06033	MARM 2004-4	MASTR 2003-11	PP05WCW2
GNM06038	MARM 2004-5	MASTR 2003-12	PP05WHQ2
GNM06049	MARM 2004-6	MASTR 2003-2	QUST05X2
GNM06064	MARM 2004-7	MASTR 2003-3	RAS050A3
GNM06C01	MARM 2004-8	MASTR 2003-4	RAS050A4

RAS050A5	RFC05QS8	STR07S01	WFM06006
RAS050A7	RFC05QS9	TBW 2006-5	WFM06007
RAS050A9	RFC05S06	TBW 2006-6	WFM06016
RAS05A11	RFC06Q15	TBW 2007-1	WFM06017
RAS05A6C	RFC06Q05	TBW06005	WFM06018
RAS05A8C	RFC06Q07	TBW06006	WFM06A14
RAS06A11	RFC06S02	TBW07001	WFM06A18
RAS06A12	RFC06S03	WFM05001	WFM07003
RAS06A13	RFC06S08	WFM05002	WFM07009
RAS06A15	STA0601F	WFM05004	WFM07010
RAS06A3C	STARM 2007-2	WFM05011	WFM07AR3
RAS070A5	STARM 2007-3	WFM05014	
RFC05QA9	STR07002	WFM05A16	
RFC05QS7	STR07003	WFM06003	
WMS05AR6			

\* Should a securitization inadvertently not be listed notwithstanding that UBS or one of its subsidiaries or affiliates served as issuer, sponsor, depositor, underwriter, or originator, that securitization will be treated as if it was listed.

# **Exhibit A**

**UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF NEW YORK**

UNITED STATES OF AMERICA,

Plaintiff,

v.

UBS SECURITIES LLC, UBS AG,  
MORTGAGE ASSET SECURITIZATION  
TRANSACTIONS, INC. and UBS REAL  
ESTATE SECURITIES, INC.,

Defendants.

Case No. 18-cv-6369

**NOTICE AND STIPULATION OF DISMISSAL WITH PREJUDICE**

WHEREAS Plaintiff the United States of America and Defendants UBS Securities LLC, UBS AG, Mortgage Asset Securitization Transactions, Inc., and UBS Real Estate Securities, Inc. (collectively, “UBS”) have entered into an Agreement for Settlement and Release, disposing of all claims asserted in the above-captioned action (the “Action”);

NOW, THEREFORE, IT IS HEREBY STIPULATED AND AGREED, by and among the parties, through their respective undersigned counsel, that, pursuant to Fed. R. Civ. P. 41(a)(1)(A)(ii), this Action shall be, and hereby is, dismissed with prejudice, each party to bear its own costs, attorneys’ fees, and expenses. The Protective Orders entered by the Court on March 29, 2019 (ECF No. 34), April 5, 2019 (ECF No. 37), and June 6, 2019 (ECF No. 51) shall survive the dismissal of the Action to the extent necessary to govern the return or destruction of documents that the Parties or any non-Parties have designated as Confidential Information, and the Parties shall cooperate with each other to effectuate the terms of that Stipulation. This Court shall retain jurisdiction to the extent necessary to adjudicate any dispute relating to the Agreement for



Settlement and Release or its construction or enforcement and any dispute relating to the Protective Orders entered by the Court on March 29, 2019 (ECF No. 34), April 5, 2019 (ECF No. 37), and June 6, 2019 (ECF No. 51).

Dated: \_\_\_\_\_  
Brooklyn, New York

BREON PEACE  
United States Attorney  
Eastern District of New York

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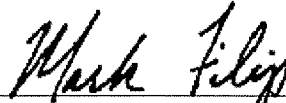
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Dated: August 14, 2023  
New York, New York



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