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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of Earliest Event Reported):

June 30, 2007

Opteum Inc.

(Exact name of registrant as specified in its charter)

Maryland

001-32171

72-1571637

(State or other jurisdiction  
of incorporation)

(Commission  
File Number)

(I.R.S. Employer  
Identification No.)

3305 Flamingo Drive, Vero Beach, Florida

32963

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code:

772-231-1400

Not Applicable

Former name or former address, if changed since last report

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**Item 1.01 Entry into a Material Definitive Agreement.**

On June 30, 2007, Opteum Financial Services, LLC ("OFS"), a majority-owned subsidiary of Opteum Inc. (the "Company"), the Company and Metrocities Mortgage, LLC – Opteum Division ("Purchaser"), an affiliate of Prospect Mortgage Company, LLC ("Prospect"), entered into a First Amendment to Purchase Agreement, dated June 30, 2007 (the "Amendment") pursuant to which the parties thereto agreed to amend certain provisions of the Asset Purchase Agreement, dated May 7, 2007 (the "Purchase Agreement"), by and among OFS, the Company and Prospect, as subsequently assigned by Prospect to Purchaser, concerning the sale of substantially all of OFS's assets related to its retail mortgage loan origination business (the "Business") and certain other assets associated with OFS's corporate staff functions to Prospect. Pursuant to the Amendment, the parties agreed that OFS would receive aggregate cash consideration of \$1.5 million plus the assumption by the Purchaser of approximately \$4 million in lease obligations and other liabilities related to the Business and the assets being sold, including the assumption of 16 retail branch office leases. The sale of the Business was completed on June 30, 2007. This description is qualified in its entirety by reference to the Amendment, a copy of which is included as Exhibit 10.1 to this Current Report on Form 8-K and is incorporated by reference herein.

**Item 1.02 Termination of a Material Definitive Agreement.**

Effective June 29, 2007, Mr. Peter R. Norden's Employment Agreement with OFS was terminated pursuant to the Separation Agreement described in Item 5.02 of this Current Report on Form 8-K and filed as Exhibit 10.2 hereto.

**Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.**

In conjunction with the sale of the Business, Peter R. Norden resigned his position as Senior Executive Vice President and as a member of the Board of Directors of the Company effective June 29, 2007. Mr. Norden also resigned his position as President, Chief Executive Officer and Co-Head of Capital Markets of OFS. In connection with his departure, the Company entered into a Separation Agreement and General Release (the "Separation Agreement") with Mr. Norden that provides for, among other things, a lump sum cash payment to Mr. Norden of \$725,000, less applicable withholding taxes, on the Effective Date (as defined in the Separation Agreement), the removal of any forfeiture restrictions that apply to any shares of the Company's common stock held by Mr. Norden as of June 29, 2007 and certain other benefits.

This summary is qualified in its entirety by reference to the Separation Agreement, a copy of which is included as Exhibit 10.2 to this Current Report on Form 8-K and is incorporated by reference herein.

**Item 8.01 Other Events.**

On July 2, 2007, the Company issued a press release announcing the completion of the sale of the Business and the resignation of Peter R. Norden, a copy of which is attached as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated by reference herein.

On July 3, 2007, OFS changed its name to Orchid Island TRS, LLC.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits.

10.1 First Amendment to Purchase Agreement, dated June 30, 2007, by and among Metrocities Mortgage, LLC – Opteum Division, Opteum Financial Services, LLC and Opteum Inc.

10.2 Separation Agreement and General Release, dated as of June 29, 2007, by and among Opteum Inc., Opteum Financial Services, LLC and Peter R. Norden

99.1 Press release of Opteum Inc. dated July 2, 2007



SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Opteum Inc.

July 3, 2007

By: *Jeffrey J. Zimmer*

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*Name: Jeffrey J. Zimmer*

*Title: Chairman, President and Chief Executive Officer*

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Exhibit Index

<u>Exhibit No.</u>	<u>Description</u>
10.1	First Amendment to Purchase Agreement, dated June 30, 2007, by and among Metrocities Mortgage, LLC – Opteum Division, Opteum Financial Services, LLC and Opteum Inc.
10.2	Separation Agreement and General Release, dated as of June 29, 2007, by and among Opteum Inc., Opteum Financial Services, LLC and Peter R. Norden
99.1	Press Release of Opteum Inc. dated July 2, 2007

## FIRST AMENDMENT TO PURCHASE AGREEMENT

THIS FIRST AMENDMENT TO PURCHASE AGREEMENT (the "First Amendment") is made and entered into this 30th day of June, 2007, by and among Metrocities Mortgage, LLC – Opteum Division ("Purchaser"), Opteum Financial Services, LLC, a Delaware limited liability company ("Seller"), and Opteum Inc., a Maryland corporation ("Unitholder").

