

NOTICE OF CLASS ACTION LAWSUIT

TO: All current and former employees of Challenge Financial Investors Corporation (doing business as Challenge Mortgage and CFIC Home Mortgage) who worked as a loan officer at any time on or after April 20, 2002.

1. Reason For Notice

The purpose of this Notice is to inform you of the existence of a group lawsuit in which you may be a member, to advise you of how your rights may be affected by this lawsuit, and to instruct you on the procedure for participating in this lawsuit if you so desire.

This Notice and its contents have been authorized by the United States District Court for the District of Kansas. The Court has taken no position regarding the merits of the plaintiffs' claims or the defendants' defenses.

2. Description of the Lawsuit

Named plaintiffs Jeffrey A. Geer and Gerald LaBouff ("plaintiffs"), on behalf of themselves and other past and present employees similarly situated, have filed a lawsuit against Challenge Financial Investors Corporation, doing business as CFIC Home Mortgage and Challenge Mortgage ("CFIC"), Nations Holding Company, Piggybanker Stock Company, Harold Barian, Hiram Blomquist, Michael Riley, Joe Ramis, Ken Rach, Trent Williamson, Chris Faoro, Michael Gonzales, and Tod Howard, alleging that CFIC, its affiliated companies, and the individual defendants, acting in the interest of CFIC, failed to pay minimum wages and overtime pay to loan officers as required by the Fair Labor Standards Act, 29 U.S.C. § 201 *et seq.* In particular, plaintiffs allege that as a result of defendants' commission-only compensation policy, loan officers were not paid minimum wages for certain work weeks and were systematically denied overtime pay for time worked in excess of 40 hours per week. Plaintiffs seek recovery for unpaid minimum wages, overtime pay, interest, liquidated damages, and attorneys' fees and costs of this action. Defendants deny the allegations in this lawsuit.

3. Persons Who Have a Right to Participate in This Lawsuit

Plaintiffs have filed this action on behalf of all current and former employees of CFIC who worked as a loan officer at any time from April 20, 2002, to the present. If you fit the definition above, you may join this suit (that is, "opt in"). It is entirely your decision whether to join in this suit. To "opt in," you must file a "Consent to Opt In and Participate as Party Plaintiff" (in the form accompanying this Notice) with the Clerk of the Court. If you do not want to join this lawsuit, you do not need to do anything.

4. How to Join This Lawsuit

Attached to this Notice is a form to be used if you wish to be a party plaintiff in this suit. **If you want to join this lawsuit, you must complete, sign, and return the enclosed “Consent to Opt In and Participate as a Party Plaintiff” form to the law offices of Foulston Siefkin LLP on or before _____, 2006, using the self-addressed stamped envelope enclosed.** When these lawyers receive your Consent they will file it with the Court on your behalf. **If the Consent form is mailed with a postmark after _____, 2006, it will not be accepted, and you will not be permitted to join this lawsuit.** If you do not want to join this lawsuit, you do not need to do anything. You will be included in this lawsuit only if you return the signed Consent form.

5. Effect of Joining the Lawsuit

If you join the lawsuit you will be bound by the judgment of the Court, win or lose. That is, when the Court decides whether the law required CFIC and the defendants to pay minimum wages and overtime to loan officers, that decision will apply to all persons who have joined in the lawsuit. If the plaintiffs win, you may be eligible for an award of back pay; if the plaintiffs lose, no overtime compensation or back pay will be awarded and you will not be able to file another lawsuit regarding the overtime compensation. While the suit is proceeding, you may be required to provide information, sit for depositions, and testify in Court.

6. Effect of Not Joining the Lawsuit

If you do *not* join in the lawsuit you will *not* be bound by the Court’s decisions and you will *not* be entitled to share in any award of back wages or damages if the Court rules for the plaintiffs or if the parties reach a settlement. If you choose not to join in the lawsuit, you will still have the right to file a lawsuit of your own or otherwise enforce your legal rights by other means. However, the time limit for bringing an action on any minimum wage and overtime claims you may have will continue to run until such time as if you join in this lawsuit or file a lawsuit of your own, and may cause your claim to be barred by the statute of limitations.

