ADM Enterprises, LLC
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December 7, 2010

Supreme Court Justices
C/O Tracie Lindeman, Clerk of the Supreme Court
201 S. Carson St., Carson City, NV, 89701.

ADKT 0435

Honorable Justices:

This is a follow up to the hearing held December 6th, regarding changes in the rules for the Foreclosure Mediation.

In reference to the rules regarding the "eligible participants", it has been our experience that the mediators do not understand that they have an obligation to confirm the veracity of the documents being presented by ALL PARITIES to the mediation process.

The mediators' must understand that validating documents from one party and not the other, defeats the spirit and intent of the mediation process. All "eligible participants" must demonstrate, to the satisfaction of the AB149 enforcers, that they have met the intended standard within the language of the Statute.

We have experience many instances of Mediators who feel the Statute language doesn't require them to investigate the document veracity of the financial institutions. In fact they have even said that this mediation is not the forum to examine the documents of the financial institution, but just to make sure that the required documents are presented. If mediation is not the place to examine document veracity, then where do we find out if the documents are accurate and at what additional cost to the Nevada Resident Homeowner.

As a forensic document (mortgage & securitization) investigation company, this is just a small part of the problems that exist in the "right to enforce" documentation proffered to both the courts and the obligors. We have completed a very detailed map of the chain of title (deed of trust and note) and it shows multiple problems and irregularities currently practiced within the system.

We would like the opportunity to present this information to the court. It is a key point in protecting citizens of Nevada from further predatory foreclosure activity. We have attached the written summary of concerns.

Thank you for your consideration.

Respectfully,
Michael Finnucci, Managing-Host

10-32467

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Supreme Court of the State of Nevada
201 S. Carson Street
Carson City, Nevada 89701

RE: Public Hearing December 6, 2010

To Whom It May Concern:

Thank you for the opportunity to be heard.

On this 6th day of December 2010, I would like to thank the Legislature for the implementation of AB149 and the Supreme Court for the enforcement of it. AB149 has been of great value to the Nevada Homeowner in their efforts to get the bank to come to a "neutral" ground to discuss the possibility of mutually beneficial accommodations in this very trying economic period. The importance of the effort by the Nevada Legislature and the Nevada Supreme Court cannot be understated.

However, the actual exercise of the directive has fallen short of what the language appears to advise. In part, THE PURPOSE of the program states…

> "The Foreclosure Mediation Program encourages "deed of trust" beneficiaries (lenders) and homeowners (borrowers) to exchange information and proposals that may avoid foreclosure."

The foundation of the Foreclosure procedure, whether "non-judicial" or judicial, is founded in 2 points of discussion. The first is the "documents" and the second is the "finance". This is the foundation of borrowing. It is the same from the time a Borrower applies for the debt obligation to the time the "obligation" is extinguished.

Because of this, the Nevada Mediation Program has set up its "document guidelines" for both the Lender/Beneficiary and the Borrower. It is also because of this that the intended protection of the Consumer becomes a double-edged sword and the system designed to help becomes a contributing facilitator in the "illegal taking" of real property. This "unintended" result of "well intended design" manifests itself with the "document" examination procedures" and the "party validation procedures

Because of the importance of "documents" presented by both sides to the mediation, the Program makes the determination as to whether the Lender/Beneficiary can proceed (in the State of Nevada) with the Foreclosure Process. Therefore, making the State of Nevada a key player in the overall results of the Mediation Program, as they should be.

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Notwithstanding, in order for a "reasonable" decision to be reached by the "decision maker" preventing any harm to either side, the "decision maker" needs to *understand what it is they are looking at and what it is they are looking for.*

- Who is at the table and do they have the authority to be there?
- What documents are being presented to validate the claimed authority or proposed resolution, on both sides?
- Are the documents VALID considering the MSM coverage of "robo-signing" and document veracity issues?
- What makes the documents valid or invalid? Do the "decision makers" know or should they know?

The construction of AB149 appears to cover the "veracity" of the Homeowner and the Homeowners' chosen "Team" quite well. But, it doesn't appear to spend as much time investigating the alleged Lender/Beneficiary position or the authority of its team.

The concern we have as an audit, education and lecture company specializing in the Mortgage and Securitization Business, is that the State of Nevada Corporation, can unwittingly become entangled in a Federal Challenge concerning their "participation" with the Financial Institutions' in the "taking" of homes. The aforementioned "taking" can be construed as being facilitated by the "decision makers" because they are allowing the use of "defect documents" and they are allowing the presence of "unauthorized" representatives of alleged "Lender/Beneficiaries".

The State of Nevada Corporation becomes involved, because it is the "decision maker" in the Mediation Program and it is "the issuance of a certificate" after mediation that tells the alleged Lender/Beneficiary that they have the right enforce the Note and to go forward with the Foreclosure proceeding. But not for the issuance of this "authorization" the Financial Institution cannot proceed to take the home.

The Federal challenge, that can come out of the State of Nevada Corporation granting this "authorization" to the alleged "lender/beneficiary", could cost State funds that could otherwise be available for improved "infrastructure" costs and other day-to-day operations.

The possibility of the Federal Challenge could be easily avoided with additional education to and for the "decision makers" in the Mediation Program (see the Gretchen Morgenson NY Times Article on "When Mediation is a Gamble").

Mediation should never be a gamble and additional specialized education and information might afford the State of Nevada Corporation additional tax revenue that has been missing from "real property" transfers, assignments and sales for over 10 years.

