

1 Chase (JPMC) upon a subpoena issued by the Defendant in my own case
2 captioned: Paatalo v. McCarthy, Oregon Circuit Court for Lincoln County, Case
3 No. 18CV44633.

4 4. I have attached the document showing the escrow wiring account
5 information, as well as screenshots showing the investor code "AO1" for my Deed
6 of Trust (top of each page) from 2006 through the FDIC takeover of WMB on
7 9/25/2008. (Exhibit C). For edification purposes, the facts leading up to the
8 foreclosure of my Oregon property align with the facts in this case. I too had
9 WaMu Deed of Trust whereby JPMC foreclosed non-judicially claiming they
10 acquired ownership of my DOT and Note through the FDIC. However, when
11 challenging title to my property in my current Ejectment Action, JPMC produced
12 these documents that reveal the liquidated proceeds of the sale of my foreclosed
13 home were wired into a trust account for various undisclosed investors.

14 5. I believe the same holds true in this case. As I outlined in Section "IX,
15 Beg. P26" in my prior declaration, I believe the Kramer loan will show the same
16 investor code "AO1." And, the escrow wiring instructions for the sale proceeds of
17 the subject property in this matter will show the same account, or an account
18 similar, revealing JPMC's concealment of the actual investor(s) of the Kramer
19 loan, and its false representation that it acquired beneficial ownership of the
20 Kramer DOT prior to foreclosure.

21 I declare under penalty of perjury, under the laws of the United State and Nevada
22 that the above is true and correct, and that this declaration was executed this 30th
23 day of December 2019.

24
25 
26 William J. Paatalo
Private Investigator - Oregon PSID# 49411

27 2. Declaration of Private Investigator - William J. Paatalo

William J. Paatalo
476 Labrie Drive
Whitefish, MT 59937
Office: 1-(888)-582-0961
bill.bpia@gmail.com

Curriculum Vitae

William Paatalo has been a licensed private investigator since September of 2009. He has 17 years combined experience in both law enforcement and the mortgage industry which he has utilized to become a leading expert in the areas of chain of title analyses and securitization. He was a police officer with the St. Paul, Minnesota Police Department from 1990-1996 where he was assigned "Field Training Officer" duties in only his second year on the job and received multiple commendations.

Mr. Paatalo worked in the mortgage industry as a "loan officer" with Conseco Home Finance from 1999 – 2000, followed by two years of being a branch manager for multiple mortgage brokering firms. From 2002 – 2008, he became the President of Midwestern Mortgage, LLC f/k/a Wissota Mortgage, LLC in Wisconsin and Minnesota. As President of Wissota Mortgage, LLC, Mr. Paatalo was responsible for overseeing the origination, processing, and underwriting of mortgage loans, as well as managing a staff of 17 employees.

Mr. Paatalo has worked exclusively since 2010 investigating foreclosure fraud, chain of title, the securitization of residential and commercial mortgage loans, and accounting issues relevant to alleged "defaults, and has spent more than 15,000 hours conducting investigatory research specifically related to mortgage securitization and chain of title analysis. He has performed such analyses for residential real estate located in many states, including but not limited to, Washington, Oregon, California, Nevada, Florida, Montana, Texas, Arizona, Ohio, New Jersey, and several other states. To date, Mr. Paatalo has conducted more than 1,200 investigations across the U.S. and has provided written expert testimony in the form of affidavits and declarations in approximately 300 -350 cases nationwide. Mr. Paatalo has been qualified in both state and federal courts as an expert, and personally appeared and testified at trial in the cases

outlined below. This experience has led to Mr. Paatalo becoming one of the leading national experts in this field.

Mr. Paatalo's specific areas of expertise allowed by the courts in the cases referenced below are as follows:

- Knowledge of the "Pooling & Servicing Agreements" and various Securities & Exchange Commission (SEC) filings associated with mortgage-backed securitized trusts.
- Specific language in the PSA's and Prospectus / Prospectus Supplements involving securitization participants, key dates, "Servicer Advances," sources of third-party payments, and transfer and conveyancing requirements to name a few.
- Knowledge and use of the Bloomberg Terminal, ABSNet, MBSData and the interpretation of its internal accounting data showing "advance payments" made to the certificateholders / investors, as well as other information specific to accounting, chain of title, and other aspects of securitization.
- Chain of Title analyses based upon publicly recorded documents, documents produced in discovery, and documents attached as exhibits to foreclosure complaints. Documents typically include mortgages, deeds of trust, assignments, notes, and allonges; in addition to documents filed under penalty of perjury with the SEC.

Relevant Experience:

- Police Officer / "Field Training Officer" – St. Paul, MN 1990-1996.
- Oregon licensed private investigator under ORS 703.430, and has met the necessary requirements under ORS 703.415. To obtain his PI license, Mr. Paatalo met the requirement of 5,000 hours of investigation experience in the law enforcement field and passed a thorough background investigation and criminal history check.
- Member of the "Oregon Association of Licensed Investigators" (OALI.)
- President of Midwestern Mortgage, LLC f/k/a Wissota Mortgage, LLC in Wisconsin and Minnesota from 2002 – 2008.

Achievements:

- “2013 - Fraud Investigator of the Year” – “The Foreclosure Hour with Gary Dubin” – KHVH – AM, Honolulu, HI.
- Guest Speaker “Illinois Association of Foreclosure Defense Attorneys” – February 20, 2017. (<http://www.afdailinois.org/>)
- Presenter in the March 2018 webinar titled “Mastering Discovery And Evidence In Foreclosure Defense” sponsored by Neil Garfield, Esq., The Garfield Firm, and GTC Honors, LLC.
- Co-Author of eBook titled “Table-Funding And Securitization Go Hand In Hand” – December 2015.

Education:

A.A.S. – Law Enforcement – Normandale C.C., Bloomington, MN – 1986
Marketing Management Certificate – Concordia University, St. Paul, MN 2001
Forensic Loan Auditor Certification Training Course (CFLA) – 32 hrs. – San Diego, CA 2011

Expert Testimony (Trial):

FEDERAL CASES

MONTANA

Robert T. Fanning, Debtor – U.S. Bankruptcy Court, District of Montana – BK Case No. 10-61660

CALIFORNIA

Rivera v. Deutsche Bank National Trust Company, U.S. BK Court, Northern CA – Oakland – Case No. 14-54193-MEH-13.

WASHINGTON D.C.

Quinteros v. National Home Investors, et.al., U.S. BK Court, D.C., Case No. 19-00195-SMT.

STATE CASES

CALIFORNIA

Dang v. HSI Asset Securitization Trust 2006-OPT1, Mortgage-Pass-Through Certificates, Series 2006-OPT1, California Superior Court, County of Alameda, Case No. RG14743930

Koeppel v. Central Pacific Mortgage, California Superior Court, County of Monterey, Case No. M133160.

PennyMac Holdings, LLC v. Mario Carini, et. al., California Superior Court, County of San Diego, Case No. 37-2017-00039675-CL-UD-CTL.

CONNECTICUT

JPMorgan Chase Bank, N.A. v. Geronimos et. al., Connecticut Superior Court, Stamford/Norwalk, Case No.FST-CV13-6017139-S

FLORIDA

U.S. Bank as Trustee for WMALT 2006-AR5 v. Paul Landers, et al., 20th Judicial Circuit for Lee County, FL Case No.: 14-CA-051647

Bank of America, N.A. v. Jorge A. Castro, et al., 17th Judicial Circuit for Broward County, FL Case No.: 12-06339-11

U.S. Bank Trust NA as Trustee for LSF9 Master Participation Trust v. James K. Murphy, et al., 15th Judicial Circuit for Palm Beach County, FL Case No.: 50-2017-CA-012236-XXXX-MB

OHIO

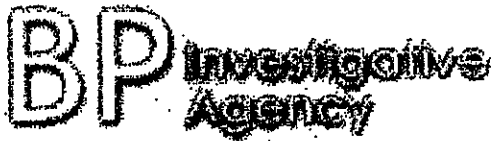
Washington Mutual Bank fka Washington Mutual Bank, F.A. v. Jon A. Smetana, et al., In The Court of Common Pleas, Cuyahoga County, Ohio Case No.CV-08-652392

OREGON

U.S. Bank, N.A.as Trustee v. Natache D. Rinegard-Guirma, et al. - Circuit Court For The State Of Oregon, County Of Multnomah - Case No. 1112-16030

NEW YORK

Deutsche Bank National Trust Company, as Trustee v. Ledgerwood, Sup, Ct NY, Co. Richmond, Case No. 135896/2016



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"Smoking Gun" Proof That JPMorgan Chase Never Acquired Beneficial Interest In My WaMu Loan Through The FDIC

Posted by [Bill Paatalo](#) on Dec 5, 2019 in [Uncategorized](#) | [0 comments](#)

This little piece of production in my Oregon Ejectment Action just confirmed what I have been testifying to since day-one: Chase acquired no ownership of loans that WaMu sold and securitized prior to the September 25, 2008 takeover by the FDIC.

The story by the Defendants in my case is that Chase acquired beneficial rights to my deed of trust through the FDIC and the Purchase & Assumption Agreement, and proceeded to foreclose non-judicially as the "successor in interest" to WaMu. However, in newly produced documents, I've learned that my loan was assigned the investor code "AO1" which I have written about here:

<https://bpinvestigativeagency.com/wamu-investor-code-a01-revealed-chase-stipulates-it-represents-wamu-asset-acceptance-corp/>

This code belonged to "Washington Mutual Asset Acceptance Corp" to which Chase stipulated. Chase also stipulated that the loan with the designated code "AO1" did not pass through the FDIC. My position, based on years of investigations and accumulated evidence, is that Chase has been hiding and concealing the identities of the actual investors in many WaMu loans that were sold into private trusts, and have proceeded to foreclose on thousands of homes claiming to be the owner/beneficiary/mortgagee which is flat out false. Well here is some hard evidence that my position is in fact true. Attached is the escrow wiring instructions for the REO sale transaction of my property to the current occupants who purchased back in 2011. Proceeds

Exhibit B

from the cash sale were to be wired to account titled "Washington Mutual Bank in Trust for the REO proceeds in Trust for various Investors and Mortgagors."

NRT REOExperts, LLC
7100 Commercial Blvd., Suite 101, Ft Lauderdale, FL 33319

THE SELLER'S PROCEEDS MUST BE WIRED WITHIN 24 HRS AFTER CLOSING AS FOLLOWS:

To: JPMorgan Chase
400 East Main St, Stockton CA 95290

Account Title: Washington Mutual Bank in Trust for the REO proceeds
in Trust for various Investors and Mortgagors

ACCOUNT / CL#: 743912803

ABA / ROUTING#: 021000021

BENEFICIARY PARTY
INFORMATION: Lisa A. Shepard, NATIONAL, REO, JPMorgan Chase

It should also be noted, that the real estate sales agreement named the "Seller" as "NRT REOExperts, LLC as agent for JPMorgan Chase Bank, N.A. as Servicing Agent for Owner of Record."

Bill Paatalo

Oregon Private Investigator – PSID#49411

BP Investigative Agency, LLC

Office: 1-(888)-582-0961

bill.bpia@gmail.com

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19081-721

WASHINGTON MUTUAL BANK, F.A.

LOAN HISTORY Y-T-D INV AGI CAT 013 INV# 9299 T13 12/30/06

PAGE 28250

LMB 9299 WILLIAM JOHN BARTALG

ARM PLAN 0200

BNF 0 POPD

P O BOX 111

YACHTS

OR 974910000

1ST MTGE PRIN	2ND MTGE PRIN	REC BAL	REST ESC	SUSPENSE	ADV BAL	REFL RES	NUD BAL	LC BAL	INT DUE	DUE DATE	NUD PRT	OF M
886,555.84	.00	1947.85	.00	.00	.00	.00	.00	.00	.00	02-01-07	.00	00 0

P & I 1ST	P&I 2ND	CO TAX	CITY TAX	MMX INS	M T F	LIEN	BSC	A & H	LIFE	MISC	REP RES	TOT PAYMT	INT RATE	DT NH
2932.61	.00	376.91	.00	84.52	.00	.00	.00	.00	.00	.00	.00	3434.73	.0820000	1 8
OVER/SHORT AMT 34.25														

1ST ORIG RES	2ND ORIG RES	PRIN BAL RES	INT IND	CAS FLAG	NYCR SEN	DEF INT BAL	PRIOY YR	PPD INT	PPD INT IND	GEN ORG
880,000	0	880,000.00	2			8,371.78		0.00	0	0

ASSUM-OT	XPBR-DEED	FIG-SEC/NUM	LTP PAYOFF	PC-TRE-SW	YE-ACQ-RT/DATE	SALE-ID	EXEMPT	PLGD-IN	INT-OPT	CALC-METH	BLOC	BNKRFCY	CM/DT

PMT	BEHIND	1038-DET-HIST	POINTS-PAID/RTS	YR	SUPPR-HIGH-SYMT	DI-MOT-RT-YR	REAS CAUS	RI-HDR-SW	1ST-DUR-DT	REO STAT/COMPL	DT

100 CREDIT	YTD/W-H	SW/W-H	BALANCE	1000 CREDIT	YTD/W-H	SW/W-H	BALANCE	CONSTR CD	NO PURGE	FLAG/YR	BNKRFT	STAY	LAST DEF	DUE
.00	.00	.00	.00	.00	.00	.00	.00						09-36	

REC CORP	ADV BAL	3RD REC CORP	ADV BAL	FORCL	WMT	CODE/REINSTATE	DATE	INIT	ESC	SYMT	CODE	DATE	LOSS	MIT	STATUS/COMPL	DATE
.00	.00	.00	.00													

DUE DATE	PROC	TR	MO	AMOUNT	PRINCIPAL	PRINCIPAL	INTEREST	ESCROW	ESCROW	ADVANCE	STATUS	STATUS	UNEARNED	OTHER	CFD
10-08-08-21	1	42	1	.00	880000.00	880000.00	.00	.00	.00	.00	.00	.00	.00	.00	1
09-06-06-21	1	70	2	7230.86	.00	880000.00	2662.52	4368.16	4368.16	.00	.00	.00	.00	.00	1

DUE DATE	PROC	TR	MO	AMOUNT	PRINCIPAL	PRINCIPAL	INTEREST	ESCROW	ESCROW	ADVANCE	STATUS	STATUS	UNEARNED	OTHER	CFD
10-08-10-16	1	52	1	.00	.00	880000.00	.00	.00	4368.16	.00	.00	.00	.00	.00	1
10-08-10-27	3	12	1	CHECK 8864564				4322.91	43.23				.00	.00	1
10-06-10-30	1	72	1	3408.21	2015.94	877984.06	818.47	475.60	520.88	.00	.00	.00	.00	.00	1

TR EFF	12-06	OLD	0125000	NEW	0798800	PRIN BAL	877,984.06	877,984.06	877,984.06	877,984.06	877,984.06	877,984.06	877,984.06	877,984.06	877,984.06
11-06-11-04	1	72	1	408.21	.00	877984.06	.00	.00	520.88	.00	.00	.00	.00	.00	1

11-06-11-07	1	75	1	.00	.00	877984.06	.00	.00	520.88	.00	.00	.00	.00	.00	1
BATCH 804 EDIT-SEQ 353419 ACTION 1217															
11-06-06 L 146.63 11															
146.63-W															

11-06-11-16	1	52	1	.00	.00	877984.06	.00	.00	520.88	.00	.00	.00	.00	.00	1
BATCH 829 EDIT-SEQ 046288															
11-06-11-17 1 73 1 .00 .00 877984.06 .00 .00 520.88 .00 .00 .00 .00 146.63 12															
146.63-W															

11-06-11-18	1	72	1	3408.21	2012.57	880896.63	6845.18	478.60	998.45	.00	.00	.00	.00	.00	1
BATCH 838 EDIT-SEQ 278357															
11-18-06 L 2912.57-WB															
2912.57-AC															
2912.57-NE															

Exhibit C

CONFIDENTIAL

JPMC000740

3378

LNI 9299 WILLIAM JOHN PANTALO

ARM PLAN 0200

EMF 0 PG00

P O BOX 111

YACHTS

OR 974950000

1ST MTGE PRIN	2ND MTGE PRIN	ESC BAL	REST ESC	SUSPENSE	ADV BAL	REPL RES	HUD BAL	LC BAL	INT DUE	DUE DATE	HUD PRT	CF M
922,170.29	.00	1598.67	.00	.00	.00	.00	.00	.00	.00	01-01-08	.00	00 0

P & I 1ST	PRI 2ND	CO TAX CITY TAX	HAZ INS	M I P	LIEN	BSC A & H	LIFE	MISC	REF RES	TOT PAYMT	INT RATE	UT SW
3132.55	.00	578.91	.00	94.92	.00	.00	.00 0	.00 0	.00	3638.67	.0811300	1 8
OVER/SHORT MNT 34.29												

1ST ORIG MTG	2ND ORIG MTG	PRIN BAL REG	INT IND	CAS FLAG	MTGR SSN	DEF INT BAL	PRIOR YR	PPD INT	PPD INT IND	GPM ORG
880,000	0	886,559.84	2			44,188.23		0.00	0	0

ASSUM-DT	XFER-DEED	FHA-SEC/NUM	LIP PAYOFF	PC-TRK-SW	YE-ACQ-RPT/DATE	SALE-ID	EXEMPT	PLGD-LN	PMT-OPT	CALC-METH	ELOC	BNKRPTCY	CH/DT

PMT PERIOD	1098-DET-HIST	POINTS-PAID/RPTG	YR	SUPPR-NICR-STMT	DI-ROT-RET-YR	REAS CAUSE	RI-HDR-SW	1ST-DUE-DT	REC STAT/COMPL	DT
12		.00						10-06		

IOE CREDIT	YTD/W-H	SW/W-H	BALANCE	IOE CREDIT	YTD/W-H	SW/W-H	BALANCE	CONSTR CD	NO PURGE	FLAG/YR	BNKRPT STAT	LAST DEF DUE
.00	.00	.00	.00	.00	.00	.00	.00					09-36

REC CORP	ADV BAL	3RD REC CORP	ADV BAL	FORECL WKST	CODE/REINSTATE	DATE	INIT	ESC STMT	CODE / DATE	LOSS MIT	STATUS/COMPL	DATE
.00	.00	.00	.00									08-21-06

DUE PROC	TP	SO	AMOUNT	PRINCIPAL	PRINCIPAL	INTEREST	ESCROW	ESCROW	ADVANCE	STATUS	STATUS	UNEARNED	OTHER	CFD
DATE	DATE	TR NO	RECEIVED	PAID	BALANCE	PAID	PAID	BALANCE	BALANCE	AMOUNT	BALANCE	INT-BAL.	AMOUNTS	DCT
BAL-YTD 4-10	4 93	2			886555.84			1947.65	.00		.00	.00		
02-07 02-10	1 71	1	3438.73	3131.43-	889687.27	6064.04	506.12	2453.77	.00	.00	.00	.00		1

02-10-07 L
3131.43-AB
3131.43-AC
3131.43-AE
3131.43-AF

BATCH 5XC EDIT-SEQ 070663

IR EFF	03-07	OLD	.0820800	NEW	.0825800	PRIN BAL	889,687.27
PI EFF	03-07	OLD	2,932.61	NEW	2,932.61	PRIN BAL	889,687.27
03-07 03-14	1 71 1	3438.73	3189.92-	892077.13	6122.53	506.12	2859.69

03-14-07 L
3189.92-AB
3189.92-AC
3189.92-AE
3189.92-AF

BATCH 6WJ EDIT-SEQ 287345

IR EFF	04-07	OLD	.0825800	NEW	.0830800	PRIN BAL	892,877.19
PI EFF <th>04-07</th> <th>OLD</th> <th>2,932.61</th> <th>NEW</th> <th>2,932.61</th> <th>PRIN BAL</th> <th>892,877.19</th>	04-07	OLD	2,932.61	NEW	2,932.61	PRIN BAL	892,877.19
04-07 04-14	1 71 1	3438.73	3249.08-	896126.27	6181.69	506.12	3466.01

04-14-07 L
3249.08-AB
3249.08-AC
3249.08-AE
3249.08-AF

BATCH 5XC EDIT-SEQ 050313

IR EFF	05-07	OLD	.0830800	NEW	.0833900	PRIN BAL	896,126.27
PI EFF <th>05-07</th> <th>OLD</th> <th>2,932.61</th> <th>NEW</th> <th>2,932.61</th> <th>PRIN BAL</th> <th>896,126.27</th>	05-07	OLD	2,932.61	NEW	2,932.61	PRIN BAL	896,126.27
05-07 05-14	1 71 1	3438.73	3294.72-	899420.99	6227.33	506.12	3972.13

19091-721

JPMORGAN CHASE BANK,

BRLY WAMU

LOAN HISTORY Y-T-D INV AD.

INV# 9299 T13 12/31/00

PAGE 95529

LMT 9299 WILLIAM J PANTALO

ARM PLAN 0200

EMP 0 POFO

400 E 3RD ST

YACHTS

OR 974980000

1ST MTGE PRIN	2ND MTGE PRIN	ESC BAL	REST ESC	SUSPENSE	ADV BAL	REPL RES	HUD BAL	LC BAL	INT DUE	DUE DATE	HUD PRT	OF M
944,573.06	.00	.00	.00	.00	115.37	.00	.00	981.24	.00	10-01-08	.00	05 Y

P & I 1ST	P&I 2ND	CO TAX	CITY TAX	H&A INS	M 1 P	LIEN	BSC	A & H	LIFE	MISC	REF RES	TOT PAYMT	INT RATE	DT	MM
3388.99	.00	393.11	.00	103.92	.00	.00	.00	.00	.00	.00	.00	3912.65	.0618000	1	8
OVER/SHORT AMT 30.03															

1ST ORIG MTG	2ND ORIG MTG	PRIN BAL	REG	INT IND	CAP FLAG	MTGR SSN	DEF INT BAL	PRIOR YR	PPD INT	PPD INT IND	GRN ORG
890,000	0	922,170.28	2				86,569.00		0.00	0	0

ASSUM-DT	KPER-DESD	FHA-SEC/NUM	LIP PAYOFF	PC-TRK-SW	YE-MQ-RPT/DATE	SALE-ID	EXEMPT	PLGD-LM	PMT-OPT	CALC-METH	ELOC	BNKRFCY	CH/DT

PMT PERIOD	1098-DET-HIST	POINTS-PAID/RPTG YR	SUPPR-MICK-STMT	DI-NOT-RPT-YR	REAS CAUS	RI-HDR-SW	1ST-DUE-DT	REQ STAT/COMPL	UT
12		.00					10-06		

IOE CREDIT YTD/W-H	SW/W-H BALANCE	IORE CREDIT YTD/W-H	SW/W-H BALANCE	CONSTR CD	NO PURGE FLAG/YR	BNKRPT STAT	LAST DEF DUE
.00	.00	.00	.00				09-38

REC CORP ADV BAL	3RD REC CORP ADV BAL	FORECL WKST CODE/REINSTATE DATE	INIT ESC STMT CODE / DATE	LOSS MIT STATUS/COMPL DATE
.00	.00		9 08-23-06	

DUE PROC TP	EQ	AMOUNT	PRINCIPAL	PRINCIPAL	INTEREST	ESCROW	ESCROW	ADVANCE	STATUS	STATUS	UNEARNED	OTHER	CFD
DATE DATE	TR NO	RECEIVED	PAID	BALANCE	PAID	PAID	BALANCE	BALANCE	AMOUNT	BALANCE	INT-BAL.	AMOUNTS	DCT
BAL-FWD -15 4 93 2				322170.29			1598.67	.00		.00	.00		
01-08 01-14 1 71 1		3656.67	3082.09-	925252.38	6234.64	506.12	2104.79	.00	.00	.00	.00		

01-14-08 L
3082.09-AB
3082.09-AC
3082.09-AE
3082.09-AF

BATCH 6X EDIT-SEQ 110122

IR EFF	02-08	OLD	.0811300	NEW	.0798700	PRIN BAL	925,252.38
PI EFF	02-08	OLD	3,152.55	NEW	3,152.55	PRIN BAL	925,252.38
02-08 02-19 1 52 1		.00	.00	925252.38	.00	.00	2104.79
02-08 02-25 1 72 1		3916.30	3005.78-	928258.16	6158.33	523.06	2627.83

MPL-ID AE01

02-23-08 L
3005.78-AB
3005.78-AC
3005.78-AE
3005.78-AF

BATCH 65 EDIT-SEQ 130892

IR EFF	03-08	OLD	.0798700	NEW	.0784700	PRIN BAL	928,258.16
PI EFF	03-08	OLD	3,152.55	NEW	3,152.55	PRIN BAL <td>928,258.16</td>	928,258.16
03-08 03-11 1 52 1		.00	.00	928258.16	.00	.00	2627.83
03-08 03-23 1 72 1		3950.18	2917.49-	931175.65	6070.04	523.08	3150.91

MPL-ID AE01

03-28-08 L
2917.49-AB
2917.49-AC
2917.49-AE
2917.49-AF

CONFIDENTIAL

JPMC000737

3380



BONUS: EXPIRES:

Pay \$50.00 Title Curative Fee to Fidelity Title or Titor Title (Charge to the seller only if an invoice is attached). Collect the recording fee for the POA when applicable. Collect a Wire Fee. The Referral Fee is deducted from the listing side of the commission. The Referral Fee and Management Fee are Payable to NRT REOExperts, LLC and the sum of both Fees must be on line number 704 of the HUD described as "Commission".

The checks are to be mailed to my attention at:

NRT REOExperts, LLC
7100 Commercial Blvd., Suite 101, Ft Lauderdale, FL 33319

THE SELLER'S PROCEEDS MUST BE WIRED WITHIN 24 HRS AFTER CLOSING AS FOLLOWS:

To: JPMorgan Chase
400 East Main St, Stockton CA 95230

Account Title: Washington Mutual Bank in Trust for the REO proceeds
in Trust for various Investors and Mortgagees

ACCOUNT / GL#: 765912803

ABA / ROUTING#: 021000021

BENEFICIARY PARTY
INFORMATION: Lisa A. Shepherd, NATIONAL, REO, JPMorgan Chase

REO LOAN ID#: [REDACTED]

ALL WIRES MUST BE RECEIVED WITHIN 24 HRS OF CLOSING.

Late wires will be subject to penalty interest and your Company will responsible to pay the Fee.

PLEASE EMAIL ME THE SIGNED HUD BY THE BUYER AND THE WIRE CONFIRMATION WITHIN 24HRS OF CLOSING.
If you have any questions, please contact me at Lisa.hamlett@reoxperts.net.

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Mr. Paatalo's Executed Declaration & Forensic Report & Exhibits

1
2 **DISTRICT COURT**
3 **CLARK COUNTY, NEVADA**
4

5
6 Leo Kramer and Audrey Kramer,

7
8 Plaintiffs,

Case No. 18-CV-00663

9 v.

10 **DECLARATION OF PRIVATE**
11 **INVESTIGATOR WILLIAM J.**
12 **PAATALO**

13 National Default Servicing Corp.,
14 et al.,

15 Defendants.

16 I, William J. Paatalo, hereby declares as follows:

17 1. I am an Oregon licensed private investigator under ORS 703.430, and
18 have met the necessary requirements under ORS 703.415. My Oregon PSID
19 number is 49411.

20 2. I am over the age of eighteen years, am of sound mind, having never
21 been convicted of a felony or a crime or moral turpitude. I am competent in all
22 respects to make this Declaration. I have personal knowledge of the matters
23 declared herein, and if called to testify, I could and would competently testify
24 thereto.

25 3. I have 17 years combined experience in law enforcement and private
26 investigation with concentration on the mortgage lending industry and enforcement.

27 1. Declaration of Private Investigator – William J. Paatalo

1 actions seeking foreclosure of title or enforcement of possession. My Resume
2 ("CV") is attached as "Exhibit 1."

3 4. I have worked exclusively over the last 8 – years and more than
4 15,000 hours conducting investigatory research and interviews related to mortgage
5 securitization and chain of title analyses. Typically my investigations are at the
6 request of a homeowners or their counsel with the objective of determining
7 whether there are facts that corroborate both the actual assertions and implied
8 statements contained in various documents that purport to transfer, deliver or
9 otherwise imply possession or ownership of a debt, note or mortgage (deed of trust
10 in nonjudicial states).

11 5. I have performed such analyses for residential real estate located in
12 many states, including, but not limited to Washington, Oregon, California,
13 Arizona, Nevada, Florida, Ohio, Montana, New Jersey, Illinois, and numerous
14 other states.

15 6. As of this date, I have conducted more than 1,200 investigations.

16 7. Because of my education and experience I am familiar with and have
17 sufficient training and expertise to qualify as an expert, and I have testified as an
18 expert in state and federal judicial proceedings in various jurisdictions throughout
19 the United States.

20 8. Most recently, I testified at trial as an expert witness on August 6,
21 2018 in Re: PennyMac Holdings, LLC v. Mario Carini, et. al., California Superior
22 Court, County of San Diego, Case No. 37-2017-00039675-CL-UD-CTL.

23 9. My specific areas of expertise that have been deemed qualified by the
24 courts are as follows:

25
26
27 2. Declaration of Private Investigator – William J. Paatalo

1 • Knowledge of the "Pooling & Servicing Agreements" and various
2 Securities & Exchange Commission (SEC) filings associated with mortgage-
backed securitized trusts.

3 • Specific language in the PSA's and Prospectus / Prospectus
4 Supplements involving securitization participants, key dates, "Servicer Advances,"
5 sources of third-party payments, and transfer and conveyancing requirements to
name a few.

6 • Knowledge and use of ABSNet / MBSData and the interpretation of
7 its internal accounting data showing "advance payments" made to the certificate
8 holders / investors, as well as other information specific to accounting, chain of
title, and other aspects of securitization.

