



ZIMMERMAN REED
ATTORNEYS AT LAW

FOR IMMEDIATE RELEASE
THURSDAY, APRIL 19, 2007
CONTACT: GORDON RUDD
PHONE: 612.341.0400

MN BORROWERS' PREDATORY LENDING CLAIMS AGAINST AMERIQUEST GRANTED CLASS ACTION STATUS

MINNEAPOLIS: Minnesota homeowners won a significant victory in their lawsuit against sub-prime lender Ameriquest Mortgage Company on Wednesday when a Hennepin County judge found that their claims could proceed as a class action. Borrowers claim that Ameriquest falsified loan documents, inflated home appraisals and switched loan terms throughout the state. The class includes approximately 22,000 Minnesota borrowers who secured loans with Ameriquest since 1999.

According to the Complaint in the case, Ameriquest has encouraged its sales staff to engage in high-pressure sales tactics targeted at low-income borrowers by a variety of bait and switch concealment tactics, including concealing or switching loan terms in the final closing documents, misrepresenting loan terms, and offering loans that borrowers could not afford and which offered no real benefit. The Complaint also alleges that Ameriquest's sales staff forged or altered borrower information on loan documents, and concealed or misrepresented key loan terms such as pre-payment penalties, discount points, and adjustable interest rates. Plaintiffs seek restitution for all injured consumers and an order requiring Ameriquest to discontinue the alleged illegal practices.

"The court's ruling is an important step toward justice for Minnesota consumers who were subjected to Ameriquest's loan practices," said Kelly Dermody, partner of Lieff, Cabraser, Heimann & Bernstein in San Francisco, one of the counsel for plaintiffs and the class.

Gordon Rudd, a partner with Zimmerman Reed in Minneapolis, who represents the class along with Lieff Cabraser, also applauded the Court's ruling. "As a class action, we are able to move forward to protect the rights of Minnesota borrowers and we are eager to continue this fight." Last year, 49 states reached a settlement with Ameriquest regarding its lending practices. The terms of that settlement have not yet been implemented.

To view the Order in its entirety, please visit www.zimmreed.com.

###