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We are sure that you understand this is obviously a short explanation of a very detailed and complicated procedure. However, the State of Nevada Corporation continues to show its' concern for it citizens by doing everything it can to protect them from any "predatory" activity.

We as a company are doing everything we can to assist in this manner and will remain ready, willing and able to prove our abilities to help the State and it citizens during this economic mess.

Thank you for your time.

September 18, 2010
When Mortgage Mediation Is a Gamble

By GRETCHEN MORGENSON

NEVADA — one of the states where home prices went stratospheric during the housing mania — is now reporting some of the nation's most horrifying foreclosure figures. Last week, RealtyTrac said that 1 in every 84 households in the state had received a foreclosure notice in August, 4.5 times the national average.

To mitigate this continuing disaster, the Nevada Assembly created a foreclosure mediation program last year. Intended to help keep families in their homes, the program brings together troubled borrowers and their lenders to negotiate resolutions.

The program began on July 1, 2009, and in its first year, 8,738 requests for mediation were received and 4,212 completed, according to the state's Administrative Office of the Courts. Some 668 borrowers gave up their homes and 445 were foreclosed upon in the period.

"We are the only state that requires the bank to do something — they must come to the table if the homeowner elects mediation," said Verise V. Campbell, who administers the program. "We are now touted as the No. 1 foreclosure mediation program around the country. The program is working."

During its first year, 2,590 cases — more than 60 percent of completed mediations — resulted in agreements between borrower and lender, Ms. Campbell said. But when asked how many actually wound up assisting homeowners through permanent loan modifications, she said her office did not track that figure.

Most of these agreements, say lawyers who have worked in Nevada's program, were probably for temporary modifications like those that have frustrated borrowers elsewhere — you know, the kind of plan that lasts only three months until the bank decides that the borrower does not qualify for a permanent modification.

Clearly, the Nevada program is superior to the White House's Home Affordable Modification Program, where borrowers have trouble even reaching lenders by phone. Forcing banks to meet with borrowers is definitely a good step.

But some mediators who have participated in the Nevada program and some lawyers who represent borrowers in it say it has flaws that may give the banks an advantage over borrowers.

Patrick James Martin, a lawyer in Reno who is a certified public accountant and an arbitrator for the Financial Industry Regulatory Authority, was an early mediator in the program. In a recent letter to Nevada's state court administrator, Mr. Martin expressed concern that the program favored lenders.

"I really felt the lenders didn't have too much interest in having the program work," Mr. Martin said in an interview. "A lawyer would show up for the lender with none of the documents required by the program. When they got into the mediation, they would call somebody in a bullpen someplace who had a computer handy and the borrower might or might not qualify for modification. No discussion, no negotiation."

Mr. Martin said he no longer received cases to mediate.

Another experienced mediator, who declined to be identified because he feared reprisals, was removed from the system after he recommended sanctions for banks that did not meet their obligations under the program. These duties include showing up, bringing pertinent documents and having authority to negotiate with the borrower.

After this mediator made a petition for sanctions in a case this year, Ms. Campbell sent him and the other parties in the matter a letter saying that the recommendation was not a "valid Foreclosure Mediation Program document." The letter, on Supreme Court of Nevada stationery, also stated that nothing in the law that established the mediation program "requires or permits a mediator to recommend specific sanctions."

But the statute governing mediations in Nevada clearly specifies that if a lender does not participate in the mediation in good faith, by failing to appear, for example, "the mediator shall prepare and submit to the mediation administrator a petition and recommendation concerning the imposition of sanctions" against the lender. The court then has the power to issue sanctions, which can include forcing a loan modification.

Keith Tierney is a veteran real estate lawyer who was until recently a mediator in the program. He, too, stopped receiving mediation assignments after recommending sanctions against lenders in a number of cases. He said that a program official told him last week that he was no longer eligible because he issued a petition and recommendation for sanctions, even though that is what the law allows.

When asked why she believed that such recommendations were not allowed, Ms. Campbell said mediators who issued them were not following the program rules as interpreted by Nevada's Supreme Court.

But Mr. Tierney said: "The statute trumps rules. Every attorney in the world knows that if a rule is in contradiction to a statute, the rule is null and void."

Administering the program gives Ms. Campbell great power. She issues certificates allowing foreclosures to take place after mediations occur. And while she said such certificates were submitted only when mediators' statements showed they should be, mistakes have happened.

ONE woman went through a mediation in which the lender didn't provide necessary documents and the mediator noted it, according to legal documents. Under the rules, no certificate is supposed to be issued in such a circumstance, but shortly afterward, the borrower received notice of a trustee sale. Ms. Campbell's office had issued a certificate allowing foreclosure; only by filing for bankruptcy could the borrower stop it.

Ms. Campbell said such problems were rare. The state doesn't produce data that would allow her assertion to be verified.

Ms. Campbell is not a lawyer and is not a veteran of the housing or banking industries. Before overseeing the mediation program, she worked in the casino industry. She worked for a Chinese company developing a gambling property in Macau and was director of administration for the Cosmopolitan Resort and Casino in Las Vegas.

Ms. Campbell said that her position involved administrative duties, not legal insight, and that her experience overseeing large projects amply prepared her to manage the Nevada mediation program.

But David M. Crosby, the lawyer who represented the borrower whose case resulted in an erroneous foreclosure action, said significant questions remained about the program. Among them, he said, was the role that Ms. Campbell played in the process.

"Does she just do administrative stuff or does she make decisions?" he asked. "That doesn't seem well decided."