WHEREAS, Prospect Mortgage Company, LLC, a Delaware limited liability company ("Prospect"), Seller and Unitholder entered into that certain Purchase Agreement, dated May 7, 2007 (the "Purchase Agreement") (capitalized terms used herein and not defined have the meanings given such terms in the Purchase Agreement);

WHEREAS, Prospect assigned all of its rights and obligations under the Purchase Agreement to Metrocities Mortgage, LLC, a Delaware limited liability company ("MM");

WHEREAS, MM assigned all of its right and obligations under the Purchase Agreement to the Purchaser;

WHEREAS, since the date of the Purchase Agreement, a material portion of Seller's loan origination personnel have been hired by a competitor of Seller that had access to confidential information of Seller;

WHEREAS, as a direct result of the reduction of Seller's loan origination personnel, the Purchaser is entitled under the terms of the Purchase Agreement to terminate the Purchase Agreement;

WHEREAS, the Purchaser would exercise its right to terminate the Purchase Agreement in the absence of this First Amendment;

WHEREAS, the Seller desires to enter into this First Amendment in order to mitigate its damages; and

WHEREAS, the parties now desire to amend the Purchase Agreement as set forth herein.

NOW, THEREFORE, in consideration of the promises and mutual covenants herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

### 1. Amendments to Purchase Agreement.

1.1. Section 2.1(i) of the Purchase Agreement is hereby deleted in its entirety and replaced with the following:

"(i) all leases of real and personal property which are listed on Exhibit 2."

1.2. Section 2.2(j) of the Purchase Agreement is hereby deleted in its entirety and replaced with the following:

"(j) all credits, prepaid expenses (including Tax refunds), advance payments, security deposits and other deposits related to the real property leases for each of the Seller's offices that are not being assumed by the Purchaser, including without limitation the leases relating to the Seller's offices that the Purchaser will be subleasing from the Seller that are located at (i) West 115 Century Road, Paramus, New Jersey and (ii) 1 Overton Park, 3625 Cumberland Boulevard, Atlanta, Georgia;"

1.3. Section 2.3(b) of the Purchase Agreement is hereby deleted in its entirety and replaced with the following:

"(b) all Liabilities that arise out of or relate to the period after the Closing under the contracts and leases that Purchaser is assuming hereunder, including the Contracts and the Leases;"

1.4. Section 2.4 of the Purchase Agreement is hereby deleted in its entirety and replaced with the following:

"Section 2.4 The Purchase Price. The consideration for the Assets shall be (i) the payment by the Purchaser to the Seller of ONE MILLION FIVE HUNDRED THOUSAND DOLLARS (\$1,500,000.00) (the "Purchase Price") and (ii) the assumption by the Purchaser of the Assumed Liabilities. The Purchaser shall pay the Seller the Purchase Price by wire transfer to the Seller on the Closing Date."

1.5. Section 2.5 of the Purchase Agreement is hereby deleted in its entirety and replaced with the following:

"Section 2.5 Allocation of the Purchase Price. Purchaser shall prepare an allocation of the Purchase Price among the Assets and Assumed Liabilities (to the extent included in the amount realized for federal income tax purposes) in accordance with Code Section 1060 and the Treasury Regulations thereunder (and any similar provision of state, local or foreign Law, as appropriate) as soon as reasonably practicable after the Closing and shall promptly deliver such allocations to Seller. All income Tax Returns and reports (including IRS Form 8594) filed by the Purchaser and the Seller shall be prepared consistently with such allocation; provided, that (i) the Purchaser's reported cost for the Assets may be greater than the amount allocated hereunder to reflect the Purchaser's acquisition costs not included in the total amount so allocated, and (ii) the Seller's reported amount realized may be less than the amount allocated

hereunder to reflect the Seller's costs that reduce the amount realized. For purposes of this Section 2.5, the Assets include the restrictive covenants as set forth in Section 6.7.

1.6. Section 3.1 of the Purchase Agreement is hereby deleted in its entirety and replaced with the following:

"Section 3.1 The Closing. The sale and transfer of the Assets by the Seller to the Purchaser shall take place at 11:59 p.m. central time on June 30, 2007 at the offices of Horwood Marcus & Berk Chartered, 180 North LaSalle Street, Suite 3700, Chicago, Illinois 60601, unless another date or place is agreed to in writing by each of the parties hereto (the "Closing Date"). The Purchaser shall pay the Seller the Purchase Price by wire transfer to the Seller on the first business day following the Closing Date.

1.7. Section 4.16 of the Purchase Agreement is hereby deleted in its entirety and replaced with the following:

"4.16 Brokers or Finders. Neither the Seller nor any of its Subsidiaries or Affiliates has entered into any agreement or arrangement entitling any agent, broker, investment banker, financial advisor or other firm or Person to any broker's or finder's fee or any other commission or similar fee in connection with the Transaction."

1.8. The first sentence of Section 6.8 of the Purchase Agreement is hereby deleted in its entirety and replaced with the following:

"On or prior to the fifth (5<sup>th</sup>) business day following the Closing Date, the Seller shall change the Seller's name to a name that is not similar to "Opteum Financial Services" and, within thirty (30) days after the Closing Date, will cease using, directly or indirectly, in any manner the name "Opteum Financial Services" or any Intellectual Property that is similar in sound or appearance."