7. Statute of Limitations

Under the Fair Labor Standards Act, the statute of limitations to file a complaint for unpaid wages, overtime, or liquidated damages is two (2) years after the cause of action accrued. For “willful” violations, the limitations period is extended to three (3) years after the cause of action accrued. In a Fair Labor Standards Act class action, the action is not deemed to commence for any individual until his or her written consent to be a party has been filed with the Court. Thus, if the plaintiffs win, you would be able to recover unpaid wages, overtime, and liquidated damages only for those work weeks that fall within two (2) years, or in the case of a “willful” violation three (3) years, from the time your written consent is filed with the Court. **Accordingly, if you want to join in this lawsuit, time may be of the essence, and you should complete, sign, and return the enclosed “Consent to Join as a Party Plaintiff” form to us as soon as possible to ensure that part or all of your claim is not barred by the statute of limitations.**

8. Your Legal Representation if You Join This Lawsuit

If you choose to join in this lawsuit, you will be represented by the present plaintiffs' lawyers. The lawyers for the plaintiffs are:

Boyd A. Byers
Sophie K. Counts
Foulston Siefkin LLP
1551 N. Waterfront Parkway, Suite 100
Wichita, Kansas 67206-4466

If you want to join this lawsuit, these lawyers will represent you, subject to an appropriate representation agreement. You will not have to pay these lawyers for their services unless you are awarded money pursuant to a Court order or a settlement agreement. If that happens, the Court may order the defendants to pay reasonable attorneys' fees to the law firm Foulston Siefkin LLP for their services in representing you and the other past and present employees. If you would prefer to hire a different lawyer to represent you, you have the right to do so.

9. No Retaliation

It is against the law for CFIC or any of the other defendants to punish you, terminate your employment, reduce your wages or benefits, give you bad references, or otherwise retaliate against you for taking part in this case. If you believe that you have been penalized or retaliated against in any way as a result of your receiving this notification, considering whether to join this lawsuit, actually joining this lawsuit, or acting as a witness or providing information or assistance regarding this lawsuit, you should contact the plaintiffs' lawyers immediately.

10. Further Information

If you have any questions about this Notice, or any other questions about the lawsuit, you may contact the plaintiffs' lawyers at (316) 291-9720 or classadministrator@foulston.com.

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF KANSAS

JEFFREY A. GEER and GERALD LABOUFF,)
on behalf of themselves and other past)
and present employees similarly situated,)

Plaintiffs,)

v.)

Civil Action No. 05-CV-1109-JTM

CHALLENGE FINANCIAL INVESTORS CORP.)

d/b/a CFIC HOME MORTGAGE and)

CHALLENGE MORTGAGE ;)

HAROLD BARIAN; HIRAM E. BLOMQUIST;)

MICHAEL J. RILEY; JOE RAMIS; KEN RACH;)

TRENT WILLIAMSON; CHRIS FAORO;)

MICHAEL GONZALES; TOD HOWARD,)

NATIONS HOLDING COMPANY; THE)

HOLDING COMPANY 401K PLAN;)

ADMINISTRATORS OF THE HOLDING)

COMPANY 401K PLAN; and PIGGYBANKER)

STOCK COMPANY,)

Defendants.)

_____)

CONSENT TO OPT IN AND PARTICIPATE AS PARTY PLAINTIFF

I hereby give my consent to be a party plaintiff in this case, and agree to be bound by any settlement or judgment of the Court in this action. I understand that this lawsuit has been filed against Challenge Financial Investors Corporation and the other defendants to recover unpaid minimum wages, overtime compensation, and other damages and relief available under the Fair Labor Standards Act, 29 U.S.C. § 201 *et seq.* This written Consent is intended to serve as my consent in writing to join in this lawsuit and become a party plaintiff as required by 29 U.S.C. § 216(b).

Full Legal Name_____

Signature_____

Date_____