

RTD BUSINESS

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Boston boo-boo
 and more pets inside.



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Wells Fargo agrees to settle mortgage case

U.S. alleged civil fraud; \$1.2B payment would slash bank's 2015 profit

BY DEON ROBERTS
The Charlotte Observer

Wells Fargo has agreed to a \$1.2 billion settlement to resolve a long mortgage dispute with the U.S. government, a move that slashes the bank's 2015 profit by \$134 million. The deal involves civil fraud claims brought in 2012 against

the San Francisco-based bank, which the government had accused of reckless underwriting practices that led to thousands of federally insured loans defaulting. The government said Wells Fargo's false certifications that the loans met requirements for federal insurance resulted in hundreds of millions of dollars in payouts.

Wells Fargo, which had fought in court to be released from the claims, said it reached an agreement in principle on Monday with the Department of Justice,

the Department of Housing and Urban Development and two U.S. attorneys in New York and California.

The settlement is expected to lower Wells Fargo's 2015 profit to \$22.9 billion, or \$4.12 per common share. The bank, which has a large presence in Richmond, initially reported profit of \$23.03 billion, or \$4.15 a share, last month. Those results were down slightly from a record \$23.06 billion a year ago.

The bank, which disclosed the accord in a securities filing

Wednesday, also noted there's no assurance that it and the government will agree on the settlement's final terms.

In its lawsuit, the government alleged more than 10 years of misconduct by Wells Fargo related to its participation in the Federal Housing Administration's direct endorsement lender program.

Under it, lenders are allowed to certify that mortgages meet requirements for federal insurance. If a federally backed mortgage defaults, HUD must make

insurance payouts to the holder of the loan.

The government said Wells Fargo failed to comply with the program's basic requirements and certified loans even though the bank knew they were not eligible.

Wells Fargo has previously denied the allegations and has said it believes it complied with federal rules. It has also argued that a landmark \$25 billion mortgage settlement in 2012 involving it and other lenders

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FUNDING LOCAL POTENTIAL



Pat Hull (from left), Sarah Mullens and Royal McCargo were all smiles Wednesday after Hull presented a check from the Hull Foundation to UnBoundRVA. Mullens is co-founder and executive director of UnBoundRVA; McCargo is a budding entrepreneur in the program.

Take two: Entrepreneur donates second \$20,000 to UnBoundRVA

Local nonprofit helps those from low-income areas build businesses

BY JOHN REID BLACKWELL
Richmond Times-Dispatch

Pat Hull, a local entrepreneur behind ventures such as Getloaded.com and Scoopmonkey.com, has donated \$20,000 to support UnBoundRVA, a nonprofit that helps people from low-income communities become entrepreneurs.

It is the second \$20,000 donation to UnBoundRVA from the Hull Foundation, the charitable arm of Hull's investment

firm, PHull Holdings.

"People are your investment in life," Hull said Wednesday during a visit to the UnBoundRVA office in downtown Richmond to announce the donation and meet three members of its current class of prospective entrepreneurs.

Hull said he has been involved in business incubators and invested in startups with potential to grow into large companies, but he believes there should be more attention and support for potential small-business creators in low-income communities.

"Your dream may not be the next Google. But who cares, if

you are supporting your family and creating jobs?" he said.

UnBoundRVA was established in 2013 and operates on an annual budget of \$268,000, with four full-time staff members and one part-time.

It works with community organizations to identify people from low-income communities who have high potential for success as business owners. Then UnBoundRVA provides a year of training, advice and networking support as the owners develop a business plan.

"We have a really low entrepreneur-to-staff ratio," said Sarah Mullens, co-founder and executive director of Un-

BoundRVA. "We do that intentionally because we want our staff involved in every level of decisions" for the business developers.

One member of the current five-member class that will finish in June is Royal McCargo, a Richmond resident who is starting a business called 1010 Post Construction Clean-Up, which provides cleaning services for construction projects.

McCargo called the UnBoundRVA program "strenuous and intensive but well worth it."

"I don't think, even looking forward, that I would have

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Area's Dec. jobless rate declines to 4.1 percent

BY JOHN REID BLACKWELL
Richmond Times-Dispatch

The Richmond region's unemployment rate declined slightly from November to December as the labor force grew and more people reported being employed.

The region's jobless rate stood at 4.1 percent in December, down from 4.2 percent in November, the Virginia Employment Commission reported Wednesday.

The rate was down from 4.7 percent in December 2014.

The commission did not adjust the local rates for seasonal factors that may temporarily affect employment trends.

"This is the sixth consecutive monthly drop (in unemployment) for the Richmond metropolitan area," said Ann Lang, senior economist for the commission. "And it is the lowest rate since May 2008, when it was 4 percent."

Virginia's seasonally adjusted jobless rate was 4.2 percent in

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Local unemployment rates

December 2015 unemployment rates for the Richmond region and some of its localities. The numbers are not seasonally adjusted.

- Richmond (metropolitan area):** 4.1 percent
- Richmond (city):** 4.6 percent
- Henrico County:** 3.8 percent
- Chesterfield County:** 3.9 percent
- Hanover County:** 3.5 percent
- Goochland County:** 3.6 percent
- Powhatan County:** 3.5 percent
- Petersburg:** 7.7 percent
- Hopewell:** 6.5 percent
- Colonial Heights:** 4.3 percent
- Prince George County:** 4.9 percent

Source: Virginia Employment Commission

Lilly Pulitzer store opening this summer at Short Pump

BY GREGORY J. GILLIGAN
Richmond Times-Dispatch

A Lilly Pulitzer store is opening this summer in Short Pump Town Center.

The Palm Beach-style resort wear brand will operate a company-owned store on the mall's lower level next to the Tommy Bahama store, the mall announced Wednesday afternoon.

This will be the second Richmond-area store dedicated to selling Lilly Pulitzer products.

Landing a Lilly Pulitzer has been on Short Pump's

wish list for the past couple of years, mall officials said. The mall surveyed customers asking what retailers or restaurants they wanted to see at the upscale western Henrico County shopping center.

"Lilly Pulitzer was one of the top stores requested, and we are pleased that we can once again provide our shoppers with the type of retailers that they are looking for," said Kemmel "Kem" Blue Jr., the mall's general manager.

Socialite Lilly Pulitzer, a stylish Palm Beach hostess, created the collection

in the early 1960s. The line became a fashion hit when Jackie Kennedy, as first lady, wore a Lilly Pulitzer dress.

"We see opportunity in the Richmond metro area to introduce the brand and our resort 365 viewpoint to more consumers," Michelle Kelly, president of Lilly Pulitzer, said in a statement.

The Pink Palm store in the River Road II Shopping Center in Richmond also sells only Lilly Pulitzer products as one of 60-plus signature licensed stores. That store opened in the

River Road Shopping Center in 2002 but moved three years ago to a bigger spot in River Road II.

"The only reason Lilly Pulitzer is opening a company store, after telling us they wouldn't, is because we do so well," said Lizanne Jeveret, a huge Lilly Pulitzer fan who owns The Pink Palm store here and four others.

"We have worked so hard to develop this market. Now they want a piece of that business," Jeveret said. "It is upsetting. There is nothing I can do about it."

She plans to send let-

ters to her customers letting them know The Pink Palm is still open and not opening a second location.

Sales at The Pink Palm store here likely will decline slightly when the Short Pump location opens, Jeveret said. "They will take a little of my business here and there, but I certainly plan on bringing on my A game."

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LILLY PULITZER
A Lilly Pulitzer dress