1.9. Section 6.10 of the Purchase Agreement is hereby deleted in its entirety and replaced with the following:

"6.10 Employee-Related Matters. The Seller agrees that, following the Closing, the Purchaser may employ such of the Seller's existing qualified loan production and production support employees that are employed in connection with the operation of the Business and such other employees of the Purchaser as determined by the Purchaser in its sole discretion ("Retained Employees"). Attached hereto as Exhibit 6.10 is a list of such employees to whom the Purchaser will make offers of employment prior to the Closing. All Retained Employees who accept an offer of employment from the Purchaser shall become "Transferred Employees." At or prior to the Closing, the Seller shall pay all Transferred Employee for accrued vacation time or other benefits for the accrued vacation time or benefits related to the period prior to the Closing Date."

1.10. Section 6.11 of the Purchase Agreement is hereby deleted in its entirety and replaced with the following:

"Section 6.11 Transition Services. At the Closing, each of the Purchaser (or any assignee of the Purchaser) and the Seller shall executed and deliver a Transition Services Agreement in the form attached hereto as Exhibit 6.11."

1.11. Section 6.12 of the Purchase Agreement is hereby deleted in its entirety and replaced with the following:

"Section 6.12 Sublease Agreements. At the Closing, each of the Purchaser and the Seller shall execute and deliver sublease agreements in the form attached hereto as Exhibit 6.12A and Exhibit 6.12B pursuant to which the Purchaser will agree to sublease from the Seller (i) a portion comprising an aggregate of 11,943 square feet of the office space located at West 115 Century Road, Paramus, New Jersey for the remaining term of the lease, and (ii) a portion comprising an aggregate of 11,365 square feet of the office space located at 1 Overton Park, 3625 Cumberland Boulevard, Atlanta, Georgia through December 31, 2007, in each case at the same rental rate that is payable by the lessee under the lease (collectively, the "Subleases")." Each of the Subleases shall provide that the Purchaser has the right to terminate such Sublease upon 90 days' written notice to the Seller.

1.12. Section 6.19 of the Purchase Agreement is hereby deleted in its entirety and replaced with the following:

"Section 6.19 Insurance for Transferred Employees. The Seller shall, at the expense of the Purchaser, payable by the Purchaser to the Seller monthly in advance with the first such monthly payment due and payable at the Closing, extend the existing health, dental and medical insurance benefits and policies with respect to the Transferred Employees until the earlier of (a) December 31, 2007 or (b) the date on which the Transferred Employees become eligible for health, dental and medical insurance benefits and policies under the Purchaser's (or the Assignee's) plans."

1.13. Section 7.1(a)(viii) of the Purchase Agreement is hereby deleted in its entirety and replaced with the following: "(viii) INTENTIONALLY DELETED."

1.14. The schedule of real property leases in Exhibit 2 of the Purchase Agreement is hereby deleted and replaced with the schedule of real property leases attached hereto as Exhibit A.

1.15. The schedule of office locations listed in Section 7 of Exhibit 2.2 of the Purchase Agreement is hereby deleted and replaced with the schedule of office locations attached hereto as Exhibit B.

1.16. Exhibit 2.4 of the Purchase Agreement is hereby deleted in its entirety.

1.17. Exhibit C attached to this Agreement is hereby added to the Purchase Agreement as Exhibit 6.10.

1.18. Exhibit 6.11 to the Purchase Agreement is hereby deleted in its entirety and replaced with the Transition Services Agreement attached to this Amendment as Exhibit D.

1.19. Exhibit E-1 and Exhibit E-2 attached to this Agreement are hereby added to the Purchase Agreements as Exhibit 6.12A and Exhibit 6.12B, respectively.

2. Conflicts/Reaffirmation. In the event of any conflict or inconsistency between the provisions of the Purchase Agreement and the provisions of this First Amendment, the provisions of this First Amendment shall govern. The provisions of the Purchase Agreement, as amended hereby, are in full force and effect and are hereby ratified and confirmed and all representations and warranties made therein remain true and correct as of the date hereof.

3. Representations and Warranties. Seller represents and warrants to Purchaser as follows:

A. The execution and delivery of and the performance under this Amendment are within Seller's power and authority, have been duly authorized by all requisite action and are not in contravention of any law, Seller's charter documents or any other agreement made by Seller or by which its assets are bound;

B. This First Amendment constitute the legal, valid and binding obligations of Seller and are enforceable against Seller in accordance with its respective terms;

C. There are no pending bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings or other proceedings for relief against or involving the Seller or to the best of Seller's knowledge, threatened against or involving the Seller under any bankruptcy law or laws for the relief of debtors or any other similar federal or state statute or law.

4. Binding. This First Amendment shall be binding upon, and shall inure to the benefit of, the parties hereto and their respective successors and assigns.

5. Counterparts. This First Amendment may be executed in multiple counterparts and transmitted by facsimile or by electronic mail in "portable document format" ("PDF") form, or by any other electronic means intended to preserve the original graphic and pictorial appearance of a party's a signature. Each such counterpart and facsimile or .PDF signature shall constitute an original and all of which together shall constitute one and the same original.

