



REMINGTON FINANCIAL GROUP

Remington Financial Group Fraud Policy

The fraud policy of Remington Financial Group is designed to ensure that all staff, consultants, customers, financing intermediaries, and capital sources associated with our company possess the highest ethical standards possible. To accomplish this, we have established training programs and a diligently enforced anti-fraud policy we hope will become the accepted "Gold Standard" policy throughout our industry.

The purpose of this policy is to establish a realistic deterrent to inappropriate business behavior. We do this with controls and procedures designed to prevent, detect, investigate and report any questionable activity that may involve fraud against the company, its staff, consultants, customers, financing intermediaries, or capital sources.

What is fraud? It is "the intentional false representation or concealment of material facts for the purpose of inducing another person or entity to act in such a way as to cause, or to potentially cause, injury or damage."

Fraud can and must be avoided. Anyone directly or indirectly engaged in inappropriate activity that harms anyone or any entity having dealings with Remington will be held accountable and be subject to prompt and appropriate disciplinary or legal action. At Remington, fraud is not an option. It simply will not be tolerated.

Prevention

To avoid and detect fraud, Remington Financial Group shall:

- Maintain a zero tolerance for fraud or other inappropriate activity.
- Hold staff, consultants and partners to the highest ethical standards.
- Train Remington associates to thoroughly understand our business process.
- Document the business processes so as to detect unauthorized variations.
- Promptly identify and report any fraudulent activities to the FBI or Federal, State or local governments as required by law.
- Continually review and update our fraud policies.
- Continually educate Remington stakeholders in our fraud commitment.

Responsibilities

At Remington, the Capital Markets, Business Development, and Structured Finance Groups are individually and collectively responsible for supporting the company's rigorous due diligence activities regarding all current and new clients, including owners, developers and financing intermediaries.

Traditional and Alternative Capital Sources

It is the responsibility of the Capital Markets Group to continually identify and “vet” new capital sources and to scrupulously perform due diligence on all current and future capital sources, such efforts to include, at a minimum:

- Researching each source, with background checks on the firm and its officers;
- Verifying through all available channels (e.g. Crittenden database) that the source is a legitimate lender or investor;
- Scrutinizing the Internet for past or current fraud issues;
- Conducting a thorough and satisfactory phone interview with the source before moving ahead in the process;
- Resolving questions with at least two principals, and independent third parties, if any questions remain unanswered;
- Reviewing such phone interviews with the Director of Capital Markets Group;
- Maintaining regular contact with capital sources, including periodic (annual) verification of non-fraudulent activity.

Owners, Developers and Financing Intermediaries

It is the responsibility of the Business Development Group to continually identify new client prospects and to help perform due diligence on all current and new clients, including owners, developers and financing intermediaries.

The company’s Structured Finance Group, which has direct contact with clients during the transaction process, will likewise be responsible for supporting the company’s due diligence efforts.

The fraud policy with respect to owners, developers and financing intermediaries will at a minimum include:

- Verifying the client and financing intermediaries “exist” through all available channels;
- Obtaining approval by management before a new client is accepted;
- Conducting a thorough and satisfactory phone interview with the client prospect before moving ahead in the process;
- Reviewing such phone interviews with a member of Remington management;
- Obtaining information about a client’s officers and office location;
- Scrutinizing the Internet for past or current fraud issues involving the financing intermediary or client;
- Discussing with the client all questions that arise from documents provided;
- Discussing any lingering issues with independent third parties;
- Verifying information received with an on-site visit that may be waived only with the approval of Remington management;
- Maintaining regular client contact, including periodic verification of non-fraudulent activity.