9 • Chain of Title analyses based upon publicly recorded documents,
10 documents produced in discovery, and documents attached as exhibits to
11 foreclosure complaints. Documents typically included mortgages, deeds of trust,
12 assignment, notes, and allonges; in addition to documents filed under penalty of
perjury with the SEC.

14 11. I was retained by the Plaintiff to review the chain of title for the Deed
15 of Trust (DOT) originated by Washington Mutual Bank, F.A. on or about April 4,
16 2008, as well as the Substitution of Trustee (SOT) recorded on 12/05/2013 which
17 are the subject of this action, and to render any opinions as to defects, deficiencies,
18 or fraud should they exist.

19 12. The following documents were inspected and marked as exhibits:
20

21 **Exhibit 2 – Amended Complaint & Exhibits**

22 **Exhibit 3 – Dayen Article**

23 **Exhibit 4 – Testimony Transcript – Robert Schoppe - FDIC**

24 **Exhibit 5 – Declaration of Neil Garfield, Esq.**

25 **Exhibit 6 – Chase letter to FDIC September 12, 2014**

26 **Exhibit 7 – Chase Emergency Motion – Proodian – FL - 2018**

27 **Exhibit 8 – Chase Supplemental Responses – Daee – TN – 3/30/15**

3. Declaration of Private Investigator – William J. Paatalo

1 **Exhibit 9 – Chase Supplemental Responses – Dae – 11/25/15**
2 **Exhibit 10 – Memorandum – Dae – TN**
3 **Exhibit 11 – Purchase & Assumption Agreement**
4 **Exhibit 12 – JPMorgan Chase Stipulation of Fact**
5 **Exhibit 13 – Hearing Transcript – Schiefer v. Wells Fargo**
6 **Exhibit 14 – FOIA Response**
7 **Exhibit 15 – Chase Collateral File Screenshots – Comparable Case #1**
8 **Exhibit 16 – Chase Collateral File Screenshots – Comparable Case #2**
9 **Exhibit 17 – Chase Consent Judgment – National Settlement**
10 **Exhibit 18 – Order – FL – Wells Fargo as Trustee v. Riley**
11 **Exhibit 19 – Chase “Investor” disclosure letters**
12 **Exhibit 20 – Affidavit of Marilyn Lea**
13 **Exhibit 21 – Kelley Case – LNTH Screenshot**
14 **Exhibit 22 – LNTH Inv Codes – 3 comparable cases**
15 **Exhibit 23 – Deposition Transcript – Peter Katsikas – JPMorgan Chase**
16 **Exhibit 24 – Peter Katsikas testimony – Proodian**
17 **Exhibit 25 – Deposition Transcript – Matthew Dudas – JPMC**

18 13. Having reviewed the above documents, and having conducted well
19 over 300 investigations of WaMu mortgage loans involving the FDIC and Chase,
20 my professional opinions are as follows:

21 a. The chain of title to the Kramer DOT is clouded and cannot be verified.
22 JPMorgan Chase did not acquire, nor can it prove, ownership of any WaMu loan
23 via the “Purchase & Assumption Agreement” (PAA) with the FDIC, including the
24 Kramer DOT, and it remains an issue of fact as to whether it even acquired the
25 servicing rights to any WaMu loan, including the Kramer loan, that was securitized
26 and sold prior to the FDIC Receivership on September 25, 2008.

27 b. Washington Mutual Bank (WMB) tacitly admitted in “Securities &
Exchange Commission” (SEC) filings that no endorsements would be placed upon

4. Declaration of Private Investigator – William J. Paatalo

1 the notes it was selling and securitizing, and no assignments of the mortgages
2 would be prepared or recorded to document the securitization and sales of the loans
3 by Washington Mutual, Inc.'s subsidiaries. With full knowledge of these pre-
4 receivership securitization and sales transactions, including the sale of the Kramer
5 DOT, JPMorgan Chase (JPMC) has falsely asserted ownership to these loans using
6 a generic and nondescript Purchase & Assumption Agreement (PAA) with the
7 FDIC, and in turn, has executed self-serving assignments that contain material
8 misrepresentations of beneficial ownership in order to create the illusion of
9 standing and clean chains of title in thousands of foreclosure related cases. Such is
10 the case here. My opinions, having previously been challenged as just theories, are
11 now supported by JPMC's own admissions under oath in various court proceedings
12 across the United States. These admissions show (1) JPMC knows of no employees
13 or agents, currently or previously, who have any personal knowledge of any of the
14 facts of the underlying transactions which they represent in their self-authored
15 documents, and (2) in spite of these facts, JPMC admits that its employees forge
16 and fabricate the necessary documents, (assignments, note endorsements, allonges,
17 and affidavits) as needed for litigation; precisely the type of behavior discovered
18 and forbidden in the billion-dollar consent judgments issued in the past decade.
19 These behaviors continue unabated per my years of ongoing investigative research.
20 And,

21 c. The assignment of beneficial ownership of the Kramer DOT to JPMC,
22 which is fraudulent for the reasons set forth below, is executed and recorded more
23 than four-years after JPMC asserted itself as beneficiary and substituted "National
24 Default Servicing Corporation" (NDS) as Trustee in the recorded Substitution of
25 Trustee (SOT) on 12/05/2013. As such, and for reasons set forth in this

26
27 5. Declaration of Private Investigator – William J. Paatalo

1 Declaration, the SOT appears invalid, as JPMC had no authority to substitute
2 trustees.

3 EVIDENCE IN SUPPORT OF OPINIONS

4 I. Background - WaMu's "Off-Balance Sheet Activities"

6 14. On April 13, 2011, the U.S. Senate's "Permanent Subcommittee On
7 Investigations" published an investigative report that includes a detailed analysis of
8 WaMu's securitization activities leading up to the financial collapse in 2008. The
9 report can found be found at the following government website address:

10 [https://www.hsgac.senate.gov/subcommittees/investigations/media/senate-](https://www.hsgac.senate.gov/subcommittees/investigations/media/senate-investigations-subcommittee-releases-levin-coburn-report-on-the-financial-crisis)
11 [investigations-subcommittee-releases-levin-coburn-report-on-the-financial-](https://www.hsgac.senate.gov/subcommittees/investigations/media/senate-investigations-subcommittee-releases-levin-coburn-report-on-the-financial-crisis)
12 [crisis](https://www.hsgac.senate.gov/subcommittees/investigations/media/senate-investigations-subcommittee-releases-levin-coburn-report-on-the-financial-crisis)

13 15. Key excerpts from the report are as follows:

14 Pg.116 –

15 E. Polluting the Financial System

16 Washington Mutual, as the nation's largest thrift, was a leading issuer of home
17 loans. When many of those loans began to go bad, they caused significant damage
18 to the financial system.

19 According to a 2007 WaMu presentation, by 2006, Washington Mutual was the
20 second largest non agency issuer of mortgage backed securities in the United
21 States, behind Countrywide.

22 By securitizing billions of dollars in poor quality loans, WaMu and Long Beach
23 were able to decrease their risk exposure while passing along risk to others in the
24 financial system. They polluted the financial system with mortgage backed
25 securities which later incurred high rates of delinquency and loss. At times, WaMu
26 securitized loans that it had identified as likely to go delinquent, without disclosing
27 its analysis to investors to whom it sold the securities, and also securitized loans
tainted by fraudulent information, without notifying purchasers of the fraud that
was discovered and known to the bank.

25 Pg. 119 –

26 "WaMu Capital Corp. acted as an underwriter of securitization transactions
27 generally involving Washington Mutual Mortgage Securities Corp. or WaMu

6. Declaration of Private Investigator – William J. Paatalo

1 Asset Acceptance Corp. Generally, one of the two entities would sell loans into a
2 securitization trust in exchange for securities backed by the loans in question, and
3 WaMu Capital Corp. would then underwrite the securities consistent with industry
4 standards. As an underwriter, WaMu Capital Corp. sold mortgage-backed
5 securities to a wide variety of institutional investors. WCC sold WaMu and Long
6 Beach loans and RMBS securities to insurance companies, pension funds, hedge
7 funds, other banks, and investment banks. It also sold WaMu loans to Fannie Mae
8 and Freddie Mac. WCC personnel marketed WaMu and Long Beach loans both in
9 the United States and abroad.

10 Before WCC was able to act as a sole underwriter, WaMu and Long Beach worked
11 with a variety of investment banks to arrange, underwrite, and sell its RMBS
12 securitizations, including Bank of America, Credit Suisse, Deutsche Bank,
13 Goldman Sachs, Lehman Brothers, Merrill Lynch, Royal Bank of Scotland, and
14 UBS. To securitize its loans, WaMu typically assembled and sold a pool of loans
15 to a qualifying special-purpose entity (QSPE) that it established for that purpose,
16 typically a trust.

17 The QSPE then issued RMBS securities secured by future cash flows from the loan
18 pool. Next, the QSPE – working with WCC and usually an investment bank – sold
19 the RMBS securities to investors, and used the sale proceeds to repay WaMu for
20 the cost of the loan pool. Washington Mutual Inc. generally retained the right to
21 service the loans.

22 16. These findings are also supported by Washington Mutual, Inc.'s 10-Q
23 filing with the U.S. Securities and Exchange Commission (SEC) on June 30, 2008
24 which states on (p.60),

25 Off-Balance Sheet Activities

26 The Company transforms loans into securities through a process known as
27 securitization. When the Company securitizes loans, the loans are usually sold to a
qualifying special-purpose entity ("QSPE"), typically a trust. The QSPE, in turn,
issues securities, commonly referred to as asset-backed securities, which are
secured by future cash flows on the sold loans. The QSPE sells the securities to
investors, which entitle the investors to receive specified cash flows during the
term of the security. The QSPE uses the proceeds from the sale of these securities
to pay the Company for the loans sold to the QSPE. These QSPEs are not
consolidated within the financial statements since they satisfy the criteria
established by Statement No. 140, *Accounting for Transfers and Servicing of*
Financial Assets and Extinguishments of Liabilities. In general, these criteria
require the QSPE to be legally isolated from the transferor (the Company), be
limited to permitted activities, and have defined limits on the types of assets it can
hold and the permitted sales, exchanges or distributions of its assets.

17. It is my opinion that the Kramer DOT was securitized and sold into
the secondary market through one of WaMu's subsidiaries and its "off-balance
sheet activities. As will be explained in-depth below, JPMC has specific "MSP"

7. Declaration of Private Investigator – William J. Paatalo

1 (Mortgage Servicing Platform) screenshots within its custody and control that will
2 show and prove (1) the sale prior to the FDIC Receivership, and (2) the investor
3 codes for each sale and transfer.

4 **II. JPMC did not acquire the assets of WaMu's subsidiaries**

5 17. Attached as **Exhibit 11** is the widely publicized copy of the PAA
6 dated September 25, 2008 between the FDIC and JPMorgan Chase. Page 2 of the
7 PAA states,
8

9 "**Assets**" means all assets of the Failed Bank purchased pursuant to Section 3.1.
10 Assets owned by Subsidiaries of the Failed Bank are not 'Assets' within the
11 meaning of this definition."

12 18. The relevance to this will be explained further below.
13

14 **III. No schedule or inventory of assets listing any specific WaMu**
15 **mortgage loan acquired by JPMC exists. This includes servicing rights.**

16 19. One fact is now well established – no schedule or inventory of assets
17 listing any specific WMB mortgage loan acquired by JPMC, including the Kramer
18 DOT, exists or has ever been produced or disclosed. The reason for this fact is
19 most, if not all, residential mortgage loans originated by WMB were sold and
20 securitized through WaMu's "Off-Balance Sheet Activities."
21

22 20. The testimony of Lawrence Nardi, the operations unit manager and
23 mortgage officer of JPMC, who previously worked with WAMU and was picked
24 up by JPMC after WMB failed confirmed that no schedule of assets exists. (see:
25 Deposition of Lawrence Nardi in the matter of *JPMorgan Chase Bank, N.A., as*
26 *successor in interest to Washington Mutual Bank v. Waisome*, Florida 5th Judicial
27

8. Declaration of Private Investigator – William J. Paatalo

1 Circuit Case No. 2009CA005717.

2 <http://www.scrib.com/doc/102949976/120509JPMCvWaisomeFLLawrenceNardiD>
3 eposition)

4
5 Here are the relevant questions and answers:

6 Q: (p.57, beginning at line 19) "Okay The are you aware of any type of
7 schedule of loans that would have been created to represent the -- either the loans
8 that were assets, loans or loans that were serviced by WAMU? Are you -- was the -
- do you know if there is a schedule or database of loans like that?"

9 A: (p.58, beginning at line 1) "I know that there was a schedule
10 contemplated in certain documents related to the purchase. That schedule has never
11 materialized in any form. We've looked for it in countless other cases. We've
12 never been able to produce it in any previous cases. It certainly be a wonderful
thing to have, but it's as far as I know, it doesn't exist, although it was it was
contemplated in the documents.

13 Q: (p.260 beginning at line 18) "Have you ever in your duties of being a
14 loan analyst loan operations specialist, have you ever seen a FDIC bill of sale or a
receiver's deed or an assignment of mortgage or an allonge?"

15 A: (p.260, beginning at line 23) "For loans, I'm assuming you're talking
16 about the WAMU loan that was subject to the purchase here"

17
18 Q. (p.261, line 1) "Right."

19 A. (p.261, beginning at line 2) "No there is no assignments of mortgage.
20 There's no allonges. There's no in the thousands of loans that I have come in
21 contact with that were a part of this purchase, I've never once seen an assignment
22 of mortgage. There is simply not they don't exist. Or allonges or anything
transferring ownership from WAMU to Chase, in other words. Specifically,
endorsements and things like that."

23 21. Attached as **Exhibit 5** is the Declaration of Neil F. Garfield, Esq.
24 submitted in Re: Mario Polychronas, Debtor - US BK CD-CA Case No. 1:11-bk-
25 18306-vk retrieved from the Federal Court's PACER System. Per Garfield's sworn
26 testimony, Mr. Schoppe stated "*that there never was any instrument prepared or*

27 9. Declaration of Private Investigator – William J. Paatalo

1 *executed between JPMorgan Chase and either the FDIC or the bankruptcy trustee*
2 *in which Chase acquired the loans. Specifically, he stated, 'if you are looking for*
3 *an assignment of loans, you won't find it because it does not exist.'* (Exhibit 5,
4 ¶7).

5 22. This is supported by Robert Schoppe's own testimony provided as
6 Exhibit 4 whereby Schoppe testified,

7
8 "Q. Are there any provisions in the Purchase and Assumption Agreement that
9 talks to who's going to keep all the records, who's going to maintain the records if
they're needed down the road?

10 A. Yes, there is.

11 Q. Okay. Explain that to us.

12 A. There is a continuing cooperation clause in there which basically says, in
layman's terms, whoever has the records, if the other party needs them, we can get
them.

13 Q. And so in this case, who maintains the records for all of the WAMU-
14 originated loans?

15 A. JPMorgan Chase holds all those records.

16
17 Q. Under the Purchase and Assumption Agreement, did it provide that y'all
18 were going to get like a list of all the loans or anything like that? Is there some
kind of list that y'all have at FDIC, as receiver?

19 A. The agreement does call for us to get a list of the loans. We agreed that we
20 would not get them. There were tens of hundreds of thousands of loans. We had no
way of actually getting and -- we usually -- every other bank, we will get a
21 download of all the loans. They number in the thousands. Here, they were
numbering in the millions, I believe, tens of millions, and we simply didn't have
22 capacity to download that information, store it someplace where we could get it. So
we agreed with JPMorgan that we would not take a download. If we needed the
23 information, we would just get it from them.

24 (Note) Schoppe also testified to the following:
25
26

27 10. Declaration of Private Investigator -- William J. Paatalo

1 Q. So when JPMorgan Chase took over or bought these purchases, do they
2 pay something for this Purchase and Assumption agreement?

3 A. Again, I think -- I tried to explain it. Perhaps I didn't do a very good job,
4 so let me do that again. They assumed all of the assets, and they also assumed
5 which assets were -- round numbers, please don't quote me on that -- I think it was
6 about \$330 billion. They also assumed; I believe it was about \$300 billion worth of
7 liabilities.

8 23. No schedule or inventory of any specific asset is also supported by an
9 FOIA response letter from the FDIC on March 30, 2017 whereby the FDIC could
10 find no responsive documents regarding any schedule of assets on the books of
11 WMB. This FOIA letter was provided to me by a client as part of an investigation.
12 (Exhibit 14).

13 24. For years now, JPMC has been getting away with a massive
14 presumption that it acquired multi-billions of dollars' worth of loans created by
15 "Washington Mutual" via the "Purchase & Assumption Agreement" (PAA), yet
16 the mortgage loans they claim to have acquired, specifically the Kramer DOT, was
17 not "on the books" of "Washington Mutual Bank" at the time the "Office of Thrift
18 Supervision" (OTS) took control of WMB.

19 **IV. Washington Mutual Bank routinely disclosed in SEC Prospectus**
20 **filings for public trusts that the notes it was selling were not going to be**
21 **endorsed "or otherwise marked to reflect the transfer" to the trusts, and no**
22 **assignments would be prepared, which resulted in the intentional clouding of**
23 **titles.**

24 25. The following admissions / "Risk Factors" were made by WMB to the
25 investors in the WMABS 2007-HE2 Trust's 424(B) Prospectus Supplement on P.
26 21 (SEC link -<http://www.secinfo.com/d16VAy.u48.htm#1stPage>)

27 **For transactions in which WMB fsb holds some or all of the mortgage
notes and mortgages as custodian on behalf of the trust, investors should
consider the following:**

11. Declaration of Private Investigator -- William J. Paatalo

1 The trustee will not physically possess some or all of the mortgage notes
2 and mortgages related to the mortgage loans owned by the Trust. Instead, WMB
3 fsb will hold some or all of the mortgage notes and mortgages as custodian on
4 behalf of the trust. **The mortgage notes and mortgages held by WMB fsb will**
5 **not be endorsed or otherwise marked to reflect the transfer to the trust, and**
6 **assignments of the mortgages to the trust will not be prepared or recorded.**
7 As a result, if a third party were to obtain physical possession of those mortgage
8 notes or mortgages without actual knowledge of the prior transfer to the trust, the
9 trust's interest in those mortgage notes and mortgages could be defeated, thereby
10 likely resulting in delays or reductions in distributions on the certificates.

11
12
13 **For transactions in which WMB fsb holds some or all of the mortgage**
14 **notes and mortgages as custodian on behalf of the trust, investors should**
15 **consider the following:**

16 With respect to each mortgage held by WMB fsb as custodian on behalf of
17 the trust, an assignment of the mortgage transferring the beneficial interest under
18 the mortgage to the trustee or the trust will not be prepared or recorded. In
19 addition, an assignment of the mortgage will not be prepared or recorded in
20 connection with the sale of the mortgage loan from the mortgage loan seller to
21 the depositor.

22 26. These same admissions / disclosures were made by WMB in
23 many of their public securitization transactions filed with the SEC, and it is my
24 opinion that this was WMB's common business practice with its private
25 placement transactions and GSE sales to Fannie Mae and Freddie Mac as well.
26 This is supported by the Nardi testimony as will be explained further below.

27 **V. Evidence shows a pattern and practice of fabricating**
endorsements and allonges upon notes, as the MSP System show notes are
endorsed with WaMu signatures after 9/25/2008.

28 27. Though no copy of the original Kramer Note was provided for

29 12. Declaration of Private Investigator – William J. Paatalo

1 inspection, the following information is relevant for purposes of understanding
2 the overall conduct and widespread practice of forging and fabricating
3 documents beyond just the assignments.

4 28. Attached as **Exhibits 15 & 16** are collateral file servicing system
5 screenshots produced in discovery in other cases which I was involved. Both of
6 these comparable cases involve loans originated by WMB with the notes bearing
7 endorsements "in blank" by a WaMu officer.

8 29. The screenshots in **Exhibit 15** show that the Note was taken into
9 Chase custody on "Jul 18, 2009 5:49:59" and that the Note was subsequently
10 endorsed "WaMu to Blank" on "Feb 24, 2012 12:14:51," with another
11 "facsimile" endorsement of "WaMu to Blank" being created on "Oct 28, 2014
12 4:08:57" (**Exhibit 15, P. 3**, and "Exception Add Date & Time" **P.4**).

13 30. Attached as **Exhibit 16** are discovery documents provided by JPMC
14 in "comparable case #2." The screenshots in this exhibit shows "NEN1 - Note
15 Endorsement 1 - WAMU to Blank - Sep 24, 2013, 12:00:00 AM" (**Exhibit 16,**
16 **P.2**).

17 31. My opinion in these comparable cases is that the notes were
18 endorsed after the FDIC's takeover of WaMu on September 25, 2008, as there is
19 an abundance of information now in the public domain, as well as within the
20 realm of my personal investigative experiences, to universally suggest that the
21 largest servicers create note endorsements and/or allonges when missing, or
22 when needed in litigation to prove-up "standing." These are commonly referred
23 to in foreclosure proceedings as "ta-dah" endorsements, which are never dated or
24 witnessed by anyone having personal knowledge as to any underlying
25 transactions.

26 32. On September 25, 2015, a hearing was held in Schiefer v. Wells

27 13. Declaration of Private Investigator - William J. Paatalo

1 Fargo Bank, USBK – WD – ARK, 5:14-AP-0706. I retrieved a copy of the
2 hearing transcript from the Federal Court's PACER System and I have attached
3 as **Exhibit 13.** From my review of the testimony provided, Wells Fargo's
4 witness, Robert Bateman, provided incriminating testimony as follows That
5 JPMC applied the WaMu officer's endorsement upon the note in 2013:

6 **P.35, L15-25 & 36, L1-5:**

7
8 Question: "With respect to your prior answers as defined above, you
9 indicated that the promissory note has never been aggregated into a larger of
10 mortgage notes. Please explain the legal nature of the transfer in which you
acquired this individual promissory note."

11 Response: "Wells Fargo Bank, N.A. purchased the promissory note on
12 February 1, 2007 from JPMorgan Chase Bank National Association as successor
in interest from the FDIC as receiver of Washington Mutual Bank."

13 **(NOTE: This statement is an impossibility since WaMu had not failed**
14 **until 9/25/2008).**

15 **P.44, L13-25 & P. 45, L1-11:**

16 Q So, from your -- from your review before today and -- and going through
17 this a little bit today, other than the endorsements, is this the same note -- or does
18 it appear to be the same note as what we've been talking about on the proof of
19 claim and on the other exhibit?

20 A This copy of the note has a second endorsement on it that we have not
21 previously discussed or -- or looked at, as far as I remember. I have seen a -- the
22 original note, and I have seen a copy of the original note, which is the same as
23 this copy. I have seen this copy before with the two endorsements on it that are in
24 our electronic scanning system. Our system doesn't have a copy that has -- that
25 has the redaction, but I have looked at a copy of this note with both endorsements
26 on it. And when I say both endorsements, the second endorsement is a blank
endorsement that is signed by Washington Mutual Bank, N.A.

27 14. Declaration of Private Investigator – William J. Paatalo

1 Q Okay. And could you just read that whole endorsement to me, please,
2 for the record?

3 A "Pay to the order of blank without recourse Washington Mutual Bank,
4 F.A. by" -- and then there's a signature, and the name under it -- "Leta
5 Hutchinson, Assistant Vice President."

6 Q Mr. Bateman, have you seen these -- these discovery responses before?

7 A No, I don't think I have.

8 **P.46, L1-25 & P.47 thru 48:**

9 Q Okay. Well, what I'd ask you to do for the Court is read the
10 Request to Admit Number 3, which appears at the top of page 6, and then the
11 answer. If you'll just wait a second so everyone in the courtroom can get there.
12 All right. Please.

13 A "That at the time you acquired physical possession of the original note,
14 it bore both the endorsements shown on the copy of the last page of the
15 promissory note attached hereto as Exhibit A."

16 Answer to Request for Admission Number 3: "Denied. The note bore the
17 endorsement from First Western Mortgage to Washington Mutual Bank, N.A.
18 when received on February 14th, 2007. The endorsement in blank from
19 Washington Mutual Bank, N.A. was completed in February 2013 pursuant to a
20 limited power of attorney appointing -- appointing Wells Fargo Bank, N.A. as the
21 lawful attorney in fact for JPMorgan Chase Bank National Association as
22 successor in interest from the FDIC as receiver of Washington Mutual Bank. A
23 copy of the limited power of attorney is attached as Exhibit A."

24 Q Okay. Based upon your reading of that response, when was that second
25 endorsement added?

26 A I'll read again what it says: "The endorsement in blank from Washington
27 Mutual Bank, N.A. was completed in February of 2013."

Q And in -- in everyday laymen's terms, what would that mean to you?

15. Declaration of Private Investigator -- William J. Paatalo

1 A It means what it says.

2 Q Which is?

3 A On February '13, there was an endorsement in blank on the note.

4 Q Well, it says "completed." Who -- who completed?

5 A From Washington Mutual Bank, N.A.

6 Q Who would have completed the endorsement?

7 A I just read what this says. It says this was -- this was completed by
8 Washington Mutual Bank. Well, in reading further -- let me continue to read
9 after that. Excuse me. Reading further:

10 "Pursuant to a limited power of attorney appointing Wells Fargo Bank,
11 N.A. as the attorney in fact for JPMorgan Chase Bank National Association as
12 successor in interest from the FDIC as receiver of Washington Mutual Bank."
13

14 Q So, reading further, what do you think?

15 A That the endorsement was by JPMorgan Chase Bank.

16 Q I'm sorry?

17 A That the endorsement was done by JPMorgan Chase Bank.

18
19
20 33. Attached as **Exhibits 8 & 9** are Supplemental Responses
21 produced by JPMC and a Memorandum **Exhibit 10** in the case captioned Dae v.
22 JPMorgan Chase USDC, MD TN Case No. 3:13-cv-1332 which I retrieved from
23 the Federal Court's *PACER* System. In *Dae*, two allonges were created on the
24 subject Note by JPMC employees as needed to prove up the standing issues in
25 the litigation. The chronological sequence for the creation of these allonges is
26 outlined in JPMC's Supplemental Response (**Exhibit 8**).

27 16. Declaration of Private Investigator -- William J. Paatalo

1 34. Attached as **Exhibit 9** is JPMC's Supplemental Responses dated
2 3/30/2015 which admit the following:

3 4. *State the dates JP Morgan Chase Bank, N.A. executed the allonges and*
4 *state the basis for this knowledge.*

5 *RESPONSE: (Objections Omitted) Chase's internal records indicate that*
6 *the allonges were executed shortly before the foreclosure proceedings at issue in*
7 *this case began.*

8 1. *Identify the employees, supervisors or agents of JP Morgan Chase*
9 *Bank, N.A. who has personal knowledge of the assignments and endorsements*
10 *that occurred on December 17, 1998 and the allonges.*

11 *RESPONSE: (Objections Omitted) [d]espite a diligent search, at this time*
12 *Chase is not aware of any employees, supervisors, or agents that have*
13 *independent personal knowledge or recollection of the assignments,*
14 *endorsements or allonge, apart from knowledge gained from a review of relevant*
15 *business records.*

16 2. *Identify every person known to JP Morgan Chase Bank, N.A. who has,*
17 *or who claims or purports to have, knowledge of facts which you contend support*
18 *the allegations contained in your Answer and Motion for Summary Judgment.*

19 *RESPONSE: (Objections Omitted) Chase states that the documents Chase*
20 *relied on speak for themselves. Chase's position in this case is based on its*
21 *review of business records, and despite a diligent search, at this time Chase is*
22 *not aware of any employees, supervisors, or agents that have independent*
23 *personal knowledge of the facts at issue.*

24 35. JPMC admits that its employees created the assignment and note
25 allonges despite having no personal knowledge of the underlying transactions
26 and could produce no witnesses past or present with any knowledge of the facts
27 surrounding the case. JPMC's position was that the self-serving documents they
produced simply "spoke for themselves." This is a tacit admission of non-

17. Declaration of Private Investigator – William J. Paatalo

1 compliance with the National Settlement and Consent Judgment attached as
2 **Exhibit 17.**

3 36. In sanctioning Chase for its discovery abuses and delay tactics, the
4 Court's analysis concluded in its memorandum (**Exhibit 10**),
5

6 *"After the court's October 10, 2014 Memorandum pointed out multiple*
7 *missing steps and unsupported assumptions inherent in Chase's representations*
8 *to the court, Chase conducted further investigation and has now reversed course,*
9 *contending that those transactions are irrelevant. Chase now essentially takes*
10 *the position that the documents it recorded with the Sumner County Register of*
11 *Deeds were (and remain) legally irrelevant and should be ignored in the court's*
12 *analysis. After months of delay, Chase now claims that no depositions are*
13 *warranted because, according to Chase, none of the employees or former*
14 *employees have any personal knowledge of the underlying transaction[s.]"*

15 *"Chase seems to believe that it can operate on its own schedule, that it can*
16 *selectively produce records that favor its position (whatever that position may be*
17 *at a certain point in time), and that it can prevent reasonable inquiry into the*
18 *veracity of its (shifting) representations and the import of underlying records."*
19

20 37. The *Dae* and *Schiefer* cases represent a common theme in the
21 hundreds of cases I have investigated involving alleged securitization of loans
22 with WMB / JPMC involvement. I believe it is likely that the same holds true in
23 all cases.
24

25 38. JPMC appears to have taken the position that it acquired beneficial
26 interest in the Kramer DOT and loan via the PAA and the FDIC Receivership of
27 WMB. But this is not what the publicly recorded assignment reflects. Attached as
an exhibit to the complaint (**Exhibit 2**) is the only recorded assignment per my
research which purports the following:

18. Declaration of Private Investigator – William J. Paatalo

1 **DOC #: 578946**

2 **Recorded: 04/10/2018**

3 **Executed: 04/4/2018**

4 **Assignor: Washington Mutual Bank, a Federal Association**

5 **Assignee: JPMorgan Chase Bank, N.A.**

6 39. The assignment is executed by "Debbie A. Swayzer – Vice President
7 – JPMorgan Chase Bank, N.A., as Attorney In Fact for the Federal Deposit
8 Insurance Corporation as Receiver of Washington Mutual Bank F/K/A
9 Washington Mutual Bank, FA." First, the FDIC is not named as the assignee, as
10 this was WaMu who ceased to exist as of 9/25/2008. Second, the assignment is a
11 self-to-self transfer with JPMC playing both sides of the transaction even though
12 JPMC names the defunct WaMu as the assignee. And third, there is no reference
13 to any power of attorney document recorded in conjunction with this assignment
14 showing the FDIC's involvement, as well as JPMC's authority to act on its
15 behalf as an agent. This document is clearly fraudulent on its face, and this is
16 quite common per my experience. It should be noted that I was personally
17 solicited by a document fabrication mill in Idaho to forge and back-date an
18 assignment in 2015 for a WaMu loan with a defective chain of title. (See:
19 **Exhibit 3**).