*[Signature Page to First Amendment Follows]*

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this First Amendment as of \_\_ \_\_, 2007.

**METROCITIES MORTGAGE, LLC – OPTEUM DIVISION**

By

Name:  
Title:

**OPTEUM FINANCIAL SERVICES, LLC**

By

Name:  
Title:

**OPTEUM INC.**

By

Name:  
Title:

[Signature Page to First Amendment to Purchase Agreement]



**SEPARATION AGREEMENT AND GENERAL RELEASE**

This Separation Agreement and General Release (“Separation Agreement”) is made by and between Opteum Inc., a Maryland corporation, and Opteum Financial Services, LLC, a Delaware limited liability company (collectively, the “Company”), and Peter Norden (“Executive”). The Company and the Executive may be referred to collectively herein from time to time as “the Parties.”

WHEREAS, Executive has been employed by the Company pursuant to an Employment Agreement dated as of September 29, 2005 (the “Employment Agreement”); and

WHEREAS, Executive and the Company have mutually agreed that Executive’s employment with the Company shall terminate effective as of June 29, 2007; and

WHEREAS, the Parties have agreed to the terms and conditions relating to the termination of Executive’s employment as set forth herein; and

WHEREAS, this Separation Agreement shall supersede and replace in all respects the Employment Agreement, and the Employment Agreement shall be void and shall have no further force or effect whatsoever.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, the Parties agree as follows:

1. **Effective Date of Agreement.** This Separation Agreement shall become effective and enforceable on the eighth day after the Separation Date (as defined below) (the “Effective Date”). Once effective, all of the terms, conditions, benefits and restrictions of this Separation Agreement shall be fully enforceable and binding on the Parties.
2. **Termination of Employment.**
  - a. Executive hereby resigns his employment and any and all positions he holds with the Company and each of its subsidiaries and affiliates, including but not limited to his positions as President, Chief Executive Officer & Co-Head of Capital Markets of Opteum Financial Services, LLC and Senior Executive Vice President of Opteum Inc., effective as of the Separation Date (as defined below). Effective on the Separation Date, the Executive shall have no further duties or responsibilities to be performed for the Company or any of its subsidiaries or affiliates, other than as specified herein, and shall have no authority to act or endeavor to act on behalf of the Company or any of its subsidiaries or affiliates for any reason whatsoever. For purposes of this Separation Agreement, Executive’s “Separation Date” shall be June 29, 2007.
  - b. Executive will not receive any compensation or benefits from the Company after the Separation Date, except as expressly hereinafter provided in this Separation Agreement. Executive and the Company each acknowledges and agrees that valid consideration exists for the promises contained in this Separation Agreement.
3. **Consideration to Executive.**
  - a. Within one (1) business day after the Separation Date, the Company shall deliver to the law firm of Zukerman, Gore & Brandeis, LLP, as escrow agent (“Escrow Agent”), a check in the amount of \$725,000 (Seven Hundred Twenty Five Thousand Dollars and No Cents), less applicable withholding taxes, made payable to the Executive. Escrow Agent shall hold such check in escrow until the Effective Date. Within one (1) business day after the Effective Date, the Escrow Agent shall deliver such check to the Executive so long as Executive has not revoked this Separation Agreement pursuant to Section 4(d). In the event Executive does revoke this Separation Agreement pursuant to Section 4(d), the Escrow Agent will promptly deliver such check back to the Company.
  - b. The Company shall pay to Executive on the Separation Date, in cash, Executive’s accrued Annual Salary through the Separation Date, in accordance with the Employment Agreement.
  - c. Executive shall have the right to elect to continue his current health insurance coverage under COBRA for up to 18 months following the Separation Date. The Company shall reimburse Executive for the cost of continuing such coverage until up to September 30, 2007. Within 30 days after the Separation Date, Executive shall notify the Company in writing of his election to continue such coverage and, if he makes such election, will further promptly notify the Company of his decision to terminate such continuing coverage.
  - d. The Company agrees to reimburse Executive for the business expenses incurred through the Separation Date, as set forth on Schedule A hereto, in accordance with the Employment Agreement.
  - e. The Company agrees that the forfeiture restrictions, if any, that apply to any of shares of Opteum Inc. common stock held by Executive shall lapse as of the Separation Date.
  - f. Executive agrees to provide consulting services to the Company one (1) day/week through September 30, 2007 (except that, for the weeks of July 16, 2007 and July 23, 2007, he shall provide such services for two (2) days/week).

The Company shall pay Executive a fee of \$3,000 per day for any additional days of consulting services requested by the Company.

- g. The Executive understands and agrees that all payments and other benefits payable to the Executive hereunder will be treated by the Company as compensation expense.

