

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK

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:
FEDERAL HOUSING FINANCE AGENCY, AS
CONSERVATOR FOR THE FEDERAL HOME LOAN
MORTGAGE CORPORATION, on behalf of the Trustee
of the ACE SECURITIES CORP. HOME EQUITY
LOAN TRUST, SERIES 2006-FM1 (ACE 2006-FM1),

Plaintiff,

-against-

DB STRUCTURED PRODUCTS, INC.,

Defendant.
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SUMMONS WITH NOTICE

Plaintiff designates New York
County as the place of trial.

Venue is proper in this County
pursuant to C.P.L.R. § 503.

TO THE ABOVE-NAMED DEFENDANT:

YOU ARE HEREBY SUMMONED to answer the complaint in this action and to serve a copy of your answer, or, if the complaint is not served with this summons, to serve a notice of appearance, on Plaintiff's attorneys within twenty (20) days after the service of this summons, exclusive of the day of service, or within thirty (30) days after the service is complete if this summons is not personally delivered to you within the State of New York. In case of your failure to appear or answer, judgment will be taken against you by default for the relief demanded herein.

This Court has personal jurisdiction over Defendant pursuant to C.P.L.R. § 301 because Defendant's principal office is within the State. The Trust (defined below) was formed under New York law, and the agreements governing the Trust contain a New York choice of law provision. Venue is proper in this County pursuant to C.P.L.R. §§ 503(a) and (c) because Defendant is a resident of New York County.

NOTICE:

This is an action for breach of contract, specific performance, declaratory relief and indemnification arising from Defendant's breaches of representations and warranties in respect of certain mortgage loans and Defendant's failure to repurchase such mortgage loans as required under the applicable agreements.

On or about August 25, 2006, the Federal Home Loan Mortgage Corporation ("Freddie Mac") purchased certificates issued by the ACE Securities Corp. Home Equity Loan Trust, Series 2006-FM1 ("ACE 2006-FM1" or the "Trust"), which are backed by a pool of residential mortgage loans. Defendant DB Structured Products, Inc. ("DBSP") made contractual representations and warranties concerning the mortgage loans in the pool (the "R&Ws"), including, among other things, R&Ws that: (i) the mortgage loans complied with the originator's underwriting standards, (ii) no error, negligence or fraud occurred with respect to a mortgage loan on the part of any person involved in the origination of the mortgage loans, (iii) the mortgage loans complied with federal, state and local law, (iv) the data provided to ratings agencies, including the loan level detail, was true and accurate, (v) the servicing of the mortgage loans was consistent with reasonable and customary industry practice, (vi) the loan files contain appraisals of the mortgaged property, (vii) no mortgage loan is a high cost loan under any applicable law, and (viii) there was no adverse selection of mortgage loans.

Defendant DBSP is contractually obligated to cure or repurchase from the Trust those mortgage loans where R&Ws have been breached and those breaches are continuing ("Repurchase Obligation"). One or more mortgage loans breach the R&Ws, and Defendant has failed to cure or repurchase the mortgage loans. Plaintiff seeks specific performance of

Defendant's Repurchase Obligation, damages, indemnification and a declaration that Defendant is required to satisfy its Repurchase Obligation.

Upon your failure to appear, judgment will be taken against you by default for the amount of Plaintiff's damages, plus statutory interest thereon, costs and fees as the Court may award.

Dated: New York, New York
August 24, 2012

KASOWITZ, BENSON, TORRES
& FRIEDMAN LLP

By: /s/ Marc E. Kasowitz
Marc E. Kasowitz (mkasowitz@kasowitz.com)
Hector Torres (htorres@kasowitz.com)
Christopher P. Johnson (cjohnson@kasowitz.com)
David J. Abrams (dabrams@kasowitz.com)

1633 Broadway
New York, New York 10019
(212) 506-1700

Attorneys for Plaintiff