20 40. Also attached to the complaint is the Substitution of Trustee (SOT)
21 recorded on 12/05/2013 whereby JPMC substitutes NDS as Trustee in place of
22 "California Reconveyance Company", the original Trustee named on the DOT.
23 The recorded documents show that JPMC did not become beneficiary until more
24 than four-years later. Though the assignment somehow implies that JPMC was
25 acting as agent for the FDIC, there is no such authority implied in the SOT.

26
27 19. Declaration of Private Investigator – William J. Paatalo

1 There simply is no evidence to show JPMC having any authority as a beneficiary
2 when it executed the SOT in 2013, and as such, the SOT appears to be invalid.

3
4 **VI. JPMorgan Chase admits to destroying WaMu records and**
5 **executing assignments and endorsements for loans "not reflected on the**
6 **books and records of WMB as of September 25, 2008.**

7 41. In addition to the tacit admissions in SEC filings outlined above,
8 attached as **Exhibit 6** is a letter from JPMorgan Chase's counsel to the FDIC
9 dated "September 12, 2014." This exhibit was taken directly from the FDIC's
10 governmental website located at: <https://www.fdic.gov>.

11 42. This letter is a notice to the FDIC that JPMC sought
12 reimbursement for expenses related to correcting defective chains of title on
13 various loans that "were not reflected on the books and records of Washington
14 Mutual Bank" at the time WMB failed on September 25, 2008.

15 43. JPMC makes the following tacit admissions in the letter:

16 *The additional matters giving rise to JPMC's indemnity rights relate to costs*
17 *incurred in connection with mortgages held by WMB prior to September*
18 *25, 2008. These costs have resulted from aspects of-and circumstances related to-*
19 *WMB mortgages that were not reflected on the books and records of WMB as of*
20 *September 25, 2008, and include:*

21 *Costs incurred by JPMC to expunge records associated with WMB mortgages as*
22 *a result of errors in mortgage documentation occurring prior to September 25,*
23 *2008, including erroneously recorded satisfactions of mortgages and associated*
24 *legal fees and disbursements.*

25 *Costs incurred by JPMC to correct various defects in the chains of title for WMB*
26 *mortgages occurring prior to September 25, 2008, including recording and legal*
27 *services fees.*

20. Declaration of Private Investigator – William J. Paatalo

1 At the time of WMB's closure, the above liabilities were not reflected on its
2 books and records.

3 44. Again, it is my opinion that due to the defective and non-existent
4 chain of title for the Kramer DOT, JPMC has taken advantage by assigning and
5 transferring the DOT and Note unto itself. But again, no Note has been presented
6 for my inspection.

7 45. I am not an expert in the law. However, I am informed by various
8 counsel in similar foreclosure related cases that the original note must be present
9 or re-established for enforcement to occur and that I should presume that the
10 language of the Uniform Commercial Code applies in all states when enforcing a
11 mortgage or deed of trust, to wit:

12
13 "9-203 - Attachment and enforceability of security interest; proceeds; supporting
14 obligations; formal requisites. (a) A security interest attaches to collateral when
15 it becomes enforceable against the debtor with respect to the collateral, unless an
16 agreement expressly postpones the time of attachment.

17 (b) Except as otherwise provided in subsections (c) through (i), a security
18 interest is enforceable against the debtor and third parties with respect to the
19 collateral only if:

20 (1) Value has been given;"

21 46. Given the absence of corroboration of the implied assertion of a
22 transaction in which the debt was purchased for value, it appears that these
23 preconditions are not satisfied in this case. As an investigator I take the absence
24 of any attempt to re-establish the note to mean that the current parties do not
25 have any evidence of having purchased the debt for value, to which my
26 investigation has found no such evidence.

27 **VII. JMorgan Chase admits that mortgage assignments are**

21. Declaration of Private Investigator – William J. Paatalo

1 "materially false," were not assigned by the FDIC as they state, and do not
2 transfer ownership, but only servicing rights.

3 47. From: Wells Fargo Bank, N.A. as Trustee for WaMu Mortgage
4 Pass Through Certificates, Series 2005-PR4 Trust v. Riley, Circuit Court
5 Fifteenth Judicial Dist., Palm Beach County, FL, Case No.:50-2016-CA-010759-
6 XXXX-MB:

7 (Order attached as Exhibit 18.)

8 ***Plaintiff Engaged in Unclean Hands Trying to Prove Standing to***
9 ***Foreclose***

10 ***Unclean Hands, Generally***

- 11
- 12 1. "One who comes into equity must come with clean hands else all relief
13 will be denied him regardless of merit of his claim, and it is not essential
14 that act be a crime; it is enough that it be condemned by honest and
15 reasonable men." Roberts v. Roberts, 84 So.2d 717 (Fla.1956)(emphasis
16 added).
 - 17 2. Therefore, even if Plaintiff had standing to foreclose (a meritorious claim),
18 Plaintiff would be denied the equitable relief of foreclosure upon a finding
19 that Plaintiff took actions in pursuing this foreclosure that reasonable and
20 honest men would condemn.
 - 21 3. The Florida Supreme Court noted "the principle or policy of the law in
22 withholding relief from a complainant because of 'unclean hands' is
23 punitive in its nature." Busch v. Baker, 83 So. 704 (Fla. 1920). As U. S.
24 Supreme Court Justice Black wrote:

25 "[T]ampering with the administration of justice in the manner
26 indisputably shown here involves far more than an injury to a single litigant. It is
27 a wrong against the institutions set up to protect and safeguard the public,
institutions in which fraud cannot complacently be tolerated consistently with the
good order of society." Hazel-Atlas Glass Co. v. Hartford-Empire Co., 322 U.S.
238, 246, 64 S. Ct. 997, 88 L. Ed. 1250 (1944).

48. Also, in the Order,

22. Declaration of Private Investigator – William J. Paatalo

21. At trial, Ms. Marcott admitted that any claim JP Morgan Chase ever owned or sold Defendant's note and mortgage was false. She testified that Defendant's note and mortgage were not assets of Washington Mutual after 2005. As such, the 2010 assignment could not truthfully document a transaction that JPMorgan Chase obtained Defendant's note and mortgage from Washington Mutual and sold it to the Plaintiff Trust. This transaction never happened.

22. Moreover, the 2015 assignment contains a materially false statement that JP Morgan purchased Defendant's note and mortgage from the Federal Deposit Insurance Corporation ("FDIC") as Receiver for Washington Mutual.

23. The note and mortgage were not assets of Washington Mutual to be sold by the FDIC Receiver to JP Morgan Chase and or to be sold by JP Morgan Chase to the Plaintiff Trust. Plaintiff's Trial Witness admitted the statement that the FDIC sold this loan as Receiver to Washington Mutual to JP Morgan Chase who sold it to the Plaintiff is materially false.

49. In the case Proodian v Washington Mutual Bank, F.A., JPMorgan Chase Bank, N.A. et. al., JPMC employee “Matthew Dudas – Legal Specialist III” is asked about the assignment of Proodian’s WaMu Mortgage from the FDIC to Chase (Exhibit 25). The assignment, and thousands of others like it, state that the FDIC is assigning the mortgage to JPMorgan Chase, and that JPMC is executing as attorney in fact for the FDIC. However, when Dudas is asked point blank whether the FDIC assigned the mortgage, here was his response:

Q Was the mortgage assigned from FDIC to Chase?

MS. GABSI: Objection to form.

A No.

50. Dudas testified that this assignment does not transfer any

23. Declaration of Private Investigator – William J. Paatalo

3405

1 "ownership" rights in the mortgage, but rather ONLY transfers the "servicing
2 rights."

3
4 Q Let me get this clear what this
5 document means and says to me, that this
6 document represents an assignment of servicing
7 right, is that correct?

8 A Yes.

9
10 Q That this document does not reflect
11 an Assignment of Mortgage, is that correct?

12 MS. GABSI: Objecter to form.

13 A It's not an assignment ownership.
14

15 51. Nowhere in any of these assignments does it specifically disclose
16 that it is only servicing rights that are being assigned. JPMC clearly states in its
17 self-authored Kramer assignment that it is transferring beneficial interest in the
18 DOT and Note unto itself.

19
20 **VIII. Chase admits the loans were sold and securitized, then denies.**

21
22 52. In cases I have reviewed across the country, borrowers have made
23 and continue to make, inquiries to "Chase" seeking the identity of the investor(s)
24 of their WMB loan(s) only to be told,

25 "Your loan was sold into a public security managed by JPMorgan
26 Chase Bank, N.A. and may include a number of investors. As the

27 24. Declaration of Private Investigator – William J. Paatalo

servicer of your loan, Chase is authorized by the security to handle any related concerns on their behalf."

53. Attached as **Exhibit 19** are two letters provided by JPMC to other borrower clients of mine with this exact language. In both cases, after having made these disclosures to the borrowers, JPMC took the position in court that it was the sole owner of the loans by the authority granted in the PAA, and there were no investors associated with these loans because, "WaMu never sold or securitized the loans."

54. This same situation occurred in a case I was involved in Ontario, Canada. Attached as **Exhibit 20** is an affidavit of JPMC's Marilyn Lea in the Canada case. Per the Lea Affidavit ¶20 & 21, she states that the letters sent from Chase stating that the subject loan had been "sold into a public security managed by [Chase]" were "sent in error."

55. "Exhibit V" to the Affidavit shows an MSP Servicing System screenshot of the "Loan Transfer History." (LNTH). Per the Affidavit ¶23 (a)(b), Lea states that in November 2009 the loan "was transferred to Investor ID A11" and that "Investor A11 was Chase owned." She also attests that "Investor A70" was also Chase owned. In cases I have been involved investigating Chase and these investor codes involving loans that were owned or serviced by WaMu and its subsidiaries, almost all codes coming into question are attested to as "bank owned" / "Chase Owned," even when codes exist in the loan transfer history screenshots moving from "OLD/INV" to "NEW/INV" (Old Investor to New Investor). This is highly unlikely, unusual, and is indicia of a "cover-up."

56. Attached as **Exhibit 21** is a screenshot taken from JPMC's MSP System regarding a WaMu loan originated on 08/07/2007 in a case I was involved. Two of the codes in this screenshot are "AO1" and "A11." The "A11"

25. Declaration of Private Investigator – William J. Paatalo

1 code existed in WaMu's system on 12/17/07 and was not a code created by
2 Chase as attested to in the Lea Affidavit. As explained further below, the "AO1"
3 code belonged to the WaMu subsidiary "Washington Mutual Asset Acceptance
4 Corporation," and I believe investor code "A11" was a private investor and not
5 "bank owned;" likely "Washington Mutual Mortgage Securities Corporation"
6 (WMMSC).

7 57. Attached as **Exhibits 22** are Pre-Receivership MSP screenshots in
8 two other cases I am involved. Each of these screenshots show investor code
9 "AO1" and in each case, Chase claims the loans were never sold or securitized,
10 and were "bank owned" and acquired through the PAA. This is false.

11 58. Like these cases, it is my opinion that the Kramer "Loan Transfer
12 History" screenshot within JPMC's MSP System, if produced, will very likely
13 show the investor code(s) "AO1" and/or "A11" signifying the securitization and
14 sale of the Kramer DOT and Note through WaMu's subsidiaries.

15
16 **IX. JPMC's "AO1 Stipulation" is an admission against its own**
17 **interests.**

18 59. Attached as **Exhibit 12** is a "Joint Trial Stipulation Re Issues Of
19 Facts" signed by JPMorgan Chase Bank on June 7, 2017 in the matter of Harry
20 M. Fox v. JPMorgan Chase Bank, N.A. et. al., CA SC LA, Case No. BC602491.
21 I was personally retained as an expert witness in the *Fox* case.

22 60. The following facts were admitted and stipulated to by
23 JPMorgan Chase Bank on P.2,

24 /

25 /

26 /

27 26. Declaration of Private Investigator – William J. Paatalo

¶8-10:

"8. Investor Code AO1 in the Loan Transfer History File represents WaMu Asset Acceptance Corporation."

"9. Investor Code 369 in the Loan Transfer History File represents Washington Mutual Mortgage Securities Corporation."

"10. JPMorgan Chase Bank, N.A. did not purchase the loan from the Federal Deposit Insurance Corporation."

61. JPMC has contested my opinion in similar cases prior to their stipulation that the "AO1" code belonged to one of the WaMu subsidiaries WMAAC or WMMSC. Numerous witnesses for JPMC have testified in depositions and trials that my theory is incorrect because (1) the investor code "AO1" was assigned to WMB (2) the code signified "bank owned," and (3) that the loans were never sold or securitized.

62. Attached as **Exhibit 23** is the deposition transcript of JPMC witness Peter Katsikas who contradicts JPMC's own stipulation regarding Investor Code AO1. Per P. 45-46,

Q. So what three characters -- well, let's put it another way. What characters would indicate a Chase-owned asset -- a WaMu-owned asset? Excuse me.

A. For these two loans?

Q. Yes.

A. AO1.

Q. AO1?

A. Yeah.

Q. And that AO1 stands for what?

A. That's just the three digit code, which is bank-owned.

Q. AO1?

27. Declaration of Private Investigator -- William J. Paatalo

1 A. Uh-huh.

2 63. Peter Katsikas is the same witness used by JPMC in many cases,
3 and he takes the same position in the court transcript marked as **Exhibit 24, P.**
4 **81,**

5 *THE COURT: Okay. And then A01 was an ID used specifically for loans that*
6 *came from WaMu?*

7 *THE WITNESS: As being bank-owned.*

8 *THE COURT: So bank-owned loans from Washington Mutual?*

9 *THE WITNESS: Correct. Yes, that's correct.*


10 64. In the *Fox* case, a public trust was identified in the chain of title,
11 and the trust was declared the beneficiary of the *Fox* Deed of Trust. To sustain its
12 argument that the loan was properly securitized and sold to the trust, JPMC and
13 U.S. Bank, N.A. as Trustee both stipulated that the Depositor entity WMAAC
14 purchased and then sold the loan to the trust prior to the Receivership, and as
15 such, the loan was not a part of the purchase with the FDIC.

16
17 65. Strictly from a title perspective, the above evidence clearly shows
18 that WMB purposefully and intentionally chose not to document any chain of title
19 to the mortgages and deeds of trust and note(s) upon selling the loans prior to its
20 failure on September 25, 2008, and that JPMC has taken it upon itself to not only
21 "*expunge records associated with WMB mortgages as a result of errors in*
22 *mortgage documentation occurring prior t[o, "]*" but also to "*correct various*
23 *defects in the chains of title for WMB mortgages occurring prior t[o, "]*" This means
24 there is no chain of title that can be determined outside of fabricated paperwork. In
25 other words, the chain of title to tens of thousands of WaMu loans, including the
26

27 28. Declaration of Private Investigator – William J. Paatalo

1 Kramer DOT, are "clouded" and fatally defective due to WaMu no longer being in
2 existence. Yet in this case, the fatal defects did not impede the defunct WaMu from
3 assigning the Kramer DOT and Note ten years after its demise.

4
5 I declare under penalty of perjury, under the laws of the United State and Nevada
6 that the above is true and correct, and that this declaration was executed this 8th
7 day of June 2019.

8 
9 William J. Paatalo
Private Investigator - Oregon PSID# 49411

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27 29. Declaration of Private Investigator - William J. Paatalo

EXHIBIT-A

Plaintiffs' email thread with Mr. Ace Van Patten

3412

SUBJECT: REQUEST LEAVE TO AMEND 1ST AMENDED COMPLAINT2
Yahoo/Inbox

Audrey Kramer <audreykramer55@yahoo.com>
To: Ace Van Patten, Matthew K. Schriever
Cc: Natasha Petty
Dec 20 at 2:04 PM

SUBJECT: REQUEST LEAVE TO AMEND 1ST AMENDED COMPLAINT

Good Afternoon Mr. Van Patten and Mr. Schriever,

Per Nev. R. Civ. P. 15 (a)(2) We would like to notify you that based on the report we received from our Private Investigator, William J. Paatalo, it is our intent to motion the court to amend our 'First' Amended Complaint.

Nev. R. Civ. P. 15 (a)(2) requires we obtain your written consent or the court's leave to amend.

In an effort to avoid unduly overburdening the Court we would appreciate and ask that per the statute you both affirm and provide written consent stipulating you have no objection to our request to amend our 1st Amended Complaint.

Please Note:

1) . A copy of Mr. Paatalo's Curriculum Vitae, Signed Declaration and Exhibits were provided to you in our Disclosures.

2) Nev. R. Civ. P. 15

(a) Amendments Before Trial.

(2) Other Amendments. In all other cases, a party may amend its pleading only with the opposing party's written consent or the court's leave. The court should freely give leave when justice so requires.

If you would like to discuss further we will make ourselves available accordingly.

Thank you in advance for your prompt reply to this request.

Sincerely,

Leo and Audrey Kramer
510-708-9100

•
• • • •
• Ace Van Patten <avp@tblaw.com>
To: Audrey Kramer, Matthew K. Schriever
Cc: Natasha Petty
Dec 20 at 2:16 PM

Good afternoon,

I do not consent on behalf of my client, and in fact, we have sent out to be filed a Motion to Disqualify Mr. Paatalo. Even if we hadn't, I would still object to any further amendment of the Complaint at this stage of the litigation. You should receive a copy of the Motion via FedEx shortly; I believe FedEx picked it up last night or earlier this morning. If you have any other questions, however, please let me know.

Sincerely,

Ace C. Van Patten, Esq. | Associate Attorney*

10100 W. Charleston Blvd., Ste. 220 | Las Vegas | Nevada | 89135

D 702.916.1686 | P 702.258.8200 | F 702.258.8787

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Offices: Arizona | California | Nevada | New Mexico

* Licensed in Nevada and Idaho

3414

FILED

2020 JAN -9 AM 11:14

TANYA SCHEIRINE
COURT ADMINISTRATOR
THIRD JUDICIAL DISTRICT

Kathy Thomas

1 LEO KRAMER,
2 AUDREY KRAMER
3 2364 REDWOOD ROAD
4 HERCULES, CA 94547
5
6 PLAINTIFFS IN PRO PER

7 IN THE THIRD JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA

8 IN AND FOR THE COUNTY OF LYON

9
10 LEO KRAMER,
11 AUDREY KRAMER,

12
13 Plaintiffs,

14 vs.

15
16 NATIONAL DEFAULT SERVICING
17 CORPORATION, BRECKENRIDGE
18 PROPERTY FUND 2016 LLC, JPMORGAN
19 CHASE BANK, N.A., and DOES 1
20 THROUGH 49 INCLUSIVE,

21 Defendants.
22
23
24
25
26
27
28

) Case No. 18-CV-00663

) (PROPOSED) SECOND AMENDED
) COMPLAINT FOR:

1. UNLAWFUL FORECLOSURE
2. DECLARATORY RELIEF
3. INTENTIONAL MISREPRESENTATION
4. NEGLIGENT MISREPRESENTATION
5. FRAUD IN THE CONCEALMENT
6. DEFAMATION
7. CANCELLATION OF SUBSTITUTION OF TRUSTEE, (SOT) NOTICE OF DEFAULT, (NOD); NOTICE OF TRUSTEE'S SALE (NTS); AND TRSUTEE'S DEED UPON SALE (TDUS)

1 Plaintiffs, LEO KRAMER and AUDREY KRAMER, ("Plaintiffs"), allege as follows:

2 I.

3 JURISDICTION AND VENUE

4
5 1. The transactions and events which are the subject matter of this Complaint all occurred
6 within the County of Lyon, State of Nevada and the amount in controversy exceeds \$25,000.00.

7 2. This action arises under Nevada law and venue is proper in this judicial district pursuant to
8 Defendants' obligation and liability that arise in this County and some of the Defendants reside and/or
9 conduct business in the State of California.

10 3. Plaintiffs' allege that Defendants conducted unlawful and wrongful foreclosure and sale of
11 their real property in Lyon County, Nevada because Plaintiffs had no obligation under any Mortgage
12 Note; Plaintiffs were not in default on any Mortgage loan obligations and Plaintiffs were not in default
13 of the revolving line of credit Plaintiffs obtained from Washington Mutual Bank when Defendants
14 initiated the foreclosure proceedings. Defendants are not the holder of Plaintiffs' Note in due course
15 and Defendants did not have any lawful assignment of Deed of Trust of Plaintiffs' real property when
16 Defendants commenced the non-judicial foreclosure of Plaintiffs' real property in the State of Nevada.
17 Plaintiffs claim that Defendants' actions in the State of Nevada were fraudulent, malicious, and
18 oppressive. Plaintiffs did not breach any condition of any mortgage agreement sufficient to permit a
19 non-judicial foreclosure proceedings against them in the State of Nevada.

20 4. Plaintiffs allege that at the time the power of sale was exercised or the foreclosure occurred,
21 no breach of condition or failure of performance existed on Plaintiffs which would have authorized the
22 foreclosure or exercise of the power of sale of Plaintiffs' real property.

23
24 II.

25 THE PARTIES

26
27 5. Plaintiffs, LEO KRAMER and AUDREY KRAMER, ("Plaintiffs"), are now, and at all times
28

1 relevant to this action, residents of the County of Contra Costa, State of California. Plaintiffs are the
2 rightful owners of the real property commonly describe as: 1740 Autumn Glen Street, Fernley, NV
3 89408, ("the subject property") and more fully legally described as:

4 **Lot 62, SD UPLAND RANCH ESTATE UNIT NO. 7. ACCORDING TO MAP**
5 **THEREOF, FILED AS DOCUMENT NO 315377, ON MARCH 9, 2004, COUNTY OF**
6 **LYON, STATE OF NEVADA Bearing APN: 022-052-02 in Lyon County, State of**
7 **Nevada**

8 6. The subject property is Plaintiffs' home/retirement home SEE EXHIBIT A

9 7. Defendant NATIONAL DEFAULT SERVICING CORPORATION, is, and was at all times
10 relevant herein, a Arizona corporation registered with Arizona's Secretary of State since 1996, NDSC
11 also filed with the State of Nevada its Foreign Qualifications to conduct business in Nevada in 1996.

12 8. Plaintiffs are informed and believe and thereon allege that at all relevant times
13 mentioned in this Complaint, Defendant, BRECKENRIDGE PROPERTY FUND 2016 LLC is
14 organized and existing under the laws of the state of California, Entity Number: 10101732-0161
15 Company Type: LLC – Foreign Address: 2015 MANHATTAN BEACH BLVD #100 Redondo Beach,
16 CA 90278; and was at all times pertinent, conducting business in the County of Lyon, State of Nevada.

17 9. Plaintiffs are informed and believe and thereon allege that at all relevant times
18 mentioned in this Complaint, Defendants, JPMORGAN CHASE BANK, N.A, a national association
19 with its *Corporate Headquarters in the State of New York*; was organized and existing under the laws
20 of the United States of America; and at all times pertinent, was conducting business in the County of
21 Lyon, State of Nevada.

22 10. Plaintiffs do not know the true names, capacities, or basis for liability of Defendants
23 sued herein as Does 1 through 49, inclusive, as each fictitiously named Defendant is in some manner
24 liable to Plaintiffs, or claims some right, title, or interest in the Property. Plaintiffs will amend this
25 Complaint to allege their true names and capacities when ascertained. Plaintiffs are informed and
26 believe, and therefore allege, that at all relevant times mentioned in this Complaint, each of the
27 fictitiously named Defendants are responsible in some manner for the injuries and damages to
28 Plaintiffs so alleged and that such injuries and damages were proximately caused by such Defendants,
and each of them.

III.

FACTUAL AND GENERAL ALLEGATIONS

11. On or about June 2, 2005, Plaintiffs, LEO KRAMER and AUDREY KRAMER, purchased the aforementioned property from Ponderosa LLC for \$204,488.00. Plaintiffs do not owe any monies on this purchase. **SEE EXHIBIT B**

12. On or about June 2, 2005, Plaintiffs obtained a mortgage loan from Paul Financial, LLC in the amount of \$163,500.00, to purchase the subject property. Plaintiffs do not owe any monies on this note. There's no breach of conditions or failure of performance under the financial mortgage note with Paul Financial. **SEE EXHIBIT C**

13. On or about April 4, 2008, Plaintiffs, LEO KRAMER and AUDREY KRAMER, obtained a REVOLVING LINE OF CREDIT from Washington Mutual Bank with a maximum credit limit in the amount of \$176,000, pledging the subject property as collateral pursuant to which any default in the line of credit was subject to Judicial Foreclosure. Under the WAMU Deed of Trust/Credit Agreement on (Page 4, Section C) states, *"To the extent permitted by law the power of sale conferred by the Deed of Trust is not an exclusive remedy. Beneficiary may cause this Deed of Trust to be Judicially Foreclosed or sue on the Credit Agreement or take any other action available in equity or at law."* **SEE EXHIBIT D.** There's no breach of conditions or failure of performance under the financial mortgage note with Paul Financial.

a) Under the revolving line of credit, grantor ("Plaintiffs"), may borrow, repay, and re-borrow from time to time up to the maximum credit limit. Plaintiffs, at no time, accessed up to the maximum credit limit of \$176,000, and Plaintiffs were unable to re-borrow from time to time up to the maximum credit limit as was agreed upon under the revolving line of credit agreement because Washington Mutual Bank breached the agreement under the revolving line of credit when Washington Mutual Bank failed to exist and when Washington Mutual became a defunct banking institution. Plaintiffs allege that the amount used by Plaintiffs from the revolving line of credit were repaid in full to Washington Mutual Bank and whatever was outstanding from the revolving line of credit was discharged in Bankruptcy Court in 2011.

1 14. Chain of Title of the Subject Property is as follows:

- 2 a. On or about June 8 2005, Paul Financial recorded a Deed of Trust, with
3 ELECTRONIC REGISTRATION SYSTEMS, INC (MERS) noted as beneficiary and
4 **Foundation Conveyancing LLC** noted as Trustee. **DOC # 353220 SEE EXHIBIT C**
5 b. On or about May 1, 2008, WAMU recorded a new Deed of Trust, designating WAMU
6 as beneficiary and **California Reconveyance Company** as Trustee. **DOC # 425436**
7 **EXHIBIT D**
8 c. On or about May 19, 2008, MERS recorded a 'Substitution of Trustee & Full
9 Reconveyance' substituting **Executive Trustee Servicing LLC** as the new Trustee in
10 place of **Foundation Conveyancing LLC**. **DOC # 426240 SEE EXHIBIT E**
11 d. On or about December 5, 2013, JPMorgan Chase Bank, with no duly appointed
12 authority, recorded a fraudulent 'Substitution of Trustee', substituting NDSC as the
13 new Trustee in place of California Reconveyance Company. (**What happened to**
14 **Foundation Conveyancing LLC & Executive Trustee Servicing LLC?**)
15 SUBSTITUTION OF TRUSTEE was requested by Caryn-Barron, Vice President of JP
16 Morgan Bank. NO ASSIGNMENT OF TITLE was ever granted to JP Morgan Chase
17 Bank. Therefore, JPMorgan Chase Bank had no duly appointed authority to grant a
18 SUBSTITUTION OF TRUSTEE. **DOC 515723 SEE EXHIBIT F**

19 15. Plaintiffs allege that JPMorgan Chase Bank was not the holder or in possession of the
20 Deed of Trust or the holder of any mortgage note or Credit Agreement. Further, the Purchase &
21 Assumption Agreement between JPMorgan Chase Bank and the FDIC DID NOT automatically
22 grant all assets and liabilities to Chase. The Purchase & Assumption Agreement states on Page 10,
23 Section 3.3, Titled 'Manner of Conveyance' the following: **SEE EXHIBIT G**
24

25 **3.3 Manner of Conveyance: Limited Warranty: Nonrecourse; Etc. THE**
26 **CONVEYANCE OF ALL ASSETS, INCLUDING REAL AND PERSONAL**
27 **PROPERTY INTEREST, PURCHASED BY THE ASSUMING BANK**
28 **UNDER THIS AGREEMENT SHALL BE MADE, AS NECESSARY.**

1 BY RECEIVER'S DEED OR RECEIVER'S BILL OF SALE, "AS IS",
2 "WHERE IS", WITHOUT RECOURSE AND, EXCEPT AS OTHERWISE
3 SPECIFICALLY PROVIDED IN THIS AGREEMENT, WITHOUT ANY
4 WARRANTIES WHATSOEVER WITH RESPECT TO SUCH ASSETS,
5 EXPRESS OR IMPLIED, WITH RESPECT TO TITLE, ENFORCEABILITY,
6 COLLECTIBILITY, DOCUMENTATION OR FREEDOM FROM LIENS
7 OR ENCUMBRANCES (IN WHOLE OR IN PART), OR ANY OTHER
8 MATTERS.