4. Waiver, Release of Claims, and Covenant Not to Sue.

- a. Executive, for himself, his agents, personal representatives, heirs and assigns, hereby unconditionally releases and forever discharges the Company and all of its affiliated entities and subsidiaries, as well as their respective officers, directors, partners, owners, employees, agents, representatives, financial advisors, predecessors and successors, whether in their individual or representative capacities (collectively "Released Parties") from any and all liability of every kind and nature whatsoever arising out of or connected in any way with Executive's employment, or termination of employment, by the Company and any of its affiliates or subsidiaries, or any other matter relating to the Company or any of its affiliates or subsidiaries, or the business or assets of any of them, both as to matters now known and those discovered hereafter, including, without limitation, any and all claims for monetary relief, injunctive relief, attorney fees, costs, back pay or unpaid wages, fringe benefits, employment or reinstatement that could have been raised under common law, wrongful discharge, breach of any contractual rights, both express or implied, breach of any covenant of good faith and fair dealing, both express or implied, any tort, any claim of invasion of privacy, any legal restrictions on the Released Parties' rights to terminate employees, and any federal, state, or other governmental statute, regulation, ordinance, or directive, specifically including, without limitation, Title VII of the Civil Rights Act of 1964, the Americans with Disabilities Act, the Family and Medical Leave Act, the Fair Labor Standards Act, the Employee Retirement Income Security Act, the Securities Act of 1933, the Securities Exchange Act of 1934, and state securities laws. The foregoing also includes any and all claims Executive could have brought or could bring as a shareholder, partner, member, director, officer or employee of any of the Released Parties. Executive covenants not to sue the Released Parties with respect to any of the released claims or potential claims described above. The foregoing release does not waive or infringe Executive's right to receive the payments and benefits described in Section 3 hereof.
- b. The Company hereby unconditionally releases and forever discharges Executive, his agents, personal representatives, heirs and assigns, from any and all liability whatsoever for any acts, occurrences or omissions arising out of or connected in any way with Executive's performance or discharge of his duties as a director of the Company, employment, prospective employment, or termination of employment by the Company and any of its affiliates or subsidiaries, or any other matter relating to the Company or any of its affiliates or subsidiaries, or the business or assets of any of them, both as to matters now known and those discovered hereafter, except to the extent that the Executive has engaged in any fraudulent or criminal conduct in the performance of his duties while employed by the Company (the "Released Claims"). Except as provided in the immediately preceding sentence, the Released Claims shall include, without limitation, any and all claims for monetary relief, injunctive relief, attorney fees, costs and claims the Company could have brought or could bring against Executive as a shareholder, partner, member, director, officer or employee of any of the Released Parties. The Company covenants not to sue the Executive with respect to any of the Released Claims except to the extent that the Company determines in good faith that the Executive has engaged in any fraudulent or criminal conduct in the performance of his duties while employed by the Company; provided, that the Company will reimburse Executive for all reasonable attorneys fees and other defense costs if the Company brings suit against Executive alleging fraudulent or criminal conduct and Executive is successful on the merits in defending the action as determined by a final non-appealable order. Notwithstanding anything herein to the contrary, this Separation Agreement shall not impact or release any rights that Executive may have, under the by-laws of the Company, applicable insurance policies of the Company and/or under applicable law, to indemnification with respect to liabilities, costs, losses and claims arising from or related to Executive's service as an officer, director or employee of the Company, any parent, subsidiary or affiliate of the Company, or any of the Released Parties.
- c. The Parties expressly understand and agree that the waivers, releases and covenants not to sue set forth in clauses (a) and (b) above do not preclude either Party from acting to enforce the terms, conditions, rights, obligations and requirements of this Separation Agreement as provided herein.
- d. This Separation Agreement is intended by the Parties to comply with the requirements of the Older Workers Benefits Protection Act (29 U.S.C. § 626(f)). To that end the Parties acknowledge that (a) Executive has read and understands the terms of this Separation Agreement and he accepts them knowingly and voluntarily, (b) the claims released by Executive pursuant to this Separation Agreement include claims arising under the Age Discrimination in Employment Act (29 U.S.C. § 626 et. seq.), (c) Executive does not waive any of his rights or claims that may arise after the date this Separation Agreement is effective, (d) the consideration provided in Section 3 of this Separation Agreement in exchange for Executive's release of claims is in addition to anything of value which Executive is already entitled to receive from the Company, (e) Executive has been advised in writing to consult with an attorney prior to signing this Separation Agreement, (f) Executive has been given a period of up to 21 days in which to consider the terms of this Separation Agreement, and (g) Executive has a period of 7 days following the date he signs this Separation Agreement to revoke it, and the Separation Agreement shall not become effective or enforceable until the revocation period has expired, as provided for in Section 1 herein.

