

May 6, 2010

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LMS and Associates  
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St. Louis Park, MN 55416

Michael J. Tostengard  
Assistant Attorney General  
Suite 1200  
445 Minnesota Street  
St. Paul, MN 55101-2130

RE: In the Matter of the Unlicensed Loan Modification Activity of LMS and Associates; OAH Docket No. 11-1005-21190-2

Dear Mr. Jacobson and Mr. Tostengard:

This letter will confirm our discussions during yesterday's prehearing conference, and constitutes the First Prehearing Order in this contested case proceeding.

The Department indicated during the Prehearing Conference that it intends to file an Amended Notice of and Order for Hearing in the near future which it expects will name Mr. Jacobson, individually, as well as LMS and Associates. Mr. Jacobson noted that he may file a motion objecting to such an amendment. Mr. Jacobson also stated that he was interested in exploring settlement or mediation of this matter, and Mr. Tostengard indicated that the Department likely would be willing to consider settlement proposals.

The following schedule will govern this matter:

1. By July 27, 2010, the parties shall exchange proposed exhibit and witness lists relating to this case. The witness lists shall include a brief summary of the expected testimony of each witness. If any documents identified as exhibits have not yet been exchanged, copies shall be provided with the exhibit lists. Exhibits shall be premarked by the parties. The Department shall number its exhibits sequentially beginning with number 1, and LMS shall number its exhibits sequentially beginning with number 101.

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2. The hearing in this matter shall be held on Tuesday, August 10, 2010, commencing at 9:30 a.m. in the courtrooms of the Office of Administrative Hearings, 600 North Robert Street, First Floor, St. Paul, Minnesota.
3. The hearing shall be digitally recorded unless the parties notify the Administrative Law Judge by August 3, 2010, that they will require the services of a court reporter.

It is further ordered that, notwithstanding the provisions of the Minnesota Data Practices Act, the Department shall provide relevant, non-privileged documents, including "not public" documents, to Respondent in response to its discovery requests. Documents that are "not public" shall be stamped with those words. Any "not public" data disclosed must be used only for purposes of this proceeding and not for any other purpose without a prior court order. Disclosure of "not public" data is limited to parties, counsel, employees assisting counsel, and representatives and witnesses of the parties to the extent necessary to prepare and present claims and defenses or as required by court order.

Please do not hesitate to contact me if you believe that an additional prehearing conference or telephone conference call would be helpful prior to the hearing.

Sincerely,

s/Barbara L. Neilson

BARBARA L. NEILSON  
Administrative Law Judge  
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