- 9
10 e. On or about October 5, 2017, NDSC filed a 'Notice of Default' (NOD) on the Subject
11 Property. Plaintiffs, Leo Kramer and Audrey Kramer ask that the Court take notice
12 that NO notice of the NOD was ever served to Plaintiffs, as is required by Nevada
13 Law. **DOC# 571145 SEE EXHIBIT H**

14 Further, attached to the same NOD was an Affidavit signed on June 24, 2014, by
15 a *robo signer* named Von Mai, purported to claim that he/she is the Vice President of
16 JPMorgan Chase Bank, claiming to be the current beneficiary of the deed of trust or
17 authorized representative of the current beneficiary. Plaintiffs would like this court to
18 take notice that NO ASSIGNMENT OF TITLE has been granted to Chase Bank. Nor
19 did Chase possess a RECEIVER'S DEED OR RECEIVER'S BILL OF SALE from the FDIC,
20 as is required by the PAA. Therefore, Chase Bank had NO duly appointed authority in
21 granting support of NOD to National Default Servicing Corporation. Plaintiffs would
22 also like the Court to take notice that the Affidavit of Von Mai bears NO stamp of
23 recordation whatsoever and was signed approximately (3) three years and (4) four
24 months prior to the NOD being recorded. **SEE EXHIBIT H**

- 25 f. On or about March 23, 2018, NDSC recorded the State of Nevada Foreclosure
26 Mediation Program. NO notice of this document was ever provided to Plaintiffs, Leo
27 Kramer or Audrey Kramer! NDSC checked a box alleging that Grantor or person who
28 holds the title of record did not attend the Foreclosure Mediation Conference, failed to

1 produce the necessary disclosure forms, did not file petition, or did not pay the fees
2 required by the district court. The Beneficiary may proceed with the foreclosure
3 process. **Plaintiffs deny ever receiving or being served this document.**

4 **DOC 578119 SEE EXHIBIT I**

5 g. On or about April 19, 2018, NDSC unlawfully filed a Notice of Trustee Sale (NOTS).

6 **DOC # 579380 SEE EXHIBIT J**

7 h. On or about June 1, 2018, NDSC, wrongly and unlawfully, recorded a 'Trustee Deed
8 Upon Sale', identifying Breckenridge Property Fund 2016, LLC as the new owner/s of
9 the Subject Property. **DOC # 581625 SEE EXHIBIT K**

10 16. At all times relevant to this Complaint, Plaintiff maintained a residence and/or mailing
11 address known or discoverable by NATIONAL DEFAULT SERVICING CORPORATION and the
12 remaining Defendants, yet NATIONAL DEFAULT SERVICING CORPORATION failed to give
13 Plaintiffs Notice of the Notice of default and election to sell Plaintiff's real property by certified
14 mail, return receipt requested, to the Plaintiffs, at their last known address, on the date the notice is
15 recorded in the county where the property is located as required by Nevada Law. Plaintiffs offer in
16 support of this fact monthly bank statements they received from JPMorgan Chase Bank. Given that
17 Chase Bank hires and pays NDSC to carry out their unlawful foreclosures, NDSC clearly knew
18 Plaintiffs' mailing address. **SEE EXHIBIT L**

19 17. Upon information and belief, service of this Notice of Default failed to comply with
20 the requirements of Nevada law.

21 18. Upon information and belief, service of this Notice of Default failed to comply with
22 the requirements of Nevada law, which requires the servicer or owner of the loan to send the
23 borrower a notice that contains information about the account, including the total amount needed to
24 cure the default, and includes information about foreclosure prevention alternatives, among other
25 things. (Nev. Rev. Stat. § 107.500).

26 19. Upon information and belief, service of this Notice of Default failed to comply with the
27
28

1 requirements of Nevada law, which requires that a copy of the NOD must be sent to each person who
2 has a recorded request for a copy and each person with an interest or claimed interest in the property
3 by registered or certified mail within ten days after the NOD is recorded. (Nev. Rev. Stat. § 107.090).

4 20. On or about October 5, 2017, a Notice of Default and Election to Sell Under revolving
5 line of credit was recorded on the Property by Defendant NATIONAL DEFAULT SERVICING
6 CORPORATION. During the time NATIONAL DEFAULT SERVICING CORPORATION filed the
7 NOD there was no assignment of deed of trust which provided NATIONAL DEFAULT SERVICING
8 CORPORATION with standing to record the Notice of Default.

9 21. Plaintiffs were never notified or provided with the STATE OF NEVADA
10 FORECLOSURE MEDIATION PROGRAM required by Nevada law as said subject property is
11 Plaintiffs' home/retirement home. Plaintiffs only saw notice of this after National Default Servicing
12 Corp filed the certificate with the Lyon County Recorder's Office on March 22, 2018, (6) six months
13 after the NOD was recorded on Oct. 6, 2017. SEE EXHIBIT I and H

14 22. Further, the Notice of Default on the subject property to conduct a non-judicial
15 foreclosure is unlawful and inappropriate given that Plaintiffs did not have a mortgage loan and there
16 was no mortgage note with Washington Mutual Bank. Plaintiffs acquired a Revolving Line of Credit,
17 that only provided for judicial foreclosure and NOT non-judicial foreclosure. Further, Plaintiffs
18 contend that, the Revolving Line of Credit is considered a Consumer Debt and is viewed and
19 compared to that of a Credit Card, in that both credit offerings feature a maximum credit limit, allow a
20 consumer to access funds, repay the funds and re-access funds throughout the credit term. With a
21 Consumer Debt a creditor must provide an accurate accounting of any alleged monies owed and must
22 obtain a judgment before they can collect on a consumer debt. In this case, Plaintiffs paid substantial
23 monies toward the \$176,000 Revolving Line of Credit and any amounts, if any, still owing were fully
24 discharged in Plaintiff's Chapter 7 Bankruptcy on June 16, 2011.¹ Additionally, Defendant National
25 Default Servicing Corporation, who was hired by JPMorgan Chase Bank, is time-barred to conduct a
26 judicial foreclosure by Nevada's (6) six year Statute of Limitations.

27 ¹ Please note there was a typo in the 2nd Amended Complaint indicating the year of Leo Kramer's
28 Chapter 7 BK discharge to be 2018, Plaintiffs corrected the typo to accurately reflect the
correct year of discharge being the year of 2011.

1 23. On or about April 10, 2018, JPMorgan Chase Bank filed a fabricated ASSIGNMENT
2 OF DEED OF TRUST, dated April 4, 2018, with Lyon County. This Assignment states 'For Value
3 Received, Washington Mutual Bank, hereby grants, assigns and transfers to JPMorgan Chase Bank all
4 beneficial interest under that certain Deed of Trust dated 04/04/2008'. This Assignment is signed by
5 Debbie Swayzer, Vice President of JPMorgan Chase Bank. Ms. Swayzer signs under the following:
6 JPMorgan Chase Bank, National Association, as Attorney In fact for the Federal Deposit Insurance
7 Corporation as Receiver of Washington Mutual Bank F/K/A Washington Mutual Bank, FA. It shocks
8 the conscience that Chase Bank, after (9) nine years and (6) six months plus, fabricate and record a
9 fraudulent self-signed and self-assigned 'ASSIGNMENT OF DEED OF TRUST' so latently after
10 acquiring 'Certain' Assets and Liabilities of Washington Mutual Bank, from the FDIC seizure of
11 WAMU, which took place on September 25, 2008. **SEE EXHIBIT N**

12 24. On or about April 19, 2018, National Default Servicing Corporation, who was not a
13 duly appointed Trustee, filed an unlawful non-judicial Notice of Trustee Sale with Lyon County. The
14 Trustee Sale was scheduled to take place on May 18, 2018, at 11am. **DOC # 579380 SEE**
15 **EXHIBIT J**

16 25. On May 28, 2018, Plaintiffs were notified by their Property Management Company
17 that the tenants currently residing in the subject property were prematurely contacted by person named
18 Allyssa McDermott claiming to be the new owner of the subject property. Plaintiffs immediately
19 checked with Lyon County Records and found NO evidence that a sale of the property had occurred.
20 Plaintiff, Audrey Kramer left a voice message for Ms. McDermott on May 28, 2018. Ms. McDermott
21 returned Plaintiff's call and said she had just purchased the property. Plaintiff asked Ms. McDermott
22 when the sale took place and Ms. McDermott said, "On Friday", but did not know the actual date of
23 the sale. Plaintiff, Audrey Kramer, found it strange that Ms McDermott did not seem to know the
24 actual date she supposedly purchase the subject property. Plaintiff, Audrey Kramer informed Ms.
25 McDermott that there is pending litigation on the property and that is currently before the United
26 States Ninth Circuit Court of Appeals in San Francisco, whereby Ms. McDermott said, "That's fine",
27 and hung up on Plaintiff. Plaintiff, Audrey Kramer continued checking with Lyon County Records
28

1 and on June 1, 2018, found a Trustee's Deed recorded with Lyon County Recorder's Office of
2 Records. **SEE EXHIBIT K**

3 26. Plaintiffs further allege that, Defendant, JPMorgan Chase Bank, intentionally
4 concealed the fact the it lacked standing to claim interest in the One Hundred Seventy Six Thousand
5 dollars (US\$176, 000.00) revolving line of credit that Plaintiffs obtained from Washington Mutual
6 Bank N.A., Plaintiffs further alleges that, prior to and during the recording of the Notice of Default,
7 Defendant and the subsequent wrongful foreclosure of Plaintiffs real property, JPMorgan Chase
8 Bank made false or misleading representations and engaged in various abusive and unfair practices
9 and misrepresented it is the beneficiary of the Hundred Seventy Six Thousand dollars (US\$176,
10 000.00) revolving line of credit Plaintiffs obtained from Washington Mutual Bank N.A.

11 27. Plaintiffs allege that after due diligence, discovery and seeking the assistance of a
12 Licensed Private investigator William J. Paatalo, Plaintiffs are now able to discover JPMorgan
13 Chase Bank's deceit and fraud in the concealment and fraud in the inducement. **(Plaintiffs Exhibit-**
14 **RJN-1)**, A true and correct copy of William Paatalo's Updated Curriculum Vitae)²

15 28. Plaintiffs allege that, JPMorgan Chase Bank willfully and callously and with scienter
16 deceived Plaintiffs and Court(s), with intent to induce Plaintiffs Leo and Audrey Kramer to alter
17 their position regarding the Hundred Seventy Six Thousand dollars (US\$176, 000.00) revolving line
18 of credit Plaintiffs obtained from Washington Mutual Bank N.A.

19 29. Plaintiffs allege that, at the time of the recording of the Notice of Default, by
20 NATIONAL DEFAULT SERVICING CORPORATION, Washington Mutual Bank N.A. did not
21 assign the Hundred Seventy Six Thousand dollars (US\$176, 000.00) revolving line of credit to
22 JPMorgan Chase Bank. Furthermore, Plaintiffs did not owe Washington Mutual Bank N.A.
23 because Plaintiffs did not expend the entire credit line.

24 30. Plaintiffs allege that, at the time of the recording of the Notice of Default, by
25 NATIONAL DEFAULT SERVICING CORPORATION, JPMorgan Chase Bank did not have
26 Assignment of Deed of Trust to Plaintiffs real property that is the subject of this ligation.

27
28 ² A true and correct copy of William J. Paatalo's Updated Curriculum Vitae. William Paatalo is a
private investigator who discovered the Deceit and Fraud perpetrated by JPMorgan Chase Bank, N.A.

1 31. Plaintiffs allege that, at the time of the recording of the Notice of Default by
2 NATIONAL DEFAULT SERVICING CORPORATION, no Assignment of Deed of Trust existed
3 upon which NATIONAL DEFAULT SERVICING CORPORATION can claim or assert that it was
4 a duly appointed trustee with authority to record a Notice of Default that touch and concern
5 Plaintiffs' real property.

6 32. Plaintiffs alleges that JPMorgan Chase Bank, filed and or recorded fraudulent real
7 estate documents concerning Plaintiffs' real property. Plaintiffs further allege that JPMorgan Chase
8 Bank's deceit and fraud is further demonstrated by the findings and report acquired during William
9 Paatalo's investigation and fully referenced herein as (Plaintiffs' Exhibit RJN-2).

10 33. Plaintiffs allege that any applicable statutes of limitations have been tolled by
11 Defendants' JPMorgan Chase Bank, and National Default Servicing Corporation's continuing fraud,
12 knowing, and active concealment of the facts alleged herein. Despite exercising reasonable
13 diligence, Plaintiffs could not have discovered, did not discover, and was prevented from discovering,
14 the wrongdoing complained of herein until upon conducting Discovery in this case and upon the
15 findings of William Paatalo, the private investigator.

16 34. Plaintiffs bring this action because of National Default Servicing Corporation's failure
17 to comply with Nevada's Foreclosure Statute and procedural requirements and for declaratory
18 judgment, injunctive and equitable relief, and for compensatory, special, general, punitive damages
19 and treble damages against above named Defendants and each of them. Plaintiffs allege that, prior to
20 recording the Notice of Default, Notice of Trustee's sale and the trustees' deed, neither NATIONAL
21 DEFAULT SERVICING CORPORATION, JPMORGAN CHASE BANK, N.A., nor
22 BRECKENRIDGE PROPERTY FUND 2016 LLC, was the holder of Plaintiffs' Note in due course or
23 Assignment of Deed of Trust under Plaintiffs' Note and Deed of Trust. Furthermore, Plaintiffs did not
24 breach any condition of any mortgage agreement sufficient to permit a non-judicial foreclosure
25 proceedings against them in the State of Nevada.

26 35. Through this action, Plaintiffs seek damages against Defendants, NATIONAL
27 DEFAULT SERVICING CORPORATION, and BRECKENRIDGE PROPERTY FUND 2016 LLC,
28 and JPMORGAN CHASE BANK, N.A., resulting from the unlawful and wrongful non-judicial

1 foreclosure of Plaintiffs' real property and for Treble Damages and punitive damages arising from
2 National Defaults failure to follow Nevada's foreclosure procedural requirements and upon deceit,
3 fraudulent concealment and fraudulent inducement of JPMORGAN CHASE BANK, N.A., and
4 NATIONAL DEFAULT SERVICING CORPORATION .
5

6 FIRST CAUSE OF ACTION
7 (FOR UNLAWFUL FORECLOSURE)
8 (AGAINST NDSC)

9 36. Plaintiffs re-allege and incorporates by reference all preceding paragraphs as though
10 fully set forth herein.

11 37. On information and believe, Plaintiffs thereon alleges, that at all times herein
12 mentioned, each of the Defendants were the agents, employees, servants and/or the joint-venturers of
13 the remaining Defendants, and each of them, and in doing the things alleged herein below, were acting
14 within the course and scope of such agency, employment and/or joint venture and enterprise.

15 38. Plaintiffs alleges that National Default did not give Plaintiffs notice when they filed the
16 NOD as required by Nevada statute. Furthermore, Plaintiffs allege that a wrongful and unlawful
17 foreclosure of their real property occurred or a power of sale was exercised by Defendants and at the
18 time of foreclosure or exercise of the power of sale, no breach of condition or failure of performance
19 existed that would have authorized such action. See, *Collins v. Union Federal Sav. & Loan Ass'n*,
20 662 P.2d 610, 623 (Nev. 1983).

21 39. Plaintiffs allege that they are not in default of their Mortgage loan which secured
22 mortgage and deed of trust of their real property. Further, Plaintiffs allege there was no breach of
23 condition of failure to perform on any mortgage note.

24 40. At all times relevant to this Complaint, Plaintiff maintained a residence and/or mailing
25 address known or discoverable by NATIONAL DEFAULT SERVICING CORPORATION and the
26 remaining Defendants, yet NATIONAL DEFAULT SERVICING CORPORATION failed to give
27 Plaintiffs Notice of the Notice of default and election to sell Plaintiffs' real property by certified mail,
28

1 return receipt requested, to the Plaintiffs, at their last known address, on the date the notice is
2 recorded in the county where the property is located as required by Nevada law.

3 41. Plaintiffs allege that the service of this Notice of Default failed to comply with the
4 requirements of Nevada law.

5 42. Plaintiffs allege that the service of this Notice of Default failed to comply with the
6 requirements of Nevada law, which requires the servicer or owner of the loan to send the borrower a
7 notice that contains information about the account, including the total amount needed to cure the
8 default, and includes information about foreclosure prevention alternatives, among other things. (Nev.
9 Rev. Stat. § 107.500).

10 43. Plaintiffs allege that the Notice of Default failed to comply with the requirements of
11 Nevada law, which requires that a copy of the NOD must be sent to each person who has a recorded
12 request for a copy and each person with an interest or claimed interest in the property by
13 registered or certified mail within ten days after the NOD is recorded. (Nev. Rev. Stat. § 107.090).

14 44. On or about October 6, 2017, a Notice of Default and Election to Sell Under revolving
15 line of credit was recorded on the Property by Defendant NATIONAL DEFAULT SERVICING
16 CORPORATION. During the time NATIONAL DEFAULT SERVICING CORPORATION filed
17 the NOD there was no duly appointed assignment of deed of trust which provided NATIONAL
18 DEFAULT SERVICING CORPORATION with standing to record the Notice of Default. Further,
19 Plaintiffs allege there was no breach of condition or failure to perform on any mortgage note.

20 45. Plaintiffs were never notified or provide with the STATE OF NEVADA
21 FORECLOSURE MEDIATION PROGRAM required by Nevada law as said subject property is
22 Plaintiffs' home/retirement home. Plaintiffs only saw notice of this after National Default Servicing
23 Corp filed the certificate with the Lyon County Recorder's Office on March 22, 2018, (6) six months
24 after the filing of the NOD. SEE EXHIBIT I

25 46. On information and belief, Plaintiffs allege that Defendants, and each of them recorded
26 Notice of Default, Notice of Trustee's sale and Trustee's deed upon sale claiming an interest in or a
27 lien or encumbrance against Plaintiffs' real property, knowing or having reason to know that the
28

1 document is forged or groundless, or contains a material misstatement or false claim, in
2 contravention of NRS 205.395.

3 47. Plaintiffs allege that there has been an illegal, and willful oppressive non-judicial
4 foreclosure sale of their real property by the Foreclosing Defendant, NATIONAL DEFAULT
5 SERVICING CORPORATION.

6 48. Plaintiffs allege that they are not in default of the revolving line of credit that Plaintiffs
7 obtained from Washington Mutual Bank and they are in no breach of condition or failure of
8 performance existed under the Revolving line of credit that would have authorized such action.

9 49. Plaintiffs allege that NATIONAL DEFAULT SERVICING CORPORATION failed
10 to provide proper notice for the May 18, 2018, sale as required under NRS 107.087.

11 50. Plaintiffs allege that NATIONAL DEFAULT SERVICING CORPORATION failed
12 to provide notice the Nevada Supreme Court Foreclosure Mediation Program. Plaintiffs further
13 allege the property was purchased as a second home to become Plaintiffs' retirement home.

14 51. Plaintiffs are informed and believe, and thereon alleges that Defendants, executed
15 fraudulent real estate documents that touched and concerned Plaintiff's real property and thereafter
16 caused said documents to be recorded in the Official Records in the Office of the Lyon County
17 Recorder's office in violation of Nevada laws.

18 52. Plaintiffs performed all terms, covenants, and conditions required under the mortgage,
19 except for those terms, covenants, and conditions the performance of which was either waived or
20 rendered impossible by Washington Mutual bank due to Washington Mutual Bank's breach of the
21 revolving line of credit. Further, Plaintiffs allege there was no breach of any condition or failure to
22 perform on any mortgage note by Plaintiffs.

23 53. On or about June 2, 2005, Plaintiffs, LEO KRAMER and AUDREY KRAMER,
24 purchased the aforementioned property for \$204,488.00. **SEE EXHIBIT B**

25 54. On or about June 2, 2005, Plaintiffs obtained a mortgage loan from Paul Financial,
26 LLC in the amount of \$163,500.00, to purchase the subject property. **SEE EXHIBIT C** Plaintiffs
27 allege that they are not in fault of the Mortgage Loan that Plaintiffs obtained from Paul Financial and
28

1 they are in no breach of condition or failure of performance existed under the Mortgage Note From
2 Paul Financial that would have authorized foreclosure of Plaintiffs' real property by the Defendants.

3 55. On or about April 4, 2008, Plaintiffs, LEO KRAMER and AUDREY KRAMER,
4 obtained a REVOLVING LINE OF CREDIT from Washington Mutual Bank for a maximum credit
5 limit of \$176,000, pledging the subject property as collateral. **SEE EXHIBIT D Under the**
6 **revolving line of credit agreement, grantor ("Plaintiffs"), may borrow, repay, and re-borrow**
7 **from time to time up to the maximum credit limit.** Further, Plaintiffs allege there was no breach of
8 any condition or failure to perform on any mortgage note.

9 56. Plaintiffs allege that they are not in default of the revolving line of credit that Plaintiffs
10 obtained from Washington Mutual Bank and they are in no breach of condition or failure of
11 performance existed under the Revolving line of credit that would have authorized foreclosure of
12 Plaintiffs' real property.

13 57. Plaintiffs further contend that plaintiff did not ever borrow or access monies up to the
14 maximum credit limit, as was contracted under the WaMu credit agreement. Plaintiffs were unable to
15 re-borrow from time to time up to the maximum credit limit per the revolving line of credit agreement
16 because the agreement was essentially breached by WaMu upon its' seizure by the FDIC on
17 September 25, 2008, whereby on that date WaMu was declared a defunct banking institution.
18 Subsequently, the seizure of WaMu by the FDIC made it legally impossible for Plaintiffs to re-borrow
19 up to the \$176,000, credit limit as provided by the credit agreement.

20 Plaintiffs allege that the amount used by Plaintiffs from the revolving line of credit were repaid in full
21 to Washington Mutual Bank and whatever was outstanding, if any, from the revolving line of credit
22 was fully discharged in Bankruptcy Court in June 2011. Further, Plaintiffs allege there was no breach
23 of any condition or failure to perform on any mortgage note.

24 58. Plaintiffs further allege that when JPMorgan Chase Bank purportedly appointed
25 NATIONAL DEFAULT SERVICING CORPORATION, as Trustee in 2013, Plaintiffs did not owe
26 any money on the revolving line of credit.

27 59. Plaintiffs' allege that Defendants, NATIONAL DEFAULT SERVICING
28 CORPORATION conducted unlawful and wrongful foreclosure and sale of Plaintiffs' real property

1 in Lyon County, Nevada. Further, Allyssa McDermott, Wedgewood Inc. and Breckenridge Property
2 Fund 2016 LLC were not and could not be bonafide purchasers or encumbrancers of the subject
3 property because they were aware or should have been aware of the dispute surrounding Plaintiffs'
4 real property. Additionally, because the Notice of Default was defective it is VOID under Nevada
5 law, whereby, Notice of Trustee Sale, Trustee Sale and Deed Upon Sale also all VOID.

6 60. Plaintiffs had no obligation under any Mortgage Note and Plaintiffs were not in
7 default on any Mortgage loan obligations when NATIONAL DEFAULT SERVICING
8 CORPORATION commenced the unlawful non-judicial foreclosure of Plaintiffs' real property.

9 61. Furthermore, Plaintiffs were not in default on the revolving line of credit Plaintiffs
10 obtained from Washington Mutual Bank when Defendants initiated the foreclosure proceedings.

11 62. Defendants, NATIONAL DEFAULT SERVICING CORPORATION
12 is not the holder of Plaintiffs' Note in due course and Defendants did not have assignment of Deed of
13 Trust of Plaintiffs' real property when Defendants commenced the non-judicial foreclosure of
14 Plaintiffs' real property in the State of Nevada. Plaintiffs claim that Defendants' actions in the State
15 of Nevada were malicious, and oppressive. Plaintiffs did not breach any condition of any
16 mortgage agreement sufficient to permit a non-judicial foreclosure proceedings against them in the
17 State of Nevada.

18 63. Plaintiffs allege that at the time the power of sale was exercised or the foreclosure
19 occurred, no breach of condition or failure of performance existed by Plaintiffs which would have
20 authorized the foreclosure or exercise the power of sale of Plaintiffs' real property. Further,
21 Defendants had no standing to conduct the unlawful and wrongful non-judicial foreclosure of
22 Plaintiffs' real property.

23 64. Plaintiffs allege that the Foreclosing Defendant, NATIONAL DEFAULT
24 SERVICING CORPORATION, in this action was not lawfully appointed as trustee or had the original
25 note assigned to them. Accordingly, the Foreclosing Defendant in this action did not have the right to
26 declare default, cause notices of default to be issued or recorded, or foreclose on Plaintiffs' interest in
27 the Subject Property. Defendant, NATIONAL DEFAULT SERVICING CORPORATION, was not
28

1 the note holder or a beneficiary at any time with regard to Plaintiffs' Credit Agreement and Deed of
2 Trust.

3 65. Plaintiffs further allege on information and belief that the Foreclosing
4 Defendant, NATIONAL DEFAULT SERVICING CORPORATION, in this action is the beneficiary
5 or representative of the beneficiary and, if the Foreclosing Defendant allege otherwise, they do not
6 have the original note to prove that they are in fact the party authorized to conduct the non-judicial
7 foreclosure of Plaintiffs' real property.

8 66. As a result of the above alleged unlawful or wrongful non-judicial foreclosure,
9 Plaintiffs have suffered general and special damages in an amount to be determined at trial.

10
11 SECOND CAUSE OF ACTION

12 (DECLARATORY RELIEF)

13 (Against all Defendants)

14
15 67. Plaintiffs re-allege and incorporate by reference all preceding paragraphs as though
16 fully set forth herein.

17 68. Plaintiffs allege that Plaintiffs' wrongful foreclosure claims also form the basis for the
18 claims in the Amended Complaint for Declaratory Relief.

19 69. An actual controversy has arisen and now exists between Plaintiffs and Defendants
20 concerning their respective rights and duties regarding the Note and Trust Deed.

21 70. Plaintiffs contend that pursuant to the Loans, Defendants do not have authority
22 to foreclose upon and sell the Property.

23 71. Plaintiffs are informed and believe and upon that basis allege that Defendants dispute
24 Plaintiffs' contention and instead contend they may properly foreclose upon the Property.

25 72. Plaintiffs therefore request a judicial determination of the rights, obligations
26 and interest of the parties with regard to the Property, and such determination is necessary and
27 appropriate at this time under the circumstances so that all parties may ascertain and know their rights,
28 obligations and interests with regard to the Property.

1 73. Plaintiffs request a determination of the validity of the Trust Deeds as of the
2 date the Notes were assigned without a concurrent assignation of the underlying Trust Deeds.

3 74. Plaintiffs request a determination of the validity of the NOD (Notice of
4 Default).

5 75. Plaintiffs request a determination of whether any Defendants have authority to
6 foreclose on the Property.

7 76. Plaintiffs request all adverse claims to the real property must be determined by a
8 decree of this court. Plaintiffs request the decree declare and adjudge that plaintiff is entitled to the
9 exclusive possession of the property.

10 77. Plaintiffs request the decree declare and adjudge that plaintiffs owns in fee simple, and
11 is entitled to the quiet and peaceful possession of, the above-described real property.

12 78. Plaintiffs request the decree declare and adjudge that defendants, and each of them,
13 and all persons claiming under them, have no estate, right, title, lien, or interest in or to the real
14 property or any part of the property.

15 THIRD CAUSE OF ACTION

16 (INTENTIONAL MISREPRESENTATION)

17 (AGAINST DEFENDANTS, JPMORGAN CHASE BANK, N.A.,
18 and NATIONAL DEFAULT SERVICING CORPORATION)

19 79. Plaintiffs re-allege and incorporate by reference all preceding paragraphs
20 as though fully set forth herein.

21 80. Plaintiffs contend that in Nevada, the elements for a claim of fraud or intentional
22 misrepresentation are:

- 23
- 24 ■ Defendant makes a false representation or misrepresentation as to a past or existing fact;
 - 25 ■ With knowledge or belief by defendant that representation is false or that defendant lacks sufficient basis of information to make the representation;
 - 26 ■ Defendant intended to induce plaintiff to act in reliance on the representation;
 - 27 ■ Justifiable reliance upon the representation by the plaintiff;
 - 28 ■ Causation and damages to plaintiff as a result of relying on misrepresentation; and
 - Must be proved by clear and convincing evidence and be pled with specificity.

1 *Please see, Jordan v. State ex rel. Dep't of Motor Vehicles & Pub. Safety*, 121 Nev. 44, 75, 110
2 P.3d 30, 51 (2005); *J.A. Jones Constr. Co. v. Lehrer McGovern Bovis, Inc.*, 120 Nev. 277, 89 P.3d
3 1009 (2004); *Barnettler v. Reno Air, Inc.*, 14 Nev. 441, 956 P.2d 1382 (1998); *Blanchard v.*
4 *Blanchard*, 108 Nev. 908 (1992); *Bulbman, Inc. v. Nev. Bell*, 108 Nev. 105, 111, 825 P.2d 588, 592
5 (1992); *Albert H. Wohlers & Co. v. Bartgis*, 114 Nev. 1249, 1260, 969 P.2d 949, 957
6 (1998); *Sanguinetti v. Strecker*, 94 Nev. 200, 206, 577 P.2d 404, 408 (1978); *Lubbe v. Barba*, 91 Nev.
7 596, 541 P.2d 115 (1975).

8 81. On or about June 02, 2005, (hereinafter referred to as "Closing Date"), Plaintiffs LEO
9 KRAMER and AUDREY KRAMER entered into a consumer credit transaction with, PAUL
10 FINANCIAL, LLC, by obtaining a One Hundred Sixty Three Thousand Five Hundred dollars
11 (US\$163, 500.00) mortgage loan secured by the DEED OF TRUST of Plaintiffs' real property
12 commonly described as: 1740 Autumn Glen Street, Fernley, NV 89408 ("the Subject Property"). The
13 true and correct copy of the Deed of Trust is attached hereto as Plaintiffs' **Exhibit "A"** and
14 incorporated herein by reference as if set forth in full herein. Plaintiffs are informed and believe, and
15 thereon allege that ***PAUL FINANCIAL, LLC is a defunct financial institution.*** Plaintiffs further
16 allege that, PAUL FINANCIAL, LLC, did not assign any contractual rights to any of the above
17 named Defendants. None of the above referenced Defendants is a third party beneficiary under the
18 contract which secured Plaintiffs' Note and deed of trust.