5. Nondisclosure of Confidential Information.

- a. Subject to the provisions of Section 5(b) below, the Executive shall keep confidential all secret or Confidential Information, knowledge or data relating to the Company or any of its affiliated companies, and their respective businesses and properties, which shall have been obtained by the Executive during the Executive's employment by the Company or any of its affiliated companies, except for secret or Confidential Information, knowledge or data which becomes public knowledge (other than as a result of any act by the Executive or any representatives of the Executive in violation of this Separation Agreement). Executive shall not, without the prior written consent of the Company or as may otherwise be required by law or legal process, communicate or divulge any such information, knowledge or data to anyone other than the Company and those designated by it. The agreement made in this Section 5 shall be in addition to, and not in limitation or derogation of, any obligations otherwise imposed by law upon the Executive in respect of confidential information of the Company. "Confidential Information," as used in this Separation Agreement, means any and all confidential information (whether recorded in documentary form or by electronic or other means) relating to the properties, business methods, corporate plans, business plans, strategic plans, employee information (including compensation, qualifications, and utilization), management systems, finances, existing or developing business opportunities, processes under development or development projects of the Company or any of its affiliates or subsidiaries, or relating to the marketing or sales of any past, present or future property or asset of any of them. Confidential Information also includes any other information to which the Company attaches an equivalent level of confidentiality or in respect of which it owes an obligation of confidentiality to any third party, knowledge of which Executive acquired at any time during his employment by the Company or any of its affiliated companies and which is not readily ascertainable to persons not connected with the Company either at all or without significant expenditure of labor, skill or money. The nondisclosure obligation set forth in this Paragraph is in addition to Executive's fiduciary, statutory and other common law duties to maintain the confidentiality of the Company's Confidential Information and, to the extent not otherwise provided herein, the Company's trade secrets.
- b. The Company acknowledges that Executive may commence employment with Metrocities following the Separation Date and that he may be involved with the operation of the business and assets of the Company that are purchased by Metrocities pursuant to the Purchase Agreement. Accordingly, subject to Executive becoming an employee of Metrocities, the Company consents to the use by Executive of Confidential Information relating specifically to the business and assets of the Company that are purchased by Metrocities from the Company pursuant to the Purchase Agreement.

6. Non-Solicitation. Executive agrees that, for a period of two (2) years following the Separation Date,

- a. Executive shall not, without the Company's prior written consent, directly or indirectly, knowingly (i) solicit or encourage to leave the employment or other service of the Company or any of its affiliates, or hire or participate in the hiring of, any then current employee or exclusive independent contractor thereof; *provided, however*, that this clause (a) shall not prohibit Executive, acting on behalf of Metrocities, from soliciting, hiring or participating in the hiring of any such employee or independent contractor for employment with Metrocities during the period during which Executive is employed by Metrocities, and
- b. Executive will not, whether for his own account or for the account of any other person, firm, corporation or other business organization, intentionally interfere with the Company's or any of its affiliates' relationship with any person who, during the term of Executive's employment with the Company, is or was a customer, client or business partner of the Company or any of its affiliates; *provided, however*, that, subject to the provisions of Section 5(b) hereof, this clause (b) shall not prohibit Executive, acting on behalf of Metrocities, from soliciting any such customer, client or business partner of the Company with respect to the business and assets of the Company that are purchased by Metrocities pursuant to the Purchase Agreement.

7. Acknowledgement of Enforceability of Covenants. It is agreed by the Parties that the covenants contained in Sections 5 and 6 impose a fair and reasonable restraint on Executive in light of the activities and business of the Company on the date of the execution of this Separation Agreement and the current plans of the Company; but it is also the intent of the Company and Executive that such covenants be construed and enforced in accordance with the changing activities, business and locations of the Company and its affiliates throughout the term of these covenants. Executive also acknowledges that this restraint will not prevent him from earning a living in his chosen field of work.

- a. In the event any court of competent jurisdiction shall determine that the scope, time or other restrictions set forth herein are unreasonable, then it is the intention of the Parties that such restrictions be enforced to the fullest extent that such court deems reasonable, and this Separation Agreement shall thereby be reformed to reflect the same.
- b. It is specifically agreed that the duration of the period during which the agreements and covenants of Executive made in Sections 5 and 6 shall be effective shall be computed by excluding from such computation any time during which Executive is in violation of any provision of Sections 5 and 6.
- c. Notwithstanding any of the foregoing, if any applicable law, judicial ruling or order shall reduce the time period during which Executive shall be prohibited from engaging in any competitive activity described in Sections 5 and 6 hereof, the period of time for which Executive shall be prohibited pursuant to Sections 5 and 6 hereof shall be the maximum time permitted by law.

8. Consultation in Advance of Action. Before Executive engages in any action which may reasonably be construed as a violation of this Separation Agreement, or as to which Executive believes the application of the Separation Agreement is not clear,

specifically including the provisions of Sections 5 and 6 above, Executive agrees to contact and confer with the Chief Executive Officer of Opteum Inc., or his designee, regarding Executive's intended action, to make a good faith effort to avoid a violation, and to discuss the availability of alternative courses of action that would not result in a violation. Both Parties agree to engage in such discussions in good faith.

9. Injunctive and Contractual Relief. Executive understands and agrees that the covenants contained in Sections 5 and 6 are special, unique and of an extraordinary character. Because of the difficulty of measuring economic losses to the Company as a result of a breach of the foregoing covenants, and because of the immediate and irreparable damage that could be caused to the Company for which it would have no other adequate remedy, in the event of any default, breach or threatened breach of these Sections by Executive, the Company shall be entitled to institute and prosecute proceedings as provided for in Section 7, and shall be entitled specifically to injunctive relief and to such other and further relief as may be available to the Company at law and/or in equity. Executive hereby waives any right to require the posting of a bond in the event the Company seeks injunctive and/or other equitable relief to enforce this Separation Agreement. The rights, obligations and remedies provided in this section and in Section 7 shall be in addition to, and not in lieu of, any rights, obligations and/or remedies imposed by applicable law under statutes enforcing the protection of trade secrets and other confidential and proprietary information.
10. Severability. The Parties understand and agree that every Section, and each subpart, sub-paragraph or provision therein, of this Separation Agreement is separable, severable and divisible from the rest of the Separation Agreement. If any Section, subpart, sub-paragraph or provision herein is ruled invalid, illegal, unenforceable or void by any arbitrator, regulatory agency or court of competent jurisdiction, the Parties understand and agree that the remainder of this Separation Agreement shall continue to be enforceable to the fullest extent permitted by law.
11. Choice of Governing Law and Venue. The Parties (a) understand and agree that the validity, interpretation, construction and performance of this Separation Agreement, as well as the rights of the Parties under this Separation Agreement, shall be governed in accordance with the laws of the State of New York, without regard to its conflicts of law principles; and (b) irrevocably and unconditionally submit to the exclusive jurisdiction of the courts of the State of New York and federal courts sitting in the State of New York with respect to all actions and proceedings arising out of or relating to this Separation Agreement and the transactions contemplated hereby.
12. Full Integration. This Separation Agreement constitutes the entire agreement between the parties regarding the resignation of Executive's employment with the Company. It fully supercedes any and all prior oral or written representations, communications or agreements between the parties pertaining to its subject matter, including the Employment Agreement. The Parties understand and agree that by executing this Separation Agreement, the Parties mutually and voluntarily release one another from each and every of their respective rights and obligations under the Employment Agreement and agree that Executive's Employment Agreement shall be void and shall have no further force or effect whatsoever. The Parties further acknowledge that no written or oral representations inconsistent with or additional to the terms and conditions of this Separation Agreement have been made or reached. Except as provided herein, the parties further agree that no modification, amendment or waiver of any of the provisions of this Separation Agreement shall be effective unless made in writing, specifically referring to this Separation Agreement, and signed by Executive and the Company.
13. Disputes. Each Party to this Separation Agreement shall be entitled to seek any and all relief to which it or he, as applicable, is entitled with respect to any violation or threatened violation by the other Party of this Separation Agreement. Except as otherwise set forth in Sections 7 and 9 above, in the event a Party institutes any proceeding to enforce his or its legal rights under, or to recover damages for breach by the other Party of, this Separation Agreement, the prevailing Party shall be entitled to recover from the other Party any actual expenses for attorney's fees and disbursements incurred by such prevailing Party.
14. No Waiver. The Parties acknowledge and agree that the failure to enforce at any time any of the provisions of this Separation Agreement or to require at any time performance by any party of any of the provisions hereto shall in no way be construed as a waiver of such provision or affect the validity of this Separation Agreement or any part thereof, or the right of each party thereafter to enforce each and every provision in accordance with the terms of this Separation Agreement.
15. Assignability. This Separation Agreement is not assignable by Executive but is assignable by the Company. This Separation Agreement shall be binding upon and inure to the benefit of the Company and its successors and assigns. The Company agrees to cause its successors and assigns to assume the Company's liabilities and obligations set forth in this Separation Agreement.
16. Non-Disclosure of Agreement.
  - a. The Parties agree to keep any and all matters relating to this Separation Agreement, including its existence, terms and the negotiations and circumstances which led to this Separation Agreement, confidential such that they will not disclose such matters to any person or entity at any time; provided that (1) the Company may disclose such matters to (i) any of its officers, directors, partners, owners, agents, auditors, representatives and employees, to the extent necessary to implement this Separation Agreement or to comply with the law, (ii) any prospective purchaser of the Company's business in order to comply with the Company's disclosure obligations to or due diligence requests by any prospective purchaser of the Company's business, (iii) its shareholders and prospective investors through filings with the Securities and Exchange Commission in order to comply with its public company reporting and disclosure obligations, and (iv) any party to the extent required by law, and (2) the Executive may disclose this Separation Agreement to Metrocities, his counsel, his tax and financial advisors and his immediate family members, and the Executive may discuss his separation from the Company and this Separation Agreement with Metrocities and persons

with whom he has a personal relationship to the extent such persons inquire of him regarding these matters so long as the Executive does not misrepresent in any manner the terms of his separation.