19 82. Subsequently, on or about 05/01/2008, Plaintiffs used the subject property as collateral
20 to obtain the revolving line of credit in the amount of One Hundred Seventy Six Thousand dollars
21 (US\$176, 000.00) from WASHINGTON MUTUAL BANK, ***a now defunct banking institution;*** for
22 the maintenance of the subject property and for the purchase of other household goods. The true and
23 correct copy of the revolving line of credit is attached hereto as Plaintiffs' **Exhibit "B"** and
24 incorporated herein by reference as if set forth in full herein.

25 83. Plaintiffs performed all terms, covenants, and conditions required of them under the
26 revolving line of credit, except for those terms, covenants, and conditions the performance of which
27 was either waived or rendered impossible by WASHINGTON MUTUAL BANK.
28

1 84. Plaintiffs are informed and believes, and thereon alleges, that at all times herein mentioned,
2 each of the Defendants were the agents, employees, servants and/or the joint-venturers of the
3 remaining Defendants, and each of them, and in doing the things alleged herein below, were
4 acting within the course and scope of such agency, employment and/or joint venture and
5 enterprise in intrastate and interstate commerce.

6 85. Plaintiffs allege that, on or about October 2008 continuing to present, JPMorgan Chase
7 Bank, N.A., makes a false representation that it is the holder of Plaintiffs' Note and Mortgage.

8 86. Plaintiffs allege that, PAUL FINANCIAL, LLC, the Real Party in Interest, of the original
9 lender and Holder of Debtor's "Note" and "Mortgage", **DID NOT** endorse or deliver Plaintiffs'
10 "Note" and/or "Mortgage" to neither Washington Mutual Bank nor JPMorgan Chase Bank.

11 87. Plaintiffs allege that, Defendant, JPMorgan Chase Bank, N.A., misrepresented that it acquired
12 Assignment of Deed of Trust to Plaintiffs' real property from Washington Mutual Bank in
13 2008, when Defendant knew that to be false.

14 88. Plaintiffs allege that, any applicable statutes of limitations have been tolled by the
15 Defendants' continuing, fraud, knowing, and active concealment of the facts alleged herein. Despite
16 exercising reasonable diligence, Plaintiffs could not have discovered, did not discover, and was
17 prevented from discovering, the wrongdoing complained of herein until discovery was taken in the in
18 instant case.

19 89. Plaintiffs allege that, any applicable statutes of limitations have been tolled by the
20 JPMORGAN CHASE BANK, N.A., and NATIONAL DEFAULT SERVICING CORPORATION
21 continuing, fraud, knowing, and active concealment of the facts alleged herein. Despite exercising
22 reasonable diligence, Plaintiffs could not have discovered, did not discover, and was prevented from
23 discovering, the wrongdoing complained of herein until the investigation conducted by Licensed
24 Private Investigator, William Paatalo. Mr. Paatalo's report which uncovered JPMORGAN CHASE
25 BANK, N.A., and NATIONAL DEFAULT SERVICING CORPORATION fraudulent scheme is
26 attached herein as **Plaintiffs' Exhibit RJN-2**.

27 90. On or about 2018, JPMorgan Chase Bank falsely represented that it is the Secured Lien
28 Holder of the Plaintiffs' when Defendant new that to be false.

1 91. Plaintiffs allege that on or about January 2017 and February of 2017 JPMorgan Chase
2 Bank misrepresented to Plaintiffs that it was the holder of Plaintiffs' note in due course and tried to
3 persuade Plaintiffs to enter into a loan modification. JPMorgan Chase Bank was clearly aware at
4 that time that Plaintiffs did not owe any monies as all monies, if any, owed on the Revolving Line of
5 Credit with Washington Mutual Bank were adjudicated in Leo Kramer's Chapter 7 Bankruptcy in
6 June 2011. This was noted on Chase monthly statements. Additionally, Plaintiffs performed all
7 terms, covenants, and conditions required of them under the revolving line of credit, except for
8 those terms, covenants, and conditions the performance of which was either waived or rendered
9 impossible by WASHINGTON MUTUAL BANK.

10 92. On or about Oct 6, 2017, NATIONAL DEFAULT SERVICING CORPORATION
11 wrongfully and fraudulently recorded the Notice of Default without notice to the Plaintiffs.

12 93. Plaintiffs allege that, JPMORGAN CHASE BANK, N.A., and NATIONAL DEFAULT
13 SERVICING CORPORATION acted with knowledge or belief that their representation is false and
14 Defendants lacks sufficient basis of information to make the representation that Plaintiffs were
15 indebted to JPMORGAN CHASE BANK, N.A.

16 94. Plaintiffs allege that Defendants, JPMORGAN CHASE BANK, N.A., and NATIONAL
17 DEFAULT SERVICING CORPORATION intended to induce plaintiff to act in reliance on the
18 representation.

19 95. Plaintiffs Justifiably relied upon the representation by Defendants, JPMORGAN
20 CHASE BANK, N.A., and NATIONAL DEFAULT SERVICING CORPORATION

21 96. Plaintiffs allege as result of the intentional misrepresentation by Defendants,
22 JPMORGAN CHASE BANK, N.A., and NATIONAL DEFAULT SERVICING CORPORATION
23 Plaintiffs have incurred substantial damages subject to prove at trial to the Jury as a result of
24 plaintiffs relying on Defendants' misrepresentation

25 97. On or about April 4, 2018, JPMORGAN CHASE BANK, N.A., forged and/or
26 fabricated false assignment of Deed of Trust and recorded the fraudulent document on April 10,
27 2018 about ten years after Plaintiffs executed the Revolving Line of Credit with Washington
28 Mutual Bank and to which Washington Mutual Bank breached the terms of the Revolving Line of

1 Credit in September 2008. JPMORGAN CHASE BANK, N.A., purported it is now the new
2 owners/servicing bank on our newly acquired Revolving line of credit that we had with
3 Washington Mutual Bank.

4 98. JPMORGAN CHASE BANK, N.A., started contacting us throughout Jan and Feb of
5 2017, requesting payment and suggested a loan modification among other things. Chase was
6 clearly aware at that time that we did not owe any monies as all monies, if any, were owed were
7 adjudicated in Leo Kramer's Chapter 7 Bankruptcy in June 2011. This was noted on Chase
8 monthly statements.

9 99. Plaintiffs alleges that, JPMORGAN CHASE BANK and NATIONAL DEFAULT
10 SERVICING CORPORATION, engaged in a pattern and practice of defrauding Plaintiffs in that,
11 Defendants continue to accept money from Plaintiffs when they had no standing to do so, and
12 failed to properly credit payments made by the Plaintiffs and then unlawfully foreclosed on the
13 Subject Property based on Plaintiffs' alleged non-payment which they knew to be false.

14 100. Plaintiffs allege that, JPMORGAN CHASE BANK and NATIONAL DEFAULT
15 SERVICING CORPORATION had actual knowledge of their lack enforceability interest and that the
16 Plaintiffs' were not indebted to JPMORGAN CHASE BANK and that the account pertaining to the
17 Revolving Line of Credit was not accurate, but JPMORGAN CHASE BANK and NATIONAL
18 DEFAULT SERVICING CORPORATION use the inaccuracy to foreclose on the Subject Property.

19 101. Plaintiffs made such payments and provided proof of the payments based on the
20 improper, inaccurate, and fraudulent representations as to their account. Plaintiffs further allege that,
21 JPMORGAN CHASE BANK and NATIONAL DEFAULT SERVICING CORPORATION also
22 utilized amounts known to the Defendants to be inaccurate to determine the amount allegedly due and
23 owing for purposes of foreclosure of Plaintiffs' real property and retirement home.

24 102. Additionally, the JPMORGAN CHASE BANK and NATIONAL DEFAULT
25 SERVICING CORPORATION concealed material facts known to them but not to Plaintiffs regarding
26 payments, notices, assignments, transfers, late fees and charges with the intent to defraud Plaintiffs.

27 103. Plaintiffs allege that, JPMORGAN CHASE BANK and NATIONAL DEFAULT
28

1 SERVICING CORPORATION made false representations, concealments and non-disclosures with
2 knowledge of the misrepresentations, intending to induce Plaintiffs' reliance, which the unsuspecting
3 Plaintiffs justifiably relied upon, resulting in damage to their credit standing, costs and loss of their
4 property. Plaintiffs were unaware of the true facts. Had Plaintiffs known the true facts, Plaintiffs,
5 among other things, would not have maintained the JPMORGAN CHASE BANK and NATIONAL
6 DEFAULT SERVICING CORPORATION, as their lender, servicer and trustee (and their alleged
7 agents) and/or would have taken legal action immediately to save their house.

8 104. As a result of JPMORGAN CHASE BANK and NATIONAL DEFAULT SERVICING
9 CORPORATION fraudulent conduct, Plaintiffs have suffered compensatory, general and special
10 damages in an amount to proof. Additionally, the Foreclosing Defendants acted with malice, fraud
11 and/or oppression and, thus, Plaintiffs are entitled to an award of punitive damages.

12 105. Plaintiffs further allege that, Defendants, JPMORGAN CHASE BANK, N.A., and
13 NATIONAL DEFAULT SERVICING CORPORATION, willfully misrepresented that they are the
14 holder of Plaintiffs' note in due course and that they had the right to foreclose on Plaintiffs' real
15 property. Defendants also concealed the fact that Plaintiffs did not use up the Line of Credit, as well
16 as the terms of the Line of Credit Agreement with Washington Mutual Bank, including, inter alia: (1)
17 Financial Incentives paid; (2) existence of Acquisition Provisions. By concealing the fact that
18 Washington Mutual Bank breached the terms of the Revolving Line of Credit, and that Plaintiffs are
19 not indebted to JPMorgan Chase Bank, Defendant concealed the fact that the Revolving Line of
20 Credit changed in character and that, Plaintiffs performed all terms, covenants, and conditions
21 required of them under the revolving line of credit, except for those terms, covenants, and conditions
22 the performance of which was either waived or rendered impossible by WASHINGTON MUTUAL
23 BANK. Changing the character of the Revolving Line of Credit in this way had a materially
24 negative effect on Plaintiff that was known by Defendants, JPMORGAN CHASE BANK, N.A., and
25 NATIONAL DEFAULT SERVICING CORPORATION but not disclosed.

26 106. Defendants, JPMORGAN CHASE BANK, N.A., and NATIONAL DEFAULT
27 SERVICING CORPORATION knew or should have known that had the truth been disclosed,
28 Plaintiffs would not have entered into the Loans.

1 107. Defendants, JPMORGAN CHASE BANK, N.A., and NATIONAL DEFAULT
2 SERVICING CORPORATION intended to induce Plaintiff based on these misrepresentations and
3 improper disclosures.

4 108. Plaintiffs' reasonable reliance upon the misrepresentations was detrimental. But for
5 failure to disclose the true and material terms of the transaction, Plaintiffs could have been alerted to
6 issues of concern. Plaintiffs would have known of Defendants true intentions and profits from the
7 proposed risky loan. Plaintiffs would have known that the actions of Defendants would have an
8 adverse effect on the value of Plaintiffs' real property.

9 109. Plaintiffs allege that, Defendants, JPMORGAN CHASE BANK, N.A., and
10 NATIONAL DEFAULT SERVICING CORPORATION failure to disclose the material terms of the
11 transaction induced Plaintiff to enter into the loans and accept the Services as alleged herein.

12 110. Plaintiffs allege that, Defendants, JPMORGAN CHASE BANK, N.A., and
13 NATIONAL DEFAULT SERVICING CORPORATION were aware of the misrepresentations and
14 profited from them.

15 111. As a direct and proximate result of the misrepresentations and concealment Plaintiffs
16 were damaged in an amount to be proven at trial, including but not limited to costs of Loan, damage
17 to Plaintiff's financial security, emotional distress, and Plaintiff incurred costs and attorney's fees.

18 112. Defendants, JPMORGAN CHASE BANK, N.A., and NATIONAL DEFAULT
19 SERVICING CORPORATION are liable of malice, fraud and/or oppression. Defendants,
20 JPMORGAN CHASE BANK, N.A., and NATIONAL DEFAULT SERVICING CORPORATION's
21 actions were malicious and done willfully in conscious disregard of the rights and safety of Plaintiffs
22 in that the actions were calculated to injure Plaintiffs. As such Plaintiffs are entitled to recover, in
23 addition to actual damages, punitive damages to punish Defendants and to deter them from engaging
24 in future misconduct.

25 FOURTH CAUSE OF ACTION

26 (NEGLIGENT MISREPRESENTATION)

27 (AGAINST DEFENDANTS, JPMORGAN CHASE BANK, N.A., and NATIONAL DEFAULT
28 SERVICING CORPORATION)

1 113. Plaintiff re-alleges and incorporate by reference all preceding paragraphs
2 as though fully set forth herein.

3 114. *In Nevada, the elements for a claim of negligent misrepresentation are:*

- 4 ▪ The defendant must have supplied information while in the course of his business,
5 profession or employment, or any other transaction in which he had a pecuniary interest;
- 6 ▪ The information must have been false;
- 7 ▪ The information must have been supplied for the guidance of the plaintiff in his business
8 transactions;
- 9 ▪ The defendant must have failed to exercise reasonable care or competence in obtaining
10 or communicating the information;
- 11 ▪ The plaintiff must have justifiably relied upon the information by taking action or
12 refraining from it; and
- 13 ▪ And, finally, as a result of his reliance upon the accuracy of the information, the plaintiff
14 must have sustained damage.

15 NEVADA JURY INSTRUCTIONS 9.05; Barnettler v. Reno Air, Inc., 114 Nev. 441, 449, 956 P.2d
16 1382, 1387 (1998); Albert H. Wohlers & Co. v. Bartgis, 114 Nev. 1249, 1260, 969 P.2d 949, 957
17 (1998); Epperson v. Roloff, 102 Nev. 206, 211, 719 P.2d 799, 802 (1986); Bill Stremmel Motors, Inc.
18 v. First Nat'l Bank of Nevada, 94 Nev. 131, 134, 575 P.2d 938, 940 (1978); Kitchen Krafters, Inc. v.
19 Eastside Bank of Montana, 789 P.2d 567 (Mont. 1990).

20 115. On or about June 02, 2005, (hereinafter referred to as "Closing Date"), Plaintiffs LEO
21 KRAMER and AUDREY KRAMER entered into a consumer credit transaction with, PAUL
22 FINANCIAL, LLC, by obtaining a One Hundred Sixty Three Thousand Five Hundred dollars
23 (US\$163, 500.00) mortgage loan secured by the DEED OF TRUST of Plaintiffs' real property
24 commonly described as: 1740 Autumn Glen Street, Fernley, NV 89408 ("the Subject
25 Property"). The true and correct copy of the Deed of Trust is attached hereto as **Plaintiffs'**
26 **Exhibit A** and incorporated herein by reference as if set forth in full herein. Plaintiffs are
27 informed and believe, and thereon allege that **PAUL FINANCIAL, LLC is a defunct**
28 **financial institution**. Plaintiffs further allege that, PAUL FINANCIAL, LLC, did not assign
any contractual rights to any of the above named Defendants. None of the above referenced
Defendants is a third party beneficiary under the contract which secured Plaintiffs' Note and
deed of trust.

1 116. Subsequently, on or about 05/01/2008, Plaintiffs used the subject property as collateral
2 to obtain the revolving line of credit in the amount of One Hundred Seventy Six Thousand dollars
3 (US\$176, 000.00) from WASHINGTON MUTUAL BANK, **a now defunct banking institution**; for

1 the maintenance of the subject property and for the purchase of other household goods. The true and
2 correct copy of the revolving line of credit is attached hereto as **Plaintiffs' Exhibit D** and incorporated
3 herein by reference as if set forth in full herein.

4 117. Plaintiffs performed all terms, covenants, and conditions required of them under the
5 revolving line of credit, except for those terms, covenants, and conditions the performance of which
6 was either waived or rendered impossible by WASHINGTON MUTUAL BANK.

7 118. Subsequently, JPMORGAN CHASE BANK, N.A., and NATIONAL DEFAULT
8 SERVICING CORPORATION negligently misrepresented that they have beneficial interest in the
9 Plaintiff's Notes that secured the Deed of Trust of Plaintiff's real property.

10 119. On or about April 10, 2018, JPMorgan Chase Bank falsely represented that it is the
11 Secured Lien Holder of the Plaintiffs' when Defendant new that to be false.

12 120. Plaintiffs allege that on or about January 2017 and February of 2017, JPMorgan Chase
13 Bank misrepresented to Plaintiffs that it is the holder of Plaintiffs' note in due course and that they had
14 pecuniary interest in Plaintiffs' real property and thereafter, tried to persuade Plaintiffs to enter into a
15 loan modification agreement.

16 121. Plaintiffs allege that, any applicable statutes of limitations have been tolled by the
17 JPMORGAN CHASE BANK, N.A., and NATIONAL DEFAULT SERVICING CORPORATION
18 continuing, fraud, knowing, and active concealment of the facts alleged herein. Despite exercising
19 reasonable diligence, Plaintiffs could not have discovered, did not discover, and was prevented from
20 discovering, the wrongdoing complained of herein until the investigation conducted by William
21 Paatalo, the report which uncovered JPMORGAN CHASE BANK, N.A., and NATIONAL DEFAULT
22 SERVICING CORPORATION fraudulent scheme is attached herein as **Plaintiffs' Exhibit RJN-2**

23 122. Plaintiffs allege that, JPMorgan Chase Bank was clearly aware at that time that
24 Plaintiffs did not owe any monies, as all monies, if any, owed on the Revolving Line of Credit with
25 Washington Mutual Bank were adjudicated in Leo Kramer's Chapter 7 Bankruptcy in June
26 2011. This was noted on Chase monthly statements. Additionally, Plaintiffs performed all terms,
27 covenants, and conditions required of them under the revolving line of credit, except for those terms,
28

1 covenants, and conditions the performance of which was either waived or rendered impossible by
2 WASHINGTON MUTUAL BANK.

3 123. Plaintiffs allege that, on or about 2008, 2010, 2017, and 2018, while in the course of its
4 business and other transaction JPMorgan Chase Bank misrepresented to Plaintiffs that it had
5 pecuniary interest in Plaintiffs real property when Defendant knew that to be false.

6 124. Plaintiffs allege that Defendants' representation was false and not trustworthy because
7 Defendants does not have pecuniary interest in Plaintiff's real property as Defendants lead Plaintiff to
8 believe.

9 125. Plaintiff believed that JPMORGAN CHASE BANK, N.A., and NATIONAL
10 DEFAULT SERVICING CORPORATION may have honestly believed the false representation to be
11 true, however, Defendants had no reasonable grounds for believing the representation was true when
12 they made it.

13 126. Plaintiffs alleges that JPMORGAN CHASE BANK, N.A., and NATIONAL DEFAULT
14 SERVICING CORPORATION, intended for Plaintiff to rely on the false representation that that are
15 the holder of Plaintiffs' Note.

16 127. Plaintiffs were not knowledgeable of the fraud and deception that was prevalent within
17 the banking industry, and as such, reasonably relied on and believed Defendants, JPMORGAN
18 CHASE BANK, N.A., and NATIONAL DEFAULT SERVICING CORPORATION's false and
19 untrue representations.

20 128. Plaintiffs were harmed by Defendants' misrepresentation.

21 129. Plaintiffs' reliance on JPMORGAN CHASE BANK, N.A., and NATIONAL
22 DEFAULT SERVICING CORPORATION's representation was a substantial factor in causing
23 plaintiff's harm.

24 FIFTH CAUSE OF ACTION

25 (FRAUD IN THE CONCEALMENT)

26 (AGAINST DEFENDANTS, JPMORGAN CHASE BANK, N.A.,)

1 130. Plaintiff re-alleges and incorporates by reference all preceding paragraphs as
2 though fully set forth herein.

3 131. On or about 2008, 2010, 2017, and 2018, Defendant, JPMORGAN CHASE BANK,
4 N.A., concealed or suppressed a material fact that it did not have any pecuniary interest in Plaintiffs'
5 real property.

6 132. On or about 2008, 2010, 2017, and 2018, Defendant, JPMORGAN CHASE BANK,
7 N.A., concealed or suppressed a material fact that, PAUL FINANCIAL, LLC, the Real Party in
8 Interest, of the original lender and Holder of Debtor's "Note" and "Mortgage", **DID NOT** endorse or
9 deliver Plaintiffs' "Note" and/or "Mortgage" to neither Washington Mutual Bank nor JPMorgan
10 Chase Bank.

11 133. Plaintiffs allege that, Defendant, JPMorgan Chase Bank, N.A., misrepresented that it
12 acquired Assignment of Deed of Trust to Plaintiffs' real property from Washington Mutual Bank in
13 2008, when Defendant knew that to be false.

14 134. Plaintiffs allege that, on or about 2008, 2010, 2017, and 2018, Defendant, JPMORGAN
15 CHASE BANK, N.A., was under a duty to disclose the concealed fact that are referenced above.

16 135. Plaintiffs allege that, on or about 2008, 2010, 2017, and 2018, Defendant, JPMORGAN
17 CHASE BANK, N.A. intentionally concealed or suppressed the fact with the intention of defrauding
18 plaintiff.

19 136. Plaintiffs did not know about the fact and would have acted differently had they
20 known.

21 137. Plaintiffs further allege that, Defendant, JPMORGAN CHASE BANK, N.A.,
22 concealed the fact that the unused portion of the Revolving Line of Credit were securitized as well as
23 the terms of the Securitization Agreements, including, inter alia: (1) Financial Incentives paid; (2)
24 existence of Credit Enhancement Agreements, and (3) existence of Acquisition Provisions. By
25 concealing the securitization, Defendant, JPMORGAN CHASE BANK, N.A., concealed the fact
26 that Borrower's loan changed in character inasmuch as no single party would hold the Note but
27 rather the Notes would be included in a pool with other notes, split into tranches, and multiple
28 investors would effectively buy shares of the income stream from the loans. Changing the

1 character of the loan in this way had a materially negative effect on Plaintiff that was known by
2 Defendant but not disclosed.

3 138. Defendant, JPMORGAN CHASE BANK, N.A., knew or should have known that had
4 the truth been disclosed, Plaintiffs would not have entered into the Revolving Line of Credit with
5 Washington Mutual Bank.

6 139. Defendant, JPMORGAN CHASE BANK, N.A., intended to induce Plaintiffs based on
7 these misrepresentations and improper disclosures.

8 140. Plaintiffs' reasonable reliance upon the misrepresentations was detrimental. But for
9 failure to disclose the true and material terms of the transaction, Plaintiffs could have been alerted to
10 issues of concern. Plaintiffs would have known of Defendants true intentions and profits from the
11 proposed risky loan. Plaintiffs would have known that the actions of Defendants would have an
12 adverse effect on the value of Plaintiffs' home.

13 141. Defendant, JPMORGAN CHASE BANK, N.A., failure to disclose the material terms
14 of the transaction induced Plaintiffs to enter into the loans and accept the Services as alleged herein.

15 142. Defendant, JPMORGAN CHASE BANK, N.A., was aware of the misrepresentations
16 and profited from them.

17 143. As a direct and proximate result of the misrepresentations and concealment Plaintiff
18 was damaged in an amount to be proven at trial, including but not limited to costs of Loan, damage to
19 Plaintiffs' financial security, emotional distress, and Plaintiffs have incurred costs and attorney's fees.

20 144. Defendant, JPMORGAN CHASE BANK, N.A., is liable of malice, fraud and/or
21 oppression. Defendant, JPMORGAN CHASE BANK, N.A., actions were malicious and done
22 willfully in conscious disregard of the rights and safety of Plaintiffs in that the actions were
23 calculated to injure the Plaintiffs.

24 145. As a result of Defendant, JPMORGAN CHASE BANK, N.A.,'s conduct, Plaintiffs
25 have sustained damages as a result of the concealment or suppression of the fact.

26 146. As such Plaintiffs are entitled to recover, in addition to actual damages, punitive
27 damages to punish Defendants and to deter them from engaging in future misconduct.
28

1 SIXTH CAUSE OF ACTION

2
3 (DEFAMATION)

4
5 (AGAINST DEFENDANTS, JPMORGAN CHASE BANK, N.A.,
6 and NATIONAL DEFAULT SERVICING CORPORATION)

7
8 147. Plaintiffs re-allege and incorporate by reference all preceding paragraphs
9 as though fully set forth herein.

10 148. Plaintiffs allege that, Defamation is an invasion of the interest in reputation. It may be
11 libel or slander and that *the tort involves* (a) a publication that is (b) false, (c) defamatory, and (d)
12 unprivileged, and that (e) has a natural tendency to injure or that causes special damage.

13 149. Plaintiffs alleges that, on or about 2008, 2009, 2010, 2017, 2018, and subsequent
14 thereafter, Defendants, JPMORGAN CHASE BANK, N.A., and NATIONAL DEFAULT
15 SERVICING CORPORATION, published or cause to be published, false or derogatory information
16 of and concerning Plaintiffs that Plaintiffs are indebted to JPMORGAN CHASE BANK, N.A., when
17 Defendants knew that to be false.

18 150. Plaintiffs allege that JPMORGAN CHASE BANK, N.A., and NATIONAL DEFAULT
19 SERVICING CORPORATION communicated to third parties that Plaintiffs were indebted to
20 Defendants when Defendants knew that to be false.

21 151. Plaintiffs allege that Defendants' false or derogatory communicated of and concerning
22 the Plaintiffs to Third parties were unprivileged, and has a natural tendency causes Plaintiffs
23 substantial injuries subject to proof at jury trial.

24
25 SEVENTH CAUSE OF ACTION

26 (CANCELLATION OF WRITTEN INSTRUMENTS- SOT, NOD, NTS, and TDUS)
27 (Against DEFENDANTS, JPMORGAN CHASE BANK, N.A., and NATIONAL DEFAULT
28 SERVICING CORPORATION)

1 152. Plaintiff re-alleges and incorporates by reference all preceding paragraphs as
2 though fully set forth herein.

3 153. If the wrongfully recorded substitution of trustee (SOT), Notice of Default (NOD),
4 and Notice of trustee's sale (NTS), Trustee's Deed Upon Sale, (TDUS), instruments are left
5 outstanding, Plaintiff will continue to suffer loss and damages. Plaintiff therefore seeks cancellation of
6 the above mentioned recorded instruments.

7 154. Plaintiff is informed and believes, and therefore alleges, that NATIONAL DEFAULT
8 SERVICING CORPORATION acted willfully and with a conscious disregard for Plaintiffs' rights
9 and with a specific intent to injure Plaintiff, by causing the above documents to be prepared and
10 recorded without a factual or legal basis for doing so.

11 155. On information and belief, these acts by Defendants constitute willful oppression
12 and malice and in violation ,Nev. Rev. Stat. § 107.500; Nev. Rev. Stat. § 107.090; NRS 205.395 and
13 other Nevada Foreclosure Laws by virtue of Defendants' willful and wrongful conduct as herein
14 alleged above, Plaintiffs are entitled to general and special damages according to proof at trial, but not
15 less than \$1,065,050.00 as well as punitive and exemplary damages as determined by this Court.
16
17

18
19 **DEMAND FOR JURY TRIAL**

20
21 **WHEREFORE**, Plaintiffs request for Jury Trial on all causes of action.
22

23 **PRAYER FOR RELIEF**

24
25 **WHEREFORE**, Plaintiffs, ask for the following for each Cause of Action to be awarded:

- 26 i. For treble damages;
27 ii. For cancellation of Substitution of Trustee
28 iii. For cancellation of Notice of Default

- 1 iv. For cancellation of Notice of Trustee Sale
2 v. For cancellation of Trustee Deed Upon Sale
3 vi. That the Defendants have no enforceable secured or unsecured claim against the
4 Property;
5 vii. Plaintiffs owns in fee simple, and is entitled to the quiet and peaceful possession of, the
6 above-described real property.
7 viii. Defendants, and each of them, and all persons claiming under them, have no estate, right,
8 title, lien, or interest in or to the real property or any part of the property.
9 ix. Plaintiffs are entitled to the exclusive possession of the property;
10 x. For Compensatory Damages in an amount to be determined by proof at trial;
11 xi. For Special Damages in an amount to be determined by proof at trial;
12 xii. For General Damages in an amount to be determined by proof at trial;
13 xiii. For Punitive Damages as allowed by law;
14 xiv. For Restitution as allowed by law;
15 xv. For Attorney's Fees and Costs of this action.

16
17 Date: 1/6/2020

Date: 1/6/2020

18
19
20
21 Leo Kramer
22 Leo Kramer, Pro se

Audrey Kramer
Audrey Kramer, Pro se

PROOF OF SERVICE

The UPS Store

1511 Sycamore Ave. Ste M

Hercules, CA 94547

store2796@theupsstore.com



STATE OF CALIFORNIA)
) SS:
COUNTY OF CONTRA COSTA)

I live in the County of Contra Costa, State of California. I am over the age of 18 and a party to within this action; my address is:

On January 7, 2020, I served the foregoing document entitled:

(PROPOSED) SECOND AMENDED COMPLAINT FOR:

1. UNLAWFUL FORECLOSURE
2. DECLARATORY RELIEF
3. INTENTIONAL MISREPRESENTATION
4. NEGLIGENT MISREPRESENTATION
5. FRAUD IN THE CONCEALMENT
6. DEFAMATION
7. CANCELLATION OF SUBSTITUTION OF TRUSTEE, (SOT) NOTICE OF DEFAULT, (NOD); NOTICE OF TRUSTEE'S SALE (NTS); AND TRSUTEE'S DEED UPON SALE (TDUS)

on all parties in this action as follows:

PLEASE SEE ATTACHED SERVICE LIST

 Mail. By placing a true copy thereof enclosed in a sealed envelope. I am "readily familiar" with the firm's practice of collection and processing for mailing. Under that practice it would be deposited with the U.S. Postal Service on that same day with first class postage thereon fully paid at Hercules, California in the ordinary course of business. I am aware that on motion of the party served, service is presumed invalid if the postal cancellation date or the postage meter is more than one day after day of deposit for mailing in this Proof of Service.

 By Telefax. I transmitted said document by telefax to the offices of the addressee(s) at the telefax numbers on the attached Service List.

 By Personal Service. I delivered such envelope by hand to the addressee(s).

 By Overnight Courier. I caused the above-referenced document(s) to be delivered to an overnight courier service for next day delivery to the addressee(s) on the attached Service List.

 By Email. I transmitted said document by Email to the offices of the addressee(s) at the Email Addresses on the attached Service List.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on January 7, 2020 at Hercules, California.

Corina DiGrazia

Name of Declarant

Signature of Declarant

SERVICE LIST:

Matthew K. Schriever
John T. Steffen
Hutchison & Steffen
1008 West Alta Drive, Suite 200
Las Vegas, NV 89145

Attorneys for Defendants,
BRECKENRIDGE PROPERTY FUND 2016 LLC, et al.

Ace Van Patten
Kevin S. Soderstrom
Tiffany & Bosco, P.A.
10100 W. Charleston Boulevard, Ste.220
Las Vegas, NV 89135

Attorneys for Defendant,
NATIONAL DEFAULT SERVICING CORPORATION

Kent F. Larsen
Smith Larsen & Wixom
1935 Village Center Circle
Las Vegas, Nevada 89134

Attorneys for Defendants
JPMORGAN CHASE BANK, N.A.

EXHIBIT LIST:

RJN-1

Updated Curriculum Vitae of Licensed Private Investigator (PSID # 4941), William J. Paatalo,
Expert Witness and Forensic Auditor

RJN-2

Mr. Paatalo's Executed Declaration & Forensic Report & Exhibits

RJN-1

Updated Curriculum Vitae of Licensed Private Investigator (PSID # 4941), William J. Paatalo,
Expert Witness and Forensic Auditor

1
2 **DISTRICT COURT**
3 **CLARK COUNTY, NEVADA**

4
5 Leo Kramer and Audrey Kramer,

6 Plaintiffs,

Case No. 18-CV-00663

7 v.

8
9 **AMENDED DECLARATION OF**
10 **PRIVATE INVESTIGATOR**
11 **WILLIAM J. PAATALO**

12 National Default Servicing Corp.,
13 et al.,

14 Defendants.

15 I, William J. Paatalo, hereby declares as follows:

16 1. This is an amended declaration to my previous declaration executed on
17 June 8, 2019. I have attached as **Exhibit A** my current CV to reflect cases in which
18 I have testified since that date.

19 **I. Newly produced documents by JPMC proves hidden and concealed**
20 **investors.**

21 2. Attached as **Exhibit B** is an article I authored and posted on 12/5/2019
22 on my website www.bpinvestigativeagency.com. The article is titled, "Smoking
23 Gun' Proof That JPMorgan Chase Never Acquired Beneficial Interest In My
24 WaMu Loan Through The FDIC."

25 3. The documents I reference in this article were produced by JPMorgan

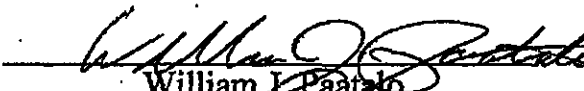
26
27 1. Declaration of Private Investigator – William J. Paatalo

1 Chase (JPMC) upon a subpoena issued by the Defendant in my own case
2 captioned: Paatalo v. McCarthy, Oregon Circuit Court for Lincoln County, Case
3 No. 18CV44633.

4 4. I have attached the document showing the escrow wiring account
5 information, as well as screenshots showing the investor code "AO1" for my Deed
6 of Trust (top of each page) from 2006 through the FDIC takeover of WMB on
7 9/25/2008. (Exhibit C). For edification purposes, the facts leading up to the
8 foreclosure of my Oregon property align with the facts in this case. I too had
9 WaMu Deed of Trust whereby JPMC foreclosed non-judicially claiming they
10 acquired ownership of my DOT and Note through the FDIC. However, when
11 challenging title to my property in my current Ejectment Action, JPMC produced
12 these documents that reveal the liquidated proceeds of the sale of my foreclosed
13 home were wired into a trust account for various undisclosed investors.

14 5. I believe the same holds true in this case. As I outlined in Section "IX,
15 Beg. P26" in my prior declaration, I believe the Kramer loan will show the same
16 investor code "AO1." And, the escrow wiring instructions for the sale proceeds of
17 the subject property in this matter will show the same account, or an account
18 similar, revealing JPMC's concealment of the actual investor(s) of the Kramer
19 loan, and its false representation that it acquired beneficial ownership of the
20 Kramer DOT prior to foreclosure.

21 I declare under penalty of perjury, under the laws of the United State and Nevada
22 that the above is true and correct, and that this declaration was executed this 30th
23 day of December 2019.

24
25 
26 William J. Paatalo
Private Investigator - Oregon PSID# 49411

27 2. Declaration of Private Investigator - William J. Paatalo

William J. Paatalo

476 Labrie Drive
Whitefish, MT 59937
Office: 1-(888)-582-0961
bill.bpia@gmail.com

Curriculum Vitae

William Paatalo has been a licensed private investigator since September of 2009. He has 17 years combined experience in both law enforcement and the mortgage industry which he has utilized to become a leading expert in the areas of chain of title analyses and securitization. He was a police officer with the St. Paul, Minnesota Police Department from 1990-1996 where he was assigned "Field Training Officer" duties in only his second year on the job and received multiple commendations.

Mr. Paatalo worked in the mortgage industry as a "loan officer" with Conseco Home Finance from 1999 – 2000, followed by two years of being a branch manager for multiple mortgage brokering firms. From 2002 – 2008, he became the President of Midwestern Mortgage, LLC f/k/a Wissota Mortgage, LLC in Wisconsin and Minnesota. As President of Wissota Mortgage, LLC, Mr. Paatalo was responsible for overseeing the origination, processing, and underwriting of mortgage loans, as well as managing a staff of 17 employees.

Mr. Paatalo has worked exclusively since 2010 investigating foreclosure fraud, chain of title, the securitization of residential and commercial mortgage loans, and accounting issues relevant to alleged "defaults, and has spent more than 15,000 hours conducting investigatory research specifically related to mortgage securitization and chain of title analysis. He has performed such analyses for residential real estate located in many states, including but not limited to, Washington, Oregon, California, Nevada, Florida, Montana, Texas, Arizona, Ohio, New Jersey, and several other states. To date, Mr. Paatalo has conducted more than 1,200 investigations across the U.S. and has provided written expert testimony in the form of affidavits and declarations in approximately 300 -350 cases nationwide. Mr. Paatalo has been qualified in both state and federal courts as an expert, and personally appeared and testified at trial in the cases

outlined below. This experience has led to Mr. Paatalo becoming one of the leading national experts in this field.

Mr. Paatalo's specific areas of expertise allowed by the courts in the cases referenced below are as follows:

- Knowledge of the "Pooling & Servicing Agreements" and various Securities & Exchange Commission (SEC) filings associated with mortgage-backed securitized trusts.
- Specific language in the PSA's and Prospectus / Prospectus Supplements involving securitization participants, key dates, "Servicer Advances," sources of third-party payments, and transfer and conveyancing requirements to name a few.
- Knowledge and use of the Bloomberg Terminal, ABSNet, MBSData and the interpretation of its internal accounting data showing "advance payments" made to the certificateholders / investors, as well as other information specific to accounting, chain of title, and other aspects of securitization.
- Chain of Title analyses based upon publicly recorded documents, documents produced in discovery, and documents attached as exhibits to foreclosure complaints. Documents typically include mortgages, deeds of trust, assignments, notes, and allonges; in addition to documents filed under penalty of perjury with the SEC.

Relevant Experience:

- Police Officer / "Field Training Officer" – St. Paul, MN 1990-1996.
- Oregon licensed private investigator under ORS 703.430, and has met the necessary requirements under ORS 703.415. To obtain his PI license, Mr. Paatalo met the requirement of 5,000 hours of investigation experience in the law enforcement field and passed a thorough background investigation and criminal history check.
- Member of the "Oregon Association of Licensed Investigators" (OALI.)
- President of Midwestern Mortgage, LLC f/k/a Wissota Mortgage, LLC in Wisconsin and Minnesota from 2002 – 2008.

Achievements:

- “2013 - Fraud Investigator of the Year” – “The Foreclosure Hour with Gary Dubin” – KHVH – AM, Honolulu, HI.
- Guest Speaker “Illinois Association of Foreclosure Defense Attorneys” – February 20, 2017. (<http://www.afdaillinois.org/>)
- Presenter in the March 2018 webinar titled “Mastering Discovery And Evidence In Foreclosure Defense” sponsored by Neil Garfield, Esq., The Garfield Firm, and GTC Honors, LLC.
- Co-Authored eBook titled “Table-Funding And Securitization Go Hand In Hand” – December 2015.

Education:

A.A.S. – Law Enforcement – Normandale C.C., Bloomington, MN – 1986
Marketing Management Certificate – Concordia University, St. Paul, MN 2001
Forensic Loan Auditor Certification Training Course (CFLA) – 32 hrs. – San Diego, CA 2011

Expert Testimony (Trial):

FEDERAL CASES

MONTANA

Robert T. Fanning, Debtor – U.S. Bankruptcy Court, District of Montana – BK Case No. 10-61660

CALIFORNIA

Rivera v. Deutsche Bank National Trust Company, U.S. BK Court, Northern CA – Oakland – Case No. 14-54193-MEH-13.

WASHINGTON D.C.

Quinteros v. National Home Investors, et.al., U.S. BK Court, D.C., Case No. 19-00195-SMT.

STATE CASES

CALIFORNIA

Dang v. HSI Asset Securitization Trust 2006-OPT1, Mortgage-Pass-Through Certificates, Series 2006-OPT1, California Superior Court, County of Alameda, Case No. RG14743930

Koeppel v. Central Pacific Mortgage, California Superior Court, County of Monterey, Case No. M133160.

PennyMac Holdings, LLC v. Mario Carini, et. al., California Superior Court, County of San Diego, Case No. 37-2017-00039675-CL-UD-CTL.

CONNECTICUT

JPMorgan Chase Bank, N.A. v. Geronimos et. al., Connecticut Superior Court, Stamford/Norwalk, Case No. FST-CV13-6017139-S

FLORIDA

U.S. Bank as Trustee for WMALT 2006-AR5 v. Paul Landers, et al., 20th Judicial Circuit for Lee County, FL Case No.: 14-CA-051647

Bank of America, N.A. v. Jorge A. Castro, et al., 17th Judicial Circuit for Broward County, FL Case No.: 12-06339-11

U.S. Bank Trust NA as Trustee for LSF9 Master Participation Trust v. James K. Murphy, et al., 15th Judicial Circuit for Palm Beach County, FL Case No.: 50-2017-CA-012236-XXXX-MB

OHIO

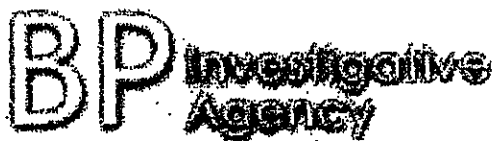
Washington Mutual Bank fka Washington Mutual Bank, F.A. v. Jon A. Smetana, et al., In The Court of Common Pleas, Cuyahoga County, Ohio Case No. CV-08-652392

OREGON

U.S. Bank, N.A. as Trustee v. Natache D. Rinegard-Guirma, et al. - Circuit Court For The State Of Oregon, County Of Multnomah - Case No. 1112-16030

NEW YORK

Deutsche Bank National Trust Company, as Trustee v. Ledgerwood, Sup. Ct NY, Co. Richmond, Case No. 135896/2016



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"Smoking Gun" Proof That JPMorgan Chase Never Acquired Beneficial Interest In My WaMu Loan Through The FDIC

Posted by Bill Paatalo on Dec 5, 2019 in Uncategorized | 0 comments

This little piece of production in my Oregon Ejectment Action just confirmed what I have been testifying to since day-one: Chase acquired no ownership of loans that WaMu sold and securitized prior to the September 25, 2008 takeover by the FDIC.

The story by the Defendants in my case is that Chase acquired beneficial rights to my deed of trust through the FDIC and the Purchase & Assumption Agreement, and proceeded to foreclose non-judicially as the "successor in interest" to WaMu. However, in newly produced documents, I've learned that my loan was assigned the investor code "AO1" which I have written about here:

<https://bpinvestigativeagency.com/wamu-investor-code-ao1-revealed-chase-stipulates-it-represents-wamu-asset-acceptance-corp/>

This code belonged to "Washington Mutual Asset Acceptance Corp" to which Chase stipulated. Chase also stipulated that the loan with the designated code "AO1" did not pass through the FDIC. My position, based on years of investigations and accumulated evidence, is that Chase has been hiding and concealing the identities of the actual investors in many WaMu loans that were sold into private trusts, and have proceeded to foreclose on thousands of homes claiming to be the owner/beneficiary/mortgagee which is flat out false. Well here is some hard evidence that my position is in fact true. Attached is the escrow wiring instructions for the REO sale transaction of my property to the current occupants who purchased back in 2011. Proceeds

Exhibit B

from the cash sale were to be wired to account titled "Washington Mutual Bank in Trust for the REO proceeds in Trust for various Investors and Mortgageors."

NRT REOExperts, LLC
7100 Commercial Blvd., Suite 101, Ft. Lauderdale, FL 33319

THE SELLER'S PROCEEDS MUST BE WIRED WITHIN 24 HRS AFTER CLOSING AS FOLLOWS:

To: JPMorgan Chase
400 East Main St, Stockton CA 95250

Account Title: Washington Mutual Bank in Trust for the REO proceeds
in Trust for various Investors and Mortgageors

ACCOUNT / CL#: 743912803

ABA / ROUTING: 021000021

BENEFICIARY PARTY
INFORMATION: Lisa A. Shepard, NATIONAL, REO, JPMorgan Chase

It should also be noted, that the real estate sales agreement named the "Seller" as "NRT REOExperts, LLC as agent for JPMorgan Chase Bank, N.A. as Servicing Agent for Owner of Record."

Bill Paatalo

Oregon Private Investigator - PSID#49411

BP Investigative Agency, LLC

Office: 1-(888)-582-0961

bill.bpia@gmail.com

[Edit this page](#)

Leave a Reply

[Logged in as Bill Paatalo.](#) [Log out?](#)

Comment

[Submit Comment](#)

Recent Posts

- ["Smoking Gun" Proof That JPMorgan Chase Never Acquired Beneficial Interest In My WaMu Loan Through The FDIC](#)
- [Law Firm Finally Admits The Absence Of Any Mortgagee!](#)
- [Did Chase Park The WaMu Loans In Off-Shore "Tax Haven Subsidiaries?" Evidence Says, Yes.](#)
- ["U.S. Bank Trust, N.A. v Moomey-Stevens" - Plaintiff Fails To Prove Its Standing Once Again](#)

10081-721

WASHINGTON MUTUAL BANK, F.A.

LOAN HISTORY Y-Y-D INV A01 CAT 013 INV# 9259 T13 12/30/06

PAGE 96230

LMI 9259 WILLIAM JOHN BARTALO

ARM PLAN 0200

EMP 0 90PG

P O BOX 111

YACHTS

OR 974980000

1ST MTGE PRIN	2ND MTGE PRIN	ESC BAL	REBT ESC	SUSPENSE	ADV BAL	REFL RES	WUD BAL	LC BAL	INT DUE	DUE DATE	WUD PRT	OF M
86,555.84	.00	1947.65	.00	.00	.00	.00	.00	.00	.00	07-01-07	.00	00 0

P & I 1ST	P & I 2ND	CO TAX CITY TAX	WMA INS	M T P	LTEN	BSC A & H	LIFE	MISC	RES RES	TOT PAYMT	INT RATE	DT 3M
2932.61	.00	276.91	.00	94.92	.00	.00	.00 0	.00 0	.00 0	3434.72	.0820800	1 0
OVER/SHORT AMT		34.20										

1ST ORIG PRN	2ND ORIG PRN	PRIN BAL RES	LMT 2ND	CAS FLAG	NYGR SEN	DEF INT BAL	PRIOR YR	PPD INT	PPD INT	IND	GEN ORG
880,000	0	880,000.00	2			8,311.78		0.00	0		0

ASSUN-DT	XPER-DEED	FINA-SBC/NUM	LTP PAYOFF	PC-TRE-SW	YE-AQ-RPT/DATE	SALE-10	EXEMPT	PLD-IN	WMT-OPT	CALO-METH	BLOC	BNKRFCY	CR/DT

PRM PERIOD	1098-DRT-HIST	POINTS-PAID/RPTG	YR	SUPPL-MICH-STMT	01-MCH-RPT-YR	REAR CAUS	PL-HDR-SW	1ST-DUE-DT	REC STAR/COMPL	DT
12		.00						10-06		

100 CREDIT	YTD/W-H	30/W-H	BALANCE	1000 CREDIT	YTD/W-H	30/W-H	BALANCE	CONSTR CD	NO BURGE	FLAG/YR	BNKRFCY	STAY	LAST DEF	DUE
.00	.00	.00	.00	.00	.00	.00	.00						09-36	

REC CORP	ADV BAL	3RD REC	CORP	ADV BAL	FORECL	WST CODE	REINSTATE	DATE	LMT	ESC	STMT	CODE	/ DATE	LOSS	MIT	STATUS/COMPL	DATE
.00	.00	.00	.00	.00					9				08-23-06				

DUE	PROC	TR	NO	AMOUNT	PRINCIPAL	PRINCIPAL	INTEREST	ESCROW	ESCROW	ADVANCE	STATUS	STATUS	UNPAID	OTHER	CFO
DATE	DATE	TR	NO	RECEIVED	PAID	BALANCE	PAID	PAID	BALANCE	BALANCE	AMOUNT	BALANCE	INT-BAL.	AMOUNT	DET

09-06	09-21	1	42	1	.00	880000.00	880000.00	.00	.00	.00	.00	.00	.00	.00	1
-------	-------	---	----	---	-----	-----------	-----------	-----	-----	-----	-----	-----	-----	-----	---

09-06	09-21	1	70	2	7230.66	.00	880000.00	2562.32	4368.16	4368.16	.00	.00	.00	.00	1
-------	-------	---	----	---	---------	-----	-----------	---------	---------	---------	-----	-----	-----	-----	---

10-06	10-16	1	52	1	.00	.00	880000.00	.00	.00	4368.16	.00	.00	.00	.00	1
-------	-------	---	----	---	-----	-----	-----------	-----	-----	---------	-----	-----	-----	-----	---

10-06	10-23	3	12	1	CHECK #844064			4322.81	43.23		.00	.00	.00	.00	1
-------	-------	---	----	---	---------------	--	--	---------	-------	--	-----	-----	-----	-----	---

10-06	10-30	1	72	1	3406.21	2015.94	877984.06	916.47	475.60	326.83	.00	.00	.00	.00	1
-------	-------	---	----	---	---------	---------	-----------	--------	--------	--------	-----	-----	-----	-----	---

11-06	11-06	1	72	1	408.21	.00	877984.06	.00	.00	326.83	.00	.00	.00	.00	1
-------	-------	---	----	---	--------	-----	-----------	-----	-----	--------	-----	-----	-----	-----	---

11-06	11-07	1	73	1	.00	.00	877984.06	.00	.00	326.85	.00	.00	.00	.00	1
-------	-------	---	----	---	-----	-----	-----------	-----	-----	--------	-----	-----	-----	-----	---

11-06	11-14	1	52	1	.00	.00	877984.06	.00	.00	326.85	.00	.00	.00	.00	1
-------	-------	---	----	---	-----	-----	-----------	-----	-----	--------	-----	-----	-----	-----	---

11-06	11-17	1	73	1	.00	.00	877984.06	.00	.00	326.85	.00	.00	.00	.00	1
-------	-------	---	----	---	-----	-----	-----------	-----	-----	--------	-----	-----	-----	-----	---

11-06	11-18	1	72	1	9408.21	2612.81	880496.83	6445.16	475.60	996.45	.00	.00	.00	.00	1
-------	-------	---	----	---	---------	---------	-----------	---------	--------	--------	-----	-----	-----	-----	---

11-18-06	L	2912.57-AB	2912.57-AC	2912.57-AC
----------	---	------------	------------	------------

Exhibit C

CONFIDENTIAL

JPMC000740

(3459)

LN# 9259 WILLIAM JOHN PANTALO

ARM PLAN 0200

EMT 0 PDM

OR 974950000

P O BOX 111

YACHTS

1ST MTGE PRIN	2ND MTGE PRIN	ESC BAL	RST ESC	SUSPENSE	ADV BAL	REPL RES	HUD BAL	LC BAL	INT DUE	DUE DATE	HUD PRT	CF M
922,170.29	.00	1598.67	.00	.00	.00	.00	.00	.00	.00	01-01-08	.00	00 0

P & I 1ST	PAT 2ND	CO TAX	CITY TAX	HAS INS	M I P	LTEN	RSC	A & H	LIFE	MISC	REF RES	TOT PAYMT	INT RATE	DT BN
3192.95	.00	276.91	.00	94.92	.00	.00	.00	.00	.00	.00	.00	2658.67	.0811300	1 8

1ST ORIG MTG	2ND ORIG MTG	PRIN BAL	NEW	INT IND	CAR FLAG	MTGR SSM	DEF INT BAL	PRIOR YR	PPD INT	PPD INT IND	GPM ORG
880,000	0	886,555.84	2				44,186.23		0.00	0	0

ASSUM-OT	XFER-DEED	PHA-SEC/NUM	LIP PAYOFF	FC-TRK-SW	YE-ACQ-RPT/DATE	SALE-ID	EXEMPT	PLGD-IN	PMT-DEP	CALC-METH	BLOC	BNKRPTCY	CH/DT
													8

PMY PERIOD	1098-DET-HIST	POINTS-PAID/RPTG	YR	SUPPR-MICR-STMT	DI-ROT-RPT-YR	REAS CAUS	RI-HDR-SW	1ST-DUE-OT	REO STAT/COMPL	DT
12		.00						10-06		

IOE CREDIT	YTD/W-H	SW/W-H	BALANCE	IOE CREDIT	YTD/W-H	SW/W-H	BALANCE	CONSTR CD	NO PURGE	FLAG/YR	BNKRPT STAT	LAST DEF	DUE
.00	.00	.00	.00	.00	.00	.00	.00					09-36	

REC CORP	ADV BAL	3RD REC	CORP	ADV BAL	FORECL	WKST	CODE/REINSTATE	DATE	INIT	ESC	STMT	CODE /	DATE	LOSS	MIT	STATUS/COMPL	DATE
.00	.00	.00	.00	.00					9				05-23-06				

DUE PROC	TP	60	AMOUNT	PRINCIPAL	PRINCIPAL	INTEREST	ESCRON	ESCRON	ADVANCE	STATUS	STATUS	UNEARNED	OTHER	CFD
DATE	DATE	TR	NO	RECEIVED	PAID	BALANCE	PAID	PAID	BALANCE	BALANCE	AMOUNT	BALANCE	INT-BAL.	AMOUNTS
BAL-YTD	4-10	4	93	2		886555.84			1947.65	.00	.00	.00	.00	
02-07	02-10	1	71	1	3438.73	3131.43-	889687.27	6064.04	506.12	2453.77	.00	.00	.00	.00

02-10-07 L
3131.43-AB
3131.43-AC
3131.43-AR
3131.43-AP

IR EFF	03-07	OLD	.0820800	NEW	.0825800	PRIN BAL	889,687.27
PI EFF	03-07	OLD	2,932.61	NEW	2,932.61	PRIN BAL	889,687.27
03-07	03-14	1	71	1	3438.73	3189.92-	892877.19
					6122.53	506.12	2959.89
							.00
							.00
							.00
							.00

03-14-07 L
3189.92-AB
3189.92-AC
3189.92-AR
3189.92-AP

IR EFF	04-07	OLD	.0825800	NEW	.0830800	PRIN BAL	892,877.19
PI EFF	04-07 <td>OLD</td> <td>2,932.61</td> <td>NEW</td> <td>2,932.61</td> <td>PRIN BAL <td>892,877.19</td> </td>	OLD	2,932.61	NEW	2,932.61	PRIN BAL <td>892,877.19</td>	892,877.19
04-07	04-14	1	71	1	3438.73	3249.08-	896126.27
					6181.69	506.12	3466.01
							.00
							.00
							.00
							.00

04-14-07 L
3249.08-AB
3249.08-AC
3249.08-AR
3249.08-AP

IR EFF	05-07	OLD	.0830800	NEW	.0833900	PRIN BAL	896,126.27
PI EFF	05-07 <td>OLD</td> <td>2,932.61</td> <td>NEW</td> <td>2,932.61</td> <td>PRIN BAL <td>896,126.27</td> </td>	OLD	2,932.61	NEW	2,932.61	PRIN BAL <td>896,126.27</td>	896,126.27
05-07	05-14	1	71	1	3438.73	3294.72-	899420.99
					6227.33	506.12	3972.13
							.00
							.00
							.00
							.00

05-14-07 L
3294.72-AB
3294.72-AC
3294.72-AR
3294.72-AP

19081-721

JPMORGAN CHASE BANK, FORMERLY WAMU

LOAN HISTORY Y-T-D INV AD

INVY 9299 T13 12/31/08

PAGE 95329

LNF 9239 WILLIAM J PAATALO

ARM PLAN 0200

EMP 0 PORE

400 E 3RD ST

YACHTS

OR 974980005

1ST MTGE PRIN	2ND MTGE PRIN	ESC BAL	REST ESC	AUSPENSE	ADV BAL	REPL RES	HUD BAL	LC BAL	INT DUE	DUE DATE	HUD PRT	OF M
944,573.06	.00	.00	.00	.00	112.37	.00	.00	981.24	.00	10-01-08	.00	00 Y

P & I 1ST	P&I 2ND	CO TAX	CITY TAX	H&A INS	M I P	LISE	BSC	A & H	LIFE	MTSC	REF RES	TOT PRMT	INT RATE	DT RM
3386.99	.00	393.11	.00	109.92	.00	.00	.00	.00	.00	.00	.00	2912.05	.0618000	1 8

1ST ORIG MTG	2ND ORIG MTG	PRIN BAL BEG	INT IND	CAP FLAG	MTGR SSN	DEF INT BAL	PRIOR YR	PPD INT	SPD INT	IND	GPH	ORD
880,000	0	922,170.29	2			56,589.00		0.00	0			0

ASSUM-DT KFER-DDED ZHR-SEC/NUM LIP PAYOFF PC-TRK-SH YE-ACQ-RPT/DATE SALE-ID EXEMPT PLGD-LN PNT-OPT CALC-METH ELOC BNKRPCY CH/DT
12 .00 DEMARK FIN 8

PMT PERIOD 1098-DET-HIST POINTS-PAID/RPTG YR SUPPR-MICK-SMT DI-NOT-RPT-YR REAS CAUS RL-HDR-SW 1ST-DUE-DT REO STAT/COMPL DT
12 .00 10-08

IOE CREDIT YTD/W-H SW/W-H BALANCE IOE CREDIT YTD/W-H SW/W-H BALANCE CONSTR CD NO PURGE FLAG/YR BNKRPT STAT LAST DEF DUE
.00 .00 .00 .00 09-36

REC CORP ADV BAL 3RD REC CORP ADV BAL FORECL WKST CODE/REINSTATE DATE INIT ESC SMT CODE / DATE LOSS HIT STATUS/COMPL DATE
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DUE PROC TP	EQ	AMOUNT	PRINCIPAL	PRINCIPAL	INTEREST	ESCROW	ESCROW	ADVANCE	STATUS	STATUS	UNEARNED	OTHER	CFD
DATE DATE	TR NO	RECEIVED	PAID	BALANCE	PAID	PAID	BALANCE	BALANCE	AMOUNT	BALANCE	INT-BAL.	AMOUNTS	DCT
BAL-FWD -15 4 93 2				322170.29			1598.67	.00		.00	.00		
01-08 01-14 1 71 1		3638.67	3082.09-	925252.38	6234.64	506.12	2104.79	.00	.00	.00	.00		

01-14-08 L
3082.09-AB
3082.09-AC
3082.09-AE
3082.09-AF

BATCH 6X EDIT-SEQ 110122

IR EFF	02-08	OLD	.0811300	NEW	.0798700	PRIN BAL	925,252.38						
PI EFF	02-08	OLD	3,152.55	NEW	3,152.55	PRIN BAL	925,252.38						
02-08 02-19 1 52 1		.00	.00	925252.38	.00	.00	2104.79	.00	.00	.00	.00	157.63-	11
02-08 02-25 1 72 1		3816.30	3005.78-	928258.16	6158.33	523.06	2627.85	.00	.00	.00	.00	140.69	11

MPL-ID A801

02-23-08 L
3005.78-AB
3005.78-AC
3005.78-AE
3005.78-AF

BATCH 6X EDIT-SEQ 130892

IR EFF	03-08	OLD	.0798700	NEW	.0784700	PRIN BAL	928,258.16						
PI EFF	03-08	OLD	3,152.55	NEW	3,152.55	PRIN BAL	928,258.16						
03-08 03-17 1 52 1		.00	.00	928258.16	.00	.00	2627.85	.00	.00	.00	.00	157.65-	11
03-08 03-23 1 72 1		3830.18	2917.49-	931175.65	6070.04	523.08	3120.91	.00	.00	.00	.00	174.57	11

MPL-ID A801

03-28-08 L
2917.49-AB
2917.49-AC
2917.49-AE
2917.49-AF

CONFIDENTIAL

JPMC000737

(3461)



BONUS: EXPIRES:

Pay \$50.00 Title Curative Fee to Fidelity Title or Titor Title (Charge to the seller only if an invoice is attached). Collect the recording fee for the POA when applicable. Collect a Wire Fee. The Referral Fee is deducted from the listing side of the commission. The Referral Fee and Management Fee are Payable to NRT REOExperts, LLC and the sum of both Fees must be on line number 704 of the HUD described as Commission.