17. **Non-Disparagement.** The Parties agree that they will not take any action or make any comment which impugns, defames, disparages, criticizes, negatively characterizes or casts in an unfavorable light, the other. Executive's obligation under this Paragraph shall apply to the Company and to the Released Parties, including their officers, directors, management, employees, agents and other representatives. Executive agrees not to voluntarily provide assistance or information to any person or entity pursuing any claim, charge or complaint against the Company, except that nothing herein shall be interpreted to limit Executive's right to confer with counsel or to provide truthful testimony pursuant to subpoena or notice of deposition or as otherwise required by law.
18. **Counterparts.** This Separation Agreement may be executed in counterparts, each of which shall be deemed an original for all purposes.
19. **Effectiveness.** Notwithstanding anything to the contrary herein, in the event that the Company fails to pay Executive the consideration due under Section 3.a hereof on the Effective Date, and Executive incurs any attorneys' fees or costs in order to obtain the consideration or otherwise enforce his rights hereunder, then the Company shall be liable for any and all costs and expenses, including but not limited to attorneys' fees and disbursements, that Executive incurs in order to obtain such consideration or otherwise enforce his rights hereunder.

**Both Parties have read this Separation Agreement, understand and agree to its terms and enter into it voluntarily. By signing below, Executive acknowledges that he is receiving a signed copy of this Separation Agreement.**

**IN WITNESS WHEREOF, the parties hereto have caused this Separation Agreement to be signed as of the day and year first below written.**

**Date: June 29,  
2007**

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**Date: June 29,  
2007**

**Date: June 29,  
2007**

**Opteum Inc.**  

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**By: Jeffrey Zimmer**  
**Title: Chief Executive Officer**  

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**Opteum Financial Services, LLC**

**By:  
Title:**

**Peter Norden**

Agreed and acknowledged for purposes of the escrow arrangement set forth in Section 3.a:

**Zukerman, Gore & Brandeis, LLP,  
as escrow agent**

#### **SCHEDULE A**

##### **Reimbursable Business Expenses**

**Those business expenses reimbursable to Executive in accordance with the Company's ordinary policies and procedures for reimbursement of business expenses, in an amount not to exceed Two Thousand Dollars (\$2,000.00).**

**OPTEUM FINANCIAL SERVICES, LLC COMPLETES SALE OF  
RETAIL MORTGAGE ORIGINATION BUSINESS**

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**OPTEUM INC. ANNOUNCES RESIGNATION OF PETER R. NORDEN**

**VERO BEACH, FL (July 2, 2007)** — Opteum Inc. (NYSE:OPX) (“Opteum” or the “Company”), a real estate investment trust (“REIT”), today announced that its majority-owned subsidiary, Opteum Financial Services, LLC (“OFS”), has completed the sale, effective June 30, 2007, of substantially all of the assets related to OFS’s retail mortgage loan origination business (the “Business”), and certain other assets associated with OFS’s corporate staff functions, for \$1.5 million plus the assumption of approximately \$4 million in lease obligations and other liabilities related to the Business and the assets being sold.

Commenting on the transaction, Jeffrey J. Zimmer, Chairman, President and Chief Executive Officer of Opteum Inc., said, “Although the purchase price was less than we originally expected, we are pleased to announce that, with the consummation of this transaction, we have completely exited the mortgage loan origination business.” Mr. Zimmer continued, “OFS has been a significant drain on our earnings and we will now focus our energies on managing and growing our RMBS portfolio as we restore our profitability. We will also continue to own OFS’s residual interests in securitizations and mortgage servicing rights. However, we may seek to sell all or a portion of these assets depending on market conditions.”

In conjunction with the sale of the Business, Peter R. Norden resigned his position as Senior Executive Vice President and as a member of the Board of Directors of Opteum Inc. effective June 29, 2007. Mr. Norden also resigned his position as President, Chief Executive Officer and Co-Head of Capital Markets of OFS. Mr. Norden served as a member of the Board of Directors of Opteum Inc. since the acquisition of OFS on November 3, 2005.

For further information, please refer to the Company’s filings with the Securities and Exchange Commission. These filings are available on the Company’s website at [www.opteum.com](http://www.opteum.com) under the “Investor Information” page and also may be obtained at [www.sec.gov](http://www.sec.gov).

**About Opteum**

Opteum Inc. is a REIT that invests primarily in, but not limited to, residential mortgage-related securities issued by the Federal National Mortgage Association (Fannie Mae), the Federal Home Loan Mortgage Corporation (Freddie Mac) and the Government National Mortgage Association (Ginnie Mae). It attempts to earn returns on the spread between the yield on its assets and its costs, including the interest expense on the funds it borrows.

*Statements herein relating to matters that are not historical facts are forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995. The reader is cautioned that such forward-looking statements are based on information available at the time and on management’s good faith belief with respect to future events, and are subject to risks and uncertainties that could cause actual performance or results to differ materially from those expressed in such forward-looking statements. Important factors that could cause such differences are described in Opteum Inc.’s filings with the Securities and Exchange Commission, including Opteum Inc.’s most recent Annual Report on Form 10-K or Quarterly Report on Form 10-Q. Opteum Inc. assumes no obligation to update forward-looking statements to reflect subsequent results, changes in assumptions or changes in other factors affecting forward-looking statements.*

**Contact:**

Opteum Inc.  
Chief Financial Officer  
Robert E. Cauley, 772-231-1400  
[www.opteum.com](http://www.opteum.com)