The checks are to be mailed to my attention at:

NRT REOExperts, LLC
7100 Commercial Blvd., Suite 101, Ft Lauderdale, FL 33319

THE SELLER'S PROCEEDS MUST BE WIRED WITHIN 24 HRS AFTER CLOSING AS FOLLOWS:

To: JPMorgan Chase
400 East Main St, Stockton CA 95290

Account Title: Washington Mutual Bank in Trust for the REO proceeds
in Trust for various Investors and Mortgagees
765912803

ACCOUNT / GLA:

ABA / ROUTING#: 021000021

BENEFICIARY PARTY
INFORMATION: Lisa A. Shepherd, NATIONAL, REO, JPMorgan Chase

REO LOAN ID#: [REDACTED]

ALL WIRES MUST BE RECEIVED WITHIN 24 HRS OF CLOSING.

Late wires will be subject to penalty interest and your Company will responsible to pay the Fee.

PLEASE EMAIL ME THE SIGNED HUD BY THE BUYER AND THE WIRE CONFIRMATION WITHIN 24HRS OF CLOSING.
If you have any questions, please contact me at Lisa.hamlett@reoxperts.net.

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REOEXPERTS LLC

An Equal Opportunity Company. An Equal Housing Opportunity. Owned and Operated by NRT LLC

2 PAGE

REV. 02.12.11

Check Internet at 01/11/11

McCarthy 2-0562

3462

RJN-2

Mr. Paatalo's Executed Declaration & Forensic Report & Exhibits

1
2 **DISTRICT COURT**
3 **CLARK COUNTY, NEVADA**
4

5
6 Leo Kramer and Audrey Kramer,
7

8 Plaintiffs,

Case No. 18-CV-00663

9 v.

10 **DECLARATION OF PRIVATE**
11 **INVESTIGATOR WILLIAM J.**
12 **PAATALO**

13 National Default Servicing Corp.,
14 et al.,

15 Defendants.
16

17 I, William J. Paatalo, hereby declares as follows:

18 1. I am an Oregon licensed private investigator under ORS 703.430, and
19 have met the necessary requirements under ORS 703.415. My Oregon PSID
20 number is 49411.

21 2. I am over the age of eighteen years, am of sound mind, having never
22 been convicted of a felony or a crime or moral turpitude. I am competent in all
23 respects to make this Declaration. I have personal knowledge of the matters
24 declared herein, and if called to testify, I could and would competently testify
25 thereto.

26 3. I have 17 years combined experience in law enforcement and private
27 investigation with concentration on the mortgage lending industry and enforcement

1. Declaration of Private Investigator – William J. Paatalo

1 actions seeking foreclosure of title or enforcement of possession. My Resume
2 ("CV") is attached as "Exhibit 1."

3 4. I have worked exclusively over the last 8 – years and more than
4 15,000 hours conducting investigatory research and interviews related to mortgage
5 securitization and chain of title analyses. Typically my investigations are at the
6 request of a homeowners or their counsel with the objective of determining
7 whether there are facts that corroborate both the actual assertions and implied
8 statements contained in various documents that purport to transfer, deliver or
9 otherwise imply possession or ownership of a debt, note or mortgage (deed of trust
10 in nonjudicial states).

11 5. I have performed such analyses for residential real estate located in
12 many states, including, but not limited to Washington, Oregon, California,
13 Arizona, Nevada, Florida, Ohio, Montana, New Jersey, Illinois, and numerous
14 other states.

15 6. As of this date, I have conducted more than 1,200 investigations.

16 7. Because of my education and experience I am familiar with and have
17 sufficient training and expertise to qualify as an expert, and I have testified as an
18 expert in state and federal judicial proceedings in various jurisdictions throughout
19 the United States.

20 8. Most recently, I testified at trial as an expert witness on August 6,
21 2018 in Re: PennyMac Holdings, LLC v. Mario Carini, et. al., California Superior
22 Court, County of San Diego, Case No. 37-2017-00039675-CL-UD-CTL.

23 9. My specific areas of expertise that have been deemed qualified by the
24 courts are as follows:

25
26
27 2. Declaration of Private Investigator – William J. Paatalo

1 • Knowledge of the "Pooling & Servicing Agreements" and various
2 Securities & Exchange Commission (SEC) filings associated with mortgage-
3 backed securitized trusts.

4 • Specific language in the PSA's and Prospectus / Prospectus
5 Supplements involving securitization participants, key dates, "Servicer Advances,"
6 sources of third-party payments, and transfer and conveyancing requirements to
7 name a few.

8 • Knowledge and use of ABSNet / MBSData and the interpretation of
9 its internal accounting data showing "advance payments" made to the certificate
10 holders / investors, as well as other information specific to accounting, chain of
11 title, and other aspects of securitization.

12 • Chain of Title analyses based upon publicly recorded documents,
13 documents produced in discovery, and documents attached as exhibits to
14 foreclosure complaints. Documents typically included mortgages, deeds of trust,
15 assignment, notes, and allonges; in addition to documents filed under penalty of
16 perjury with the SEC.

17 11. I was retained by the Plaintiff to review the chain of title for the Deed
18 of Trust (DOT) originated by Washington Mutual Bank, F.A. on or about April 4,
19 2008, as well as the Substitution of Trustee (SOT) recorded on 12/05/2013 which
20 are the subject of this action, and to render any opinions as to defects, deficiencies,
21 or fraud should they exist.

22 12. The following documents were inspected and marked as exhibits:

23 **Exhibit 2** – Amended Complaint & Exhibits

24 **Exhibit 3** – Dayen Article

25 **Exhibit 4** – Testimony Transcript – Robert Schoppe - FDIC

26 **Exhibit 5** – Declaration of Neil Garfield, Esq.

27 **Exhibit 6** – Chase letter to FDIC September 12, 2014

Exhibit 7 – Chase Emergency Motion – Proodian – FL - 2018

Exhibit 8 – Chase Supplemental Responses – Dae – TN – 3/30/15

 3. Declaration of Private Investigator – William J. Paatalo

1 **Exhibit 9 – Chase Supplemental Responses – Dae – 11/25/15**
2 **Exhibit 10 –Memorandum – Dae – TN**
3 **Exhibit 11 – Purchase & Assumption Agreement**
4 **Exhibit 12 – JPMorgan Chase Stipulation of Fact**
5 **Exhibit 13 – Hearing Transcript – Schiefer v. Wells Fargo**
6 **Exhibit 14 – FOIA Response**
7 **Exhibit 15 - Chase Collateral File Screenshots – Comparable Case #1**
8 **Exhibit 16 – Chase Collateral File Screenshots – Comparable Case #2**
9 **Exhibit 17 - Chase Consent Judgment – National Settlement**
10 **Exhibit 18 - Order – FL – Wells Fargo as Trustee v. Riley**
11 **Exhibit 19 - Chase “Investor” disclosure letters**
12 **Exhibit 20 - Affidavit of Marilyn Lea**
13 **Exhibit 21 – Kelley Case – LNTH Screenshot**
14 **Exhibit 22 – LNTH Inv Codes – 3 comparable cases**
15 **Exhibit 23 - Deposition Transcript – Peter Katsikas – JPMorgan Chase**
16 **Exhibit 24 - Peter Katsikas testimony – Proodian**
17 **Exhibit 25 – Deposition Transcript – Matthew Dudas - JPMC**

18 13. Having reviewed the above documents, and having conducted well
19 over 300 investigations of WaMu mortgage loans involving the FDIC and Chase,
20 my professional opinions are as follows:

21 a. The chain of title to the Kramer DOT is clouded and cannot be verified.
22 JPMorgan Chase did not acquire, nor can it prove, ownership of any WaMu loan
23 via the “Purchase & Assumption Agreement” (PAA) with the FDIC, including the
24 Kramer DOT, and it remains an issue of fact as to whether it even acquired the
25 servicing rights to any WaMu loan, including the Kramer loan, that was securitized
26 and sold prior to the FDIC Receivership on September 25, 2008.

27 b. Washington Mutual Bank (WMB) tacitly admitted in “Securities &
Exchange Commission” (SEC) filings that no endorsements would be placed upon

4. Declaration of Private Investigator – William J. Paatalo

1 the notes it was selling and securitizing, and no assignments of the mortgages
2 would be prepared or recorded to document the securitization and sales of the loans
3 by Washington Mutual, Inc.'s subsidiaries. With full knowledge of these pre-
4 receivership securitization and sales transactions, including the sale of the Kramer
5 DOT, JPMorgan Chase (JPMC) has falsely asserted ownership to these loans using
6 a generic and nondescript Purchase & Assumption Agreement (PAA) with the
7 FDIC, and in turn, has executed self-serving assignments that contain material
8 misrepresentations of beneficial ownership in order to create the illusion of
9 standing and clean chains of title in thousands of foreclosure related cases. Such is
10 the case here. My opinions, having previously been challenged as just theories, are
11 now supported by JPMC's own admissions under oath in various court proceedings
12 across the United States. These admissions show (1) JPMC knows of no employees
13 or agents, currently or previously, who have any personal knowledge of any of the
14 facts of the underlying transactions which they represent in their self-authored
15 documents, and (2) in spite of these facts, JPMC admits that its employees forge
16 and fabricate the necessary documents, (assignments, note endorsements, allonges,
17 and affidavits) as needed for litigation; precisely the type of behavior discovered
18 and forbidden in the billion-dollar consent judgments issued in the past decade.
19 These behaviors continue unabated per my years of ongoing investigative research.
20 And,

21 c. The assignment of beneficial ownership of the Kramer DOT to JPMC,
22 which is fraudulent for the reasons set forth below, is executed and recorded more
23 than four-years after JPMC asserted itself as beneficiary and substituted "National
24 Default Servicing Corporation" (NDS) as Trustee in the recorded Substitution of
25 Trustee (SOT) on 12/05/2013. As such, and for reasons set forth in this

26
27 5. Declaration of Private Investigator – William J. Paatalo

1 Declaration, the SOT appears invalid, as JPMC had no authority to substitute
2 trustees.

3 EVIDENCE IN SUPPORT OF OPINIONS

4 I. Background - WaMu's "Off-Balance Sheet Activities"

6
7 14. On April 13, 2011, the U.S. Senate's "Permanent Subcommittee On
8 Investigations" published an investigative report that includes a detailed analysis of
9 WaMu's securitization activities leading up to the financial collapse in 2008. The
10 report can found be found at the following government website address:

11 [https://www.hsgac.senate.gov/subcommittees/investigations/media/senate-](https://www.hsgac.senate.gov/subcommittees/investigations/media/senate-investigations-subcommittee-releases-levin-coburn-report-on-the-financial-crisis)
12 [investigations-subcommittee-releases-levin-coburn-report-on-the-financial-](https://www.hsgac.senate.gov/subcommittees/investigations/media/senate-investigations-subcommittee-releases-levin-coburn-report-on-the-financial-crisis)
13 [crisis](https://www.hsgac.senate.gov/subcommittees/investigations/media/senate-investigations-subcommittee-releases-levin-coburn-report-on-the-financial-crisis)

14 15. Key excerpts from the report are as follows:

15 Pg.116 –

16 E. Polluting the Financial System

17 Washington Mutual, as the nation's largest thrift, was a leading issuer of home
18 loans. When many of those loans began to go bad, they caused significant damage
19 to the financial system.

20 According to a 2007 WaMu presentation, by 2006, Washington Mutual was the
21 second largest non agency issuer of mortgage backed securities in the United
22 States, behind Countrywide.

23 By securitizing billions of dollars in poor quality loans, WaMu and Long Beach
24 were able to decrease their risk exposure while passing along risk to others in the
25 financial system. They polluted the financial system with mortgage backed
26 securities which later incurred high rates of delinquency and loss. At times, WaMu
27 securitized loans that it had identified as likely to go delinquent, without disclosing
its analysis to investors to whom it sold the securities, and also securitized loans
tainted by fraudulent information, without notifying purchasers of the fraud that
was discovered and known to the bank.

Pg. 119 –

"WaMu Capital Corp. acted as an underwriter of securitization transactions
generally involving Washington Mutual Mortgage Securities Corp. or WaMu

6. Declaration of Private Investigator – William J. Paatalo

1 Asset Acceptance Corp. Generally, one of the two entities would sell loans into a
2 securitization trust in exchange for securities backed by the loans in question, and
3 WaMu Capital Corp. would then underwrite the securities consistent with industry
4 standards. As an underwriter, WaMu Capital Corp. sold mortgage-backed
5 securities to a wide variety of institutional investors. WCC sold WaMu and Long
6 Beach loans and RMBS securities to insurance companies, pension funds, hedge
7 funds, other banks, and investment banks. It also sold WaMu loans to Fannie Mae
8 and Freddie Mac. WCC personnel marketed WaMu and Long Beach loans both in
9 the United States and abroad.

10 Before WCC was able to act as a sole underwriter, WaMu and Long Beach worked
11 with a variety of investment banks to arrange, underwrite, and sell its RMBS
12 securitizations, including Bank of America, Credit Suisse, Deutsche Bank,
13 Goldman Sachs, Lehman Brothers, Merrill Lynch, Royal Bank of Scotland, and
14 UBS. To securitize its loans, WaMu typically assembled and sold a pool of loans
15 to a qualifying special-purpose entity (QSPE) that it established for that purpose,
16 typically a trust.

17 The QSPE then issued RMBS securities secured by future cash flows from the loan
18 pool. Next, the QSPE – working with WCC and usually an investment bank – sold
19 the RMBS securities to investors, and used the sale proceeds to repay WaMu for
20 the cost of the loan pool. Washington Mutual Inc. generally retained the right to
21 service the loans.

22 16. These findings are also supported by Washington Mutual, Inc.'s 10-Q
23 filing with the U.S. Securities and Exchange Commission (SEC) on June 30, 2008
24 which states on (p.60),

25 Off-Balance Sheet Activities

26 The Company transforms loans into securities through a process known as
27 securitization. When the Company securitizes loans, the loans are usually sold to a
qualifying special-purpose entity ("QSPE"), typically a trust. The QSPE, in turn,
issues securities, commonly referred to as asset-backed securities, which are
secured by future cash flows on the sold loans. The QSPE sells the securities to
investors, which entitle the investors to receive specified cash flows during the
term of the security. The QSPE uses the proceeds from the sale of these securities
to pay the Company for the loans sold to the QSPE. These QSPEs are not
consolidated within the financial statements since they satisfy the criteria
established by Statement No. 140, *Accounting for Transfers and Servicing of*
Financial Assets and Extinguishments of Liabilities. In general, these criteria
require the QSPE to be legally isolated from the transferor (the Company), be
limited to permitted activities, and have defined limits on the types of assets it can
hold and the permitted sales, exchanges or distributions of its assets.

17. It is my opinion that the Kramer DOT was securitized and sold into
the secondary market through one of WaMu's subsidiaries and its "off-balance
sheet activities. As will be explained in-depth below, JPMC has specific "MSP"

7. Declaration of Private Investigator – William J. Paatalo

1 (Mortgage Servicing Platform) screenshots within its custody and control that will
2 show and prove (1) the sale prior to the FDIC Receivership, and (2) the investor
3 codes for each sale and transfer.

4 **II. JPMC did not acquire the assets of WaMu's subsidiaries**

5 17. Attached as **Exhibit 11** is the widely publicized copy of the PAA
6 dated September 25, 2008 between the FDIC and JPMorgan Chase. Page 2 of the
7 PAA states,
8

9 “**Assets**” means all assets of the Failed Bank purchased pursuant to Section 3.1.
10 Assets owned by Subsidiaries of the Failed Bank are not ‘Assets’ within the
11 meaning of this definition.”

12 18. The relevance to this will be explained further below.
13

14 **III. No schedule or inventory of assets listing any specific WaMu**
15 **mortgage loan acquired by JPMC exists. This includes servicing rights.**

16 19. One fact is now well established – no schedule or inventory of assets
17 listing any specific WMB mortgage loan acquired by JPMC, including the Kramer
18 DOT, exists or has ever been produced or disclosed. The reason for this fact is
19 most, if not all, residential mortgage loans originated by WMB were sold and
20 securitized through WaMu’s “Off-Balance Sheet Activities.”

21 20. The testimony of Lawrence Nardi, the operations unit manager and
22 mortgage officer of JPMC, who previously worked with WAMU and was picked
23 up by JPMC after WMB failed confirmed that no schedule of assets exists. (see:
24 Deposition of Lawrence Nardi in the matter of *JPMorgan Chase Bank, N.A., as*
25 *successor in interest to Washington Mutual Bank v. Waisome*, Florida 5th Judicial
26

27 8. Declaration of Private Investigator – William J. Paatalo

1 Circuit Case No. 2009CA005717.

2 <http://www.scrib.com/doc/102949976/120509JPMCvWaisomeFLLawrenceNardiD>
3 eposition)

4
5 Here are the relevant questions and answers:

6 Q: (p.57, beginning at line 19) "Okay The are you aware of any type of
7 schedule of loans that would have been created to represent the -- either the loans
8 that were assets, loans or loans that were serviced by WAMU? Are you -- was the -
- do you know if there is a schedule or database of loans like that?"

9 A: (p.58, beginning at line 1) "I know that there was a schedule
10 contemplated in certain documents related to the purchase. That schedule has never
11 materialized in any form. We've looked for it in countless other cases. We've
12 never been able to produce it in any previous cases. It certainly be a wonderful
thing to have, but it's as far as I know, it doesn't exist, although it was it was
contemplated in the documents.

13 Q: (p.260 beginning at line 18) "Have you ever in your duties of being a
14 loan analyst loan operations specialist, have you ever seen a FDIC bill of sale or a
receiver's deed or an assignment of mortgage or an allonge?"

15 A: (p.260, beginning at line 23) "For loans, I'm assuming you're talking
16 about the WAMU loan that was subject to the purchase here"

17 Q. (p.261, line 1) "Right."

18 A. (p.261, beginning at line 2) "No there is no assignments of mortgage.
19 There's no allonges. There's no in the thousands of loans that I have come in
20 contact with that were a part of this purchase, I've never once seen an assignment
21 of mortgage. There is simply not they don't exist. Or allonges or anything
transferring ownership from WAMU to Chase, in other words. Specifically,
endorsements and things like that."

22
23 21. Attached as **Exhibit 5** is the Declaration of Neil F. Garfield, Esq.
24 submitted in Re: Mario Polychronas, Debtor - US BK CD-CA Case No. 1:11-bk-
25 18306-vk retrieved from the Federal Court's PACER System. Per Garfield's sworn
26 testimony, Mr. Schoppe stated "*that there never was any instrument prepared or*

27 9. Declaration of Private Investigator – William J. Paatalo

1 *executed between JPMorgan Chase and either the FDIC or the bankruptcy trustee*
2 *in which Chase acquired the loans. Specifically, he stated, 'if you are looking for*
3 *an assignment of loans, you won't find it because it does not exist.'* (Exhibit 5,
4 ¶7).

5 22. This is supported by Robert Schoppe's own testimony provided as
6 Exhibit 4 whereby Schoppe testified,

7
8 "Q. Are there any provisions in the Purchase and Assumption Agreement that
9 talks to who's going to keep all the records, who's going to maintain the records if
they're needed down the road?

10 A. Yes, there is.

11 Q. Okay. Explain that to us.

12 A. There is a continuing cooperation clause in there which basically says, in
layman's terms, whoever has the records, if the other party needs them, we can get
them.

13 Q. And so in this case, who maintains the records for all of the WAMU-
14 originated loans?

15 A. JPMorgan Chase holds all those records.

16
17 Q. Under the Purchase and Assumption Agreement, did it provide that y'all
18 were going to get like a list of all the loans or anything like that? Is there some
kind of list that y'all have at FDIC, as receiver?

19 A. The agreement does call for us to get a list of the loans. We agreed that we
20 would not get them. There were tens of hundreds of thousands of loans. We had no
way of actually getting and -- we usually -- every other bank, we will get a
21 download of all the loans. They number in the thousands. Here, they were
numbering in the millions, I believe, tens of millions, and we simply didn't have
22 capacity to download that information, store it someplace where we could get it. So
we agreed with JPMorgan that we would not take a download. If we needed the
23 information, we would just get it from them.

24 (Note) Schoppe also testified to the following:

25
26
27 10. Declaration of Private Investigator -- William J. Paatalo

1 Q. So when JPMorgan Chase took over or bought these purchases, do they
2 pay something for this Purchase and Assumption agreement?

3 A. Again, I think -- I tried to explain it. Perhaps I didn't do a very good job,
4 so let me do that again. They assumed all of the assets, and they also assumed
5 which assets were -- round numbers, please don't quote me on that -- I think it was
6 about \$330 billion. They also assumed; I believe it was about \$300 billion worth of
7 liabilities.

8 23. No schedule or inventory of any specific asset is also supported by an
9 FOIA response letter from the FDIC on March 30, 2017 whereby the FDIC could
10 find no responsive documents regarding any schedule of assets on the books of
11 WMB. This FOIA letter was provided to me by a client as part of an investigation.
12 (Exhibit 14).

13 24. For years now, JPMC has been getting away with a massive
14 presumption that it acquired multi-billions of dollars' worth of loans created by
15 "Washington Mutual" via the "Purchase & Assumption Agreement" (PAA), yet
16 the mortgage loans they claim to have acquired, specifically the Kramer DOT, was
17 not "on the books" of "Washington Mutual Bank" at the time the "Office of Thrift
18 Supervision" (OTS) took control of WMB.

19 **IV. Washington Mutual Bank routinely disclosed in SEC Prospectus**
20 **filings for public trusts that the notes it was selling were not going to be**
21 **endorsed "or otherwise marked to reflect the transfer" to the trusts, and no**
22 **assignments would be prepared, which resulted in the intentional clouding of**
23 **titles.**

24 25. The following admissions / "Risk Factors" were made by WMB to the
25 investors in the WMABS 2007-HE2 Trust's 424(B) Prospectus Supplement on P.
26 21 (SEC link -<http://www.secinfo.com/d16VAy.u48.htm#1stPage>)

27 **For transactions in which WMB fsb holds some or all of the mortgage
notes and mortgages as custodian on behalf of the trust, investors should
consider the following:**

11. Declaration of Private Investigator -- William J. Paatalo

1 The trustee will not physically possess some or all of the mortgage notes
2 and mortgages related to the mortgage loans owned by the Trust. Instead, WMB
3 fsb will hold some or all of the mortgage notes and mortgages as custodian on
4 behalf of the trust. **The mortgage notes and mortgages held by WMB fsb will**
5 **not be endorsed or otherwise marked to reflect the transfer to the trust, and**
6 **assignments of the mortgages to the trust will not be prepared or recorded.**

7 As a result, if a third party were to obtain physical possession of those mortgage
8 notes or mortgages without actual knowledge of the prior transfer to the trust, the
9 trust's interest in those mortgage notes and mortgages could be defeated, thereby
10 likely resulting in delays or reductions in distributions on the certificates.

11 For transactions in which WMB fsb holds some or all of the mortgage
12 notes and mortgages as custodian on behalf of the trust, investors should
13 consider the following:

14 With respect to each mortgage held by WMB fsb as custodian on behalf of
15 the trust, an assignment of the mortgage transferring the beneficial interest under
16 the mortgage to the trustee or the trust will not be prepared or recorded. In
17 addition, an assignment of the mortgage will not be prepared or recorded in
18 connection with the sale of the mortgage loan from the mortgage loan seller to
19 the depositor.

20 26. These same admissions / disclosures were made by WMB in
21 many of their public securitization transactions filed with the SEC, and it is my
22 opinion that this was WMB's common business practice with its private
23 placement transactions and GSE sales to Fannie Mae and Freddie Mac as well.
24 This is supported by the Nardi testimony as will be explained further below.

25 V. **Evidence shows a pattern and practice of fabricating**
26 **endorsements and allonges upon notes, as the MSP System show notes are**
27 **endorsed with WaMu signatures after 9/25/2008.**

28 27. Though no copy of the original Kramer Note was provided for

29 12. Declaration of Private Investigator – William J. Paatalo

1 inspection, the following information is relevant for purposes of understanding
2 the overall conduct and widespread practice of forging and fabricating
3 documents beyond just the assignments.

4 28. Attached as **Exhibits 15 & 16** are collateral file servicing system
5 screenshots produced in discovery in other cases which I was involved. Both of
6 these comparable cases involve loans originated by WMB with the notes bearing
7 endorsements "in blank" by a WaMu officer.

8 29. The screenshots in **Exhibit 15** show that the Note was taken into
9 Chase custody on "Jul 18, 2009 5:49:59" and that the Note was subsequently
10 endorsed "WaMu to Blank" on "Feb 24, 2012 12:14:51," with another
11 "facsimile" endorsement of "WaMu to Blank" being created on "Oct 28, 2014
12 4:08:57" (**Exhibit 15, P. 3**, and "Exception Add Date & Time" **P.4**).

13 30. Attached as **Exhibit 16** are discovery documents provided by JPMC
14 in "comparable case #2." The screenshots in this exhibit shows "NEN1 - Note
15 Endorsement 1 - WAMU to Blank - Sep 24, 2013, 12:00:00 AM" (**Exhibit 16,**
16 **P.2**).

17 31. My opinion in these comparable cases is that the notes were
18 endorsed after the FDIC's takeover of WaMu on September 25, 2008, as there is
19 an abundance of information now in the public domain, as well as within the
20 realm of my personal investigative experiences, to universally suggest that the
21 largest servicers create note endorsements and/or allonges when missing, or
22 when needed in litigation to prove-up "standing." These are commonly referred
23 to in foreclosure proceedings as "ta-dah" endorsements, which are never dated or
24 witnessed by anyone having personal knowledge as to any underlying
25 transactions.

26 32. On September 25, 2015, a hearing was held in Schiefer v. Wells

27 13. Declaration of Private Investigator - William J. Paatalo

1 Fargo Bank, USBK – WD – ARK, 5:14-AP-0706. I retrieved a copy of the
2 hearing transcript from the Federal Court's PACER System and I have attached
3 as **Exhibit 13**. From my review of the testimony provided, Wells Fargo's
4 witness, Robert Bateman, provided incriminating testimony as follows That
5 JPMC applied the WaMu officer's endorsement upon the note in 2013:

6 **P.35, L15-25 & 36, L1-5:**

7
8 Question: "With respect to your prior answers as defined above, you
9 indicated that the promissory note has never been aggregated into a larger of
10 mortgage notes. Please explain the legal nature of the transfer in which you
acquired this individual promissory note."

11 Response: "Wells Fargo Bank, N.A. purchased the promissory note on
12 February 1, 2007 from JPMorgan Chase Bank National Association as successor
in interest from the FDIC as receiver of Washington Mutual Bank."

13 **(NOTE: This statement is an impossibility since WaMu had not failed**
14 **until 9/25/2008).**

15 **P.44, L13-25 & P. 45, L1-11:**

16 Q So, from your -- from your review before today and -- and going through
17 this a little bit today, other than the endorsements, is this the same note -- or does
18 it appear to be the same note as what we've been talking about on the proof of
19 claim and on the other exhibit?

20 A This copy of the note has a second endorsement on it that we have not
21 previously discussed or -- or looked at, as far as I remember. I have seen a -- the
22 original note, and I have seen a copy of the original note, which is the same as
23 this copy. I have seen this copy before with the two endorsements on it that are in
24 our electronic scanning system. Our system doesn't have a copy that has -- that
25 has the redaction, but I have looked at a copy of this note with both endorsements
26 on it. And when I say both endorsements, the second endorsement is a blank
27 endorsement that is signed by Washington Mutual Bank, N.A.

14. Declaration of Private Investigator -- William J. Paatalo

1 Q Okay. And could you just read that whole endorsement to me, please,
2 for the record?

3 A "Pay to the order of blank without recourse Washington Mutual Bank,
4 F.A. by" -- and then there's a signature, and the name under it -- "Leta
5 Hutchinson, Assistant Vice President."

6 Q Mr. Bateman, have you seen these -- these discovery responses before?

7 A No, I don't think I have.

8 **P.46, L1-25 & P.47 thru 48:**

9 Q Okay. Well, what I'd ask you to do for the Court is read the
10 Request to Admit Number 3, which appears at the top of page 6, and then the
11 answer. If you'll just wait a second so everyone in the courtroom can get there.
12 All right. Please.

13 A "That at the time you acquired physical possession of the original note,
14 it bore both the endorsements shown on the copy of the last page of the
15 promissory note attached hereto as Exhibit A."

16 Answer to Request for Admission Number 3: "Denied. The note bore the
17 endorsement from First Western Mortgage to Washington Mutual Bank, N.A.
18 when received on February 14th, 2007. The endorsement in blank from
19 Washington Mutual Bank, N.A. was completed in February 2013 pursuant to a
20 limited power of attorney appointing -- appointing Wells Fargo Bank, N.A. as the
21 lawful attorney in fact for JPMorgan Chase Bank National Association as
22 successor in interest from the FDIC as receiver of Washington Mutual Bank. A
23 copy of the limited power of attorney is attached as Exhibit A."

24 Q Okay. Based upon your reading of that response, when was that second
25 endorsement added?

26 A I'll read again what it says: "The endorsement in blank from Washington
27 Mutual Bank, N.A. was completed in February of 2013."

Q And in -- in everyday laymen's terms, what would that mean to you?

15. Declaration of Private Investigator -- William J. Paatalo

1 A It means what it says.

2 Q Which is?

3 A On February '13, there was an endorsement in blank on the note.

4 Q Well, it says "completed." Who -- who completed?

5 A From Washington Mutual Bank, N.A.

6 Q Who would have completed the endorsement?

7 A I just read what this says. It says this was -- this was completed by
8 Washington Mutual Bank. Well, in reading further -- let me continue to read
9 after that. Excuse me. Reading further:

10 "Pursuant to a limited power of attorney appointing Wells Fargo Bank,
11 N.A. as the attorney in fact for JPMorgan Chase Bank National Association as
12 successor in interest from the FDIC as receiver of Washington Mutual Bank."
13

14 Q So, reading further, what do you think?

15 A That the endorsement was by JPMorgan Chase Bank.

16 Q I'm sorry?

17 A That the endorsement was done by JPMorgan Chase Bank.

18
19
20 33. Attached as **Exhibits 8 & 9** are Supplemental Responses
21 produced by JPMC and a Memorandum **Exhibit 10** in the case captioned Dae v.
22 JPMorgan Chase USDC, MD TN Case No. 3:13-cv-1332 which I retrieved from
23 the Federal Court's *PACER* System. In *Dae*, two allonges were created on the
24 subject Note by JPMC employees as needed to prove up the standing issues in
25 the litigation. The chronological sequence for the creation of these allonges is
26 outlined in JPMC's Supplemental Response (**Exhibit 8**).

27 16. Declaration of Private Investigator -- William J. Paatalo

1 34. Attached as **Exhibit 9** is JPMC's Supplemental Responses dated
2 3/30/2015 which admit the following:

3 4. *State the dates JP Morgan Chase Bank, N.A. executed the allonges and*
4 *state the basis for this knowledge.*

5 *RESPONSE: (Objections Omitted) Chase's internal records indicate that*
6 *the allonges were executed shortly before the foreclosure proceedings at issue in*
7 *this case began.*

8 1. *Identify the employees, supervisors or agents of JP Morgan Chase*
9 *Bank, N.A. who has personal knowledge of the assignments and endorsements*
10 *that occurred on December 17, 1998 and the allonges.*

11 *RESPONSE: (Objections Omitted) [d]espite a diligent search, at this time*
12 *Chase is not aware of any employees, supervisors, or agents that have*
13 *independent personal knowledge or recollection of the assignments,*
14 *endorsements or allonge, apart from knowledge gained from a review of relevant*
15 *business records.*

16 2. *Identify every person known to JP Morgan Chase Bank, N.A. who has,*
17 *or who claims or purports to have, knowledge of facts which you contend support*
18 *the allegations contained in your Answer and Motion for Summary Judgment.*

19 *RESPONSE: (Objections Omitted) Chase states that the documents Chase*
20 *relied on speak for themselves. Chase's position in this case is based on its*
21 *review of business records, and despite a diligent search, at this time Chase is*
22 *not aware of any employees, supervisors, or agents that have independent*
23 *personal knowledge of the facts at issue.*

24 35. JPMC admits that its employees created the assignment and note
25 allonges despite having no personal knowledge of the underlying transactions
26 and could produce no witnesses past or present with any knowledge of the facts
27 surrounding the case. JPMC's position was that the self-serving documents they
produced simply "spoke for themselves." This is a tacit admission of non-

17. Declaration of Private Investigator – William J. Paatalo

1 compliance with the National Settlement and Consent Judgment attached as
2 **Exhibit 17.**

3 36. In sanctioning Chase for its discovery abuses and delay tactics, the
4 Court's analysis concluded in its memorandum (**Exhibit 10**),

5
6 *"After the court's October 10, 2014 Memorandum pointed out multiple*
7 *missing steps and unsupported assumptions inherent in Chase's representations*
8 *to the court, Chase conducted further investigation and has now reversed course,*
9 *contending that those transactions are irrelevant. Chase now essentially takes*
10 *the position that the documents it recorded with the Sumner County Register of*
11 *Deeds were (and remain) legally irrelevant and should be ignored in the court's*
12 *analysis. After months of delay, Chase now claims that no depositions are*
13 *warranted because, according to Chase, none of the employees or former*
14 *employees have any personal knowledge of the underlying transaction[s,]"*

15
16 *"Chase seems to believe that it can operate on its own schedule, that it can*
17 *selectively produce records that favor its position (whatever that position may be*
18 *at a certain point in time), and that it can prevent reasonable inquiry into the*
19 *veracity of its (shifting) representations and the import of underlying records."*

20
21 37. The *Dae* and *Schiefer* cases represent a common theme in the
22 hundreds of cases I have investigated involving alleged securitization of loans
23 with WMB / JPMC involvement. I believe it is likely that the same holds true in
24 all cases.

25
26 38. JPMC appears to have taken the position that it acquired beneficial
27 interest in the Kramer DOT and loan via the PAA and the FDIC Receivership of
WMB. But this is not what the publicly recorded assignment reflects. Attached as
an exhibit to the complaint (**Exhibit 2**) is the only recorded assignment per my
research which purports the following:

18. Declaration of Private Investigator – William J. Paatalo

1 **DOC #: 578946**

2 **Recorded: 04/10/2018**

3 **Executed: 04/4/2018**

4 **Assignor: Washington Mutual Bank, a Federal Association**

5 **Assignee: JPMorgan Chase Bank, N.A.**

6 39. The assignment is executed by "Debbie A. Swayzer – Vice President
7 – JPMorgan Chase Bank, N.A., as Attorney In Fact for the Federal Deposit
8 Insurance Corporation as Receiver of Washington Mutual Bank F/K/A
9 Washington Mutual Bank, FA." First, the FDIC is not named as the assignee, as
10 this was WaMu who ceased to exist as of 9/25/2008. Second, the assignment is a
11 self-to-self transfer with JPMC playing both sides of the transaction even though
12 JPMC names the defunct WaMu as the assignee. And third, there is no reference
13 to any power of attorney document recorded in conjunction with this assignment
14 showing the FDIC's involvement, as well as JPMC's authority to act on its
15 behalf as an agent. This document is clearly fraudulent on its face, and this is
16 quite common per my experience. It should be noted that I was personally
17 solicited by a document fabrication mill in Idaho to forge and back-date an
18 assignment in 2015 for a WaMu loan with a defective chain of title. (See:
19 **Exhibit 3**).

20 40. Also attached to the complaint is the Substitution of Trustee (SOT)
21 recorded on 12/05/2013 whereby JPMC substitutes NDS as Trustee in place of
22 "California Reconveyance Company", the original Trustee named on the DOT.
23 The recorded documents show that JPMC did not become beneficiary until more
24 than four-years later. Though the assignment somehow implies that JPMC was
25 acting as agent for the FDIC, there is no such authority implied in the SOT.

26
27 19. Declaration of Private Investigator – William J. Paatalo

1 There simply is no evidence to show JPMC having any authority as a beneficiary
2 when it executed the SOT in 2013, and as such, the SOT appears to be invalid.

3
4 **VI. JPMorgan Chase admits to destroying WaMu records and**
5 **executing assignments and endorsements for loans "not reflected on the**
6 **books and records of WMB as of September 25, 2008.**

7 41. In addition to the tacit admissions in SEC filings outlined above,
8 attached as Exhibit 6 is a letter from JPMorgan Chase's counsel to the FDIC
9 dated "September 12, 2014." This exhibit was taken directly from the FDIC's
10 governmental website located at: <https://www.fdic.gov>.

11 42. This letter is a notice to the FDIC that JPMC sought
12 reimbursement for expenses related to correcting defective chains of title on
13 various loans that "were not reflected on the books and records of Washington
14 Mutual Bank" at the time WMB failed on September 25, 2008.

15 43. JPMC makes the following tacit admissions in the letter:

16 *The additional matters giving rise to JPMC's indemnity rights relate to costs*
17 *incurred in connection with mortgages held by WMB prior to September*
18 *25, 2008. These costs have resulted from aspects of-and circumstances related to-*
19 *WMB mortgages that were not reflected on the books and records of WMB as of*
September 25, 2008, and include:

20 *Costs incurred by JPMC to expunge records associated with WMB mortgages as*
21 *a result of errors in mortgage documentation occurring prior to September 25,*
22 *2008, including erroneously recorded satisfactions of mortgages and associated*
23 *legal fees and disbursements.*

24 *Costs incurred by JPMC to correct various defects in the chains of title for WMB*
25 *mortgages occurring prior to September 25, 2008, including recording and legal*
26 *services fees.*

27 20. Declaration of Private Investigator – William J. Paatalo

1 At the time of WMB's closure, the above liabilities were not reflected on its
2 books and records.

3 44. Again, it is my opinion that due to the defective and non-existent
4 chain of title for the Kramer DOT, JPMC has taken advantage by assigning and
5 transferring the DOT and Note unto itself. But again, no Note has been presented
6 for my inspection.

7 45. I am not an expert in the law. However, I am informed by various
8 counsel in similar foreclosure related cases that the original note must be present
9 or re-established for enforcement to occur and that I should presume that the
10 language of the Uniform Commercial Code applies in all states when enforcing a
11 mortgage or deed of trust, to wit:

12
13 "9-203 - Attachment and enforceability of security interest; proceeds; supporting
14 obligations; formal requisites. (a) A security interest attaches to collateral when
15 it becomes enforceable against the debtor with respect to the collateral, unless an
16 agreement expressly postpones the time of attachment.

17 (b) Except as otherwise provided in subsections (c) through (i), a security
18 interest is enforceable against the debtor and third parties with respect to the
19 collateral only if:

20 (1) Value has been given;"

21 46. Given the absence of corroboration of the implied assertion of a
22 transaction in which the debt was purchased for value, it appears that these
23 preconditions are not satisfied in this case. As an investigator I take the absence
24 of any attempt to re-establish the note to mean that the current parties do not
25 have any evidence of having purchased the debt for value, to which my
26 investigation has found no such evidence.

27 **VII. JMorgan Chase admits that mortgage assignments are**

21. Declaration of Private Investigator – William J. Paatalo

1 "materially false," were not assigned by the FDIC as they state, and do not
2 transfer ownership, but only servicing rights.

3 47. From: Wells Fargo Bank, N.A. as Trustee for WaMu Mortgage
4 Pass Through Certificates, Series 2005-PR4 Trust v. Riley, Circuit Court
5 Fifteenth Judicial Dist., Palm Beach County, FL, Case No.:50-2016-CA-010759-
6 XXXX-MB:

7 (Order attached as Exhibit 18.)

8 ***Plaintiff Engaged in Unclean Hands Trying to Prove Standing to***
9 ***Foreclose***

10 ***Unclean Hands, Generally***

- 11
- 12 1. "One who comes into equity must come with clean hands else all relief
13 will be denied him regardless of merit of his claim, and it is not essential
14 that act be a crime; it is enough that it be condemned by honest and
15 reasonable men." *Roberts v. Roberts*, 84 So.2d 717 (Fla.1956)(emphasis
16 added).
 - 17 2. Therefore, even if Plaintiff had standing to foreclose (a meritorious claim),
18 Plaintiff would be denied the equitable relief of foreclosure upon a finding
19 that Plaintiff took actions in pursuing this foreclosure that reasonable and
20 honest men would condemn.
 - 21 3. The Florida Supreme Court noted "the principle or policy of the law in
22 withholding relief from a complainant because of 'unclean hands' is
23 punitive in its nature." *Busch v. Baker*, 83 So. 704 (Fla. 1920). As U. S.
24 Supreme Court Justice Black wrote:

25 "[T]ampering with the administration of justice in the manner
26 indisputably shown here involves far more than an injury to a single litigant. It is
27 a wrong against the institutions set up to protect and safeguard the public,
institutions in which fraud cannot complacently be tolerated consistently with the
good order of society." *Hazel-Atlas Glass Co. v. Hartford-Empire Co.*, 322 U.S.
238, 246, 64 S. Ct. 997, 88 L. Ed. 1250 (1944).

48. Also, in the Order,

22. Declaration of Private Investigator – William J. Paatalo

21. At trial, Ms. Marcott admitted that any claim JP Morgan Chase ever owned or sold Defendant's note and mortgage was false. She testified that Defendant's note and mortgage were not assets of Washington Mutual after 2005. As such, the 2010 assignment could not truthfully document a transaction that JPMorgan Chase obtained Defendant's note and mortgage from Washington Mutual and sold it to the Plaintiff Trust. This transaction never happened.

22. Moreover, the 2015 assignment contains a materially false statement that JP Morgan purchased Defendant's note and mortgage from the Federal Deposit Insurance Corporation ("FDIC") as Receiver for Washington Mutual.

23. The note and mortgage were not assets of Washington Mutual to be sold by the FDIC Receiver to JP Morgan Chase and or to be sold by JP Morgan Chase to the Plaintiff Trust. Plaintiff's Trial Witness admitted the statement that the FDIC sold this loan as Receiver to Washington Mutual to JP Morgan Chase who sold it to the Plaintiff is materially false.

49. In the case Proodian v Washington Mutual Bank, F.A., JPMorgan Chase Bank, N.A. et. al., JPMC employee "Matthew Dudas – Legal Specialist III" is asked about the assignment of Proodian's WaMu Mortgage from the FDIC to Chase (**Exhibit 25**). The assignment, and thousands of others like it, state that the FDIC is assigning the mortgage to JPMorgan Chase, and that JPMC is executing as attorney in fact for the FDIC. However, when Dudas is asked point blank whether the FDIC assigned the mortgage, here was his response:

Q Was the mortgage assigned from FDIC to Chase?

MS. GABSI: Objection to form.

A No.

50. Dudas testified that this assignment does not transfer any

23. Declaration of Private Investigator – William J. Paatalo

1 "ownership" rights in the mortgage, but rather ONLY transfers the "servicing
2 rights."

3
4 Q Let me get this clear what this
5 document means and says to me, that this
6 document represents an assignment of servicing
7 right, is that correct?

8 A Yes.

9
10 Q That this document does not reflect
11 an Assignment of Mortgage, is that correct?

12 MS. GABSI: Objecter to form.

13 A It's not an assignment ownership.
14

15 51. Nowhere in any of these assignments does it specifically disclose
16 that it is only servicing rights that are being assigned. JPMC clearly states in its
17 self-authored Kramer assignment that it is transferring beneficial interest in the
18 DOT and Note unto itself.
19

20 **VIII. Chase admits the loans were sold and securitized, then denies.**
21

22 52. In cases I have reviewed across the country, borrowers have made
23 and continue to make, inquiries to "Chase" seeking the identity of the investor(s)
24 of their WMB loan(s) only to be told,

25 "Your loan was sold into a public security managed by JPMorgan
26 Chase Bank, N.A. and may include a number of investors. As the

27 24. Declaration of Private Investigator – William J. Paatalo

servicer of your loan, Chase is authorized by the security to handle any related concerns on their behalf."

53. Attached as **Exhibit 19** are two letters provided by JPMC to other borrower clients of mine with this exact language. In both cases, after having made these disclosures to the borrowers, JPMC took the position in court that it was the sole owner of the loans by the authority granted in the PAA, and there were no investors associated with these loans because, "WaMu never sold or securitized the loans."

54. This same situation occurred in a case I was involved in Ontario, Canada. Attached as **Exhibit 20** is an affidavit of JPMC's Marilyn Lea in the Canada case. Per the Lea Affidavit ¶20 & 21, she states that the letters sent from Chase stating that the subject loan had been "sold into a public security managed by [Chase]" were "sent in error."

55. "Exhibit V" to the Affidavit shows an MSP Servicing System screenshot of the "Loan Transfer History." (LNTH). Per the Affidavit ¶23 (a)(b), Lea states that in November 2009 the loan "was transferred to Investor ID A11" and that "Investor A11 was Chase owned." She also attests that "Investor A70" was also Chase owned. In cases I have been involved investigating Chase and these investor codes involving loans that were owned or serviced by WaMu and its subsidiaries, almost all codes coming into question are attested to as "bank owned" / "Chase Owned," even when codes exist in the loan transfer history screenshots moving from "OLD/INV" to "NEW/INV" (Old Investor to New Investor). This is highly unlikely, unusual, and is indicia of a "cover-up."

56. Attached as **Exhibit 21** is a screenshot taken from JPMC's MSP System regarding a WaMu loan originated on 08/07/2007 in a case I was involved. Two of the codes in this screenshot are "AO1" and "A11." The "A11"

25. Declaration of Private Investigator -- William J. Paatalo

1 code existed in WaMu's system on 12/17/07 and was not a code created by
2 Chase as attested to in the Lea Affidavit. As explained further below, the "AO1"
3 code belonged to the WaMu subsidiary "Washington Mutual Asset Acceptance
4 Corporation," and I believe investor code "A11" was a private investor and not
5 "bank owned;" likely "Washington Mutual Mortgage Securities Corporation"
6 (WMMSC).

7 57. Attached as **Exhibits 22** are Pre-Receivership MSP screenshots in
8 two other cases I am involved. Each of these screenshots show investor code
9 "AO1" and in each case, Chase claims the loans were never sold or securitized,
10 and were "bank owned" and acquired through the PAA. This is false.

11 58. Like these cases, it is my opinion that the Kramer "Loan Transfer
12 History" screenshot within JPMC's MSP System, if produced, will very likely
13 show the investor code(s) "AO1" and/or "A11" signifying the securitization and
14 sale of the Kramer DOT and Note through WaMu's subsidiaries.

15
16 **IX. JPMC's "AO1 Stipulation" is an admission against its own**
17 **interests.**

18 59. Attached as **Exhibit 12** is a "Joint Trial Stipulation Re Issues Of
19 Facts" signed by JPMorgan Chase Bank on June 7, 2017 in the matter of Harry
20 M. Fox v. JPMorgan Chase Bank, N.A. et. al., CA SC LA, Case No. BC602491.
21 I was personally retained as an expert witness in the *Fox* case.

22 60. The following facts were admitted and stipulated to by
23 JPMorgan Chase Bank on P.2,

24 /

25 /

26 /

27 26. Declaration of Private Investigator – William J. Paatalo

1 ¶8-10:

2
3 "8. Investor Code AO1 in the Loan Transfer History File represents
4 WaMu Asset Acceptance Corporation."

5 "9. Investor Code 369 in the Loan Transfer History File represents
6 Washington Mutual Mortgage Securities Corporation."

7 "10. JPMorgan Chase Bank, N.A. did not purchase the loan from the
8 Federal Deposit Insurance Corporation."

9 61. JPMC has contested my opinion in similar cases prior to their
10 stipulation that the "AO1" code belonged to one of the WaMu subsidiaries
11 WMAAC or WMMSC. Numerous witnesses for JPMC have testified in
12 depositions and trials that my theory is incorrect because (1) the investor code
13 "AO1" was assigned to WMB (2) the code signified "bank owned," and (3) that
14 the loans were never sold or securitized.

15 62. Attached as **Exhibit 23** is the deposition transcript of JPMC
16 witness Peter Katsikas who contradicts JPMC's own stipulation regarding
17 Investor Code AO1. Per P. 45-46,

18 *Q. So what three characters -- well, let's put it another way. What*
19 *characters would indicate a Chase-owned asset -- a WaMu-owned asset? Excuse*
20 *me.*

21 *A. For these two loans?*

22 *Q. Yes.*

23 *A. AO1.*

24 *Q. AO1?*

25 *A. Yeah.*

26 *Q. And that AO1 stands for what?*

27 *A. That's just the three digit code, which is bank-owned.*

Q. AO1?

27. Declaration of Private Investigator -- William J. Paatalo

1 A. Uh-huh.

2 63. Peter Katsikas is the same witness used by JPMC in many cases,
3 and he takes the same position in the court transcript marked as **Exhibit 24, P.**
4 **81,**

5 THE COURT: Okay. And then A01 was an ID used specifically for loans that
6 came from WaMu?

7 THE WITNESS: As being bank-owned.

8 THE COURT: So bank-owned loans from Washington Mutual?

9 THE WITNESS: Correct. Yes, that's correct.

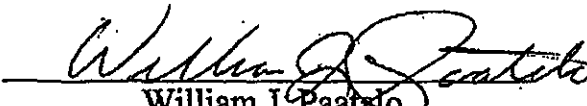
10 64. In the *Fox* case, a public trust was identified in the chain of title,
11 and the trust was declared the beneficiary of the *Fox* Deed of Trust. To sustain its
12 argument that the loan was properly securitized and sold to the trust, JPMC and
13 U.S. Bank, N.A. as Trustee both stipulated that the Depositor entity WMAAC
14 purchased and then sold the loan to the trust prior to the Receivership, and as
15 such, the loan was not a part of the purchase with the FDIC.

16
17 65. Strictly from a title perspective, the above evidence clearly shows
18 that WMB purposefully and intentionally chose not to document any chain of title
19 to the mortgages and deeds of trust and note(s) upon selling the loans prior to its
20 failure on September 25, 2008, and that JPMC has taken it upon itself to not only
21 "expunge records associated with WMB mortgages as a result of errors in
22 mortgage documentation occurring prior t[o, "] but also to "correct various
23 defects in the chains of title for WMB mortgages occurring prior t[o. "] This means
24 there is no chain of title that can be determined outside of fabricated paperwork. In
25 other words, the chain of title to tens of thousands of WaMu loans, including the
26

27 28. Declaration of Private Investigator – William J. Paatalo

1 Kramer DOT, are "clouded" and fatally defective due to WaMu no longer being in
2 existence. Yet in this case, the fatal defects did not impede the defunct WaMu from
3 assigning the Kramer DOT and Note ten years after its demise.

4
5 I declare under penalty of perjury, under the laws of the United State and Nevada
6 that the above is true and correct, and that this declaration was executed this 8th
7 day of June 2019.

8 
9 William J. Paatalo
Private Investigator – Oregon PSID# 49411

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27 29. Declaration of Private Investigator – William J. Paatalo

2020 JAN 15 AM 10:50

TANYA STEIN
COURT ADMINISTRATOR
THIRD JUDICIAL DISTRICT

LEO KRAMER
AUDREY KRAMER
2364 REDWOOD ROAD
HERCULES, CA 94547

PLAINTIFFS IN PRO PER

THIRD JUDICIAL DISTRICT COURT
LYON COUNTY, NEVADA

Case No.: 18-CV-00663

VS.

**PLAINTIFFS' NOTICE OF MOTION AND
MOTION TO STRIKE PORTIONS OF
DEFENDANT, NATIONAL DEFAULT
SERVICING CORPORATION'S FIRST
SUPPLEMENTAL DISCLOSURE OF
DOCUMENTS AND WITNESSES;
MEMORANDUM OF POINTS AND
AUTHORITIES IN SUPPORT THEREOF**

DECLARATION OF AUDREY KRAMER
FILED CONCURRENT HERewith:

Date: TBA
Time: TBA
Dept: I

**TO THE HONORABLE COURT, ALL PARTIES AND THEIR ATTORNEYS OF RECORD,
IF ANY:**

PLEASE TAKE NOTICE that on _____, 2020, at 9:00 a.m. or as soon thereafter as the matter may be heard, in Department 1 (one) of the above-entitled Court Plaintiffs, Leo Kramer and Audrey Kramer, (Plaintiffs), will and hereby move the court

3493

1 for an order striking portions of Defendant's First Supplemental Disclosure of
2 Documents and Witnesses

3 This motion is made on the grounds that, certain allegations, potential statements,
4 and documents contained within Defendant's First Supplemental Disclosure of
5 Documents and Witnesses are unwarranted, redundant, immaterial and impertinent in
6 this case in that they are only intended to confuse the court. Further, they are
7 scandalous and are intended to harass the Plaintiffs. Specifically, Plaintiffs are
8 requesting the Court strike the following pursuant to N.R.C.P 12(f):
9

- 10 1. Any and all order or Judgment of Hon. Miranda M. Du, Judge of the United
11 States District Court or any record or docket number bearing case number:
12 3:18-cv-00001-MMD-WGC U.S. The Order Hon. Miranda M. Du, Judge is
13 immaterial and impertinent in this case because this Court had already ruled
14 that Judge Du did not rule on the issues of "Notice of Default". The
15 gravamen of Plaintiffs' complaint is unlawful foreclosure and the failure to
16 serve Plaintiffs with the Notice of Default as required by Nevada law.
17
- 18 2. Any and all PACER Entry of and concerning the Private Investigator William
19 Paatalo that is proffered by Defendant and referenced herein as **Plaintiffs'**
20 **Exhibit A.** The document and all the contents therein, are unwarranted,
21 redundant, immaterial and impertinent in this case in that they are only
22 intended to confuse the court. Plaintiffs' case is distinguished from the cases
23 referenced in the documents, *Ibid.*
24
- 25 3. All rental income, email correspondence, etc. with Chaffin Realty and any
26 and all reference to Chaffin Realty must be stricken because they are
27 immaterial and impertinent as to whether NATIONAL DEFAULT
28 SERVICING CORPORATION served Plaintiffs with Notice of Default as

1 required by Nevada law prior to conducting the wrongful foreclosure of
2 Plaintiffs' real property.

- 3
- 4 4. pp.2-3., ¶¶ 3, 4, 6, 7, and 8, of Defendant, National Default Servicing
5 Corporation's First Supplemental Disclosure of Documents and Witnesses on
6 the grounds that these witnesses' statements as articulated by the Defendant
7 are unwarranted, redundant, immaterial and impertinent in this case in that
8 they provide no support to the fact that National Default Servicing
9 Corporation failed to provide Plaintiffs with the "Notice of Default" as
10 required by Nevada which are the central points of Plaintiffs' claim for
11 wrongful foreclosure and Declaratory Relief.
- 12
- 13 5. P. 5., Lines 5-12; p. 5, Lines 16-28, of Defendant, National Default Servicing
14 Corporation's First Supplemental Disclosure of Documents and Witnesses on
15 the grounds that these documents are unwarranted, redundant, immaterial and
16 impertinent in this case in that they provide no support to the fact that National
17 Default Servicing Corporation failed to provide Plaintiffs with the "Notice of
18 Default" as required by Nevada which are the central points of Plaintiffs'
19 claim for wrongful foreclosure and Declaratory Relief. Further, Plaintiffs
20 have no knowledge of the documents and challenge the authenticity of the (1)
21 Agreement and Disclosure; (2) Deed of Trust; (3) Substitution of Trustee, (4)
22 Notice of Default and Election to Sell under the Deed of Trust; (5)
23 Assignment of Deed of Trust; and (6) Notice of Trustee's Sale. Furthermore,
24 Plaintiffs are challenging the validity of (a) 14 Day Pre Foreclosure File, (b)
25 Deed of Trust; (c) Endorsed Note; (d) Fair Debt Letter(s); (f) TSG and
26 Endorsement; (g) Recorded Assignment(s); (h) Recorded SOT; (i) Written
27 Statement to the Borrower Per NRS 107.080.2(c)(3) (As Applicable) (j)
28 AB300 Affidavit of Authority, (k) NOD and (l) NOD 10 Day Mailings.

1 Additionally, these documents, *Id*, are immaterial and impertinent as to
2 whether Defendant, National Default Servicing Corporation complied with
3 Nevada law with respect to serving Plaintiffs with "Notice of Default" as
4 required by Nevada law.
5

6 6. P. 6., Lines 1-17, of Defendant, National Default Servicing Corporation's
7 First Supplemental Disclosure of Documents on the grounds that these
8 documents are unwarranted, redundant, immaterial and impertinent in this case
9 in that they provide no support to the fact that National Default Servicing
10 Corporation fail to provide Plaintiffs with the "Notice of Default" as required
11 by Nevada which are the central points of Plaintiffs' claim for wrongful
12 foreclosure and Declaratory Relief.
13

14 7. P. 7., Lines 2-28, of Defendant, National Default Servicing Corporation's
15 First Supplemental Disclosure of Documents and Witnesses on the grounds
16 that these documents are unwarranted, redundant, immaterial and impertinent
17 in this case in that they provide no support to the fact that National Default
18 Servicing Corporation fail to provide Plaintiffs with the "Notice of Default" as
19 required by Nevada which are the central points of Plaintiffs' claim for
20 wrongful foreclosure and Declaratory Relief.
21

22 8. P. 8., Lines 2-6, of Defendant, National Default Servicing Corporation's First
23 Supplemental Disclosure of Documents and Witnesses on the grounds that
24 these documents are unwarranted, redundant, immaterial and impertinent in
25 this case in that they provide no support to the fact that National Default
26 Servicing Corporation fail to provide Plaintiffs with the "Notice of Default" as
27 required by Nevada law which are the central points of Plaintiffs' claim for
28 wrongful foreclosure and Declaratory Relief.

1 This motion will be based upon this Notice, the Memorandum of Points and
2 Authorities filed herewith, all pleadings currently on file in this matter, and upon such
3 documentary and evidence as may be presented at the time of the hearing.
4

5
6 Dated: 1/14/2020

Leo Frederick Kramer

7 Leo Kramer, pro se
8
9

10

11

12

13

Dated: 1/14/2020

Audrey Kramer

14 Audrey Kramer, pro se
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28

MEMORANDUM OF POINTS AND AUTHORITIES

I-INTRODUCTION

This case arises out of the wrongful and unlawful foreclosure of Plaintiffs' real property. After discovery and due diligence investigation conducted by a private investigator William Paatalo who was retained by Plaintiffs, there is ample evidence that, JPMorgan Chase Bank in coordination with Defendant, National Default Servicing Corporation, engage in systematic Real Estate Fraud and recording of fraudulent Real Estate Documents that touch and concern Plaintiffs' real property in the state of Nevada. Based on the newly discovered evidence, Plaintiffs found it necessary to seek leave of court to amend their first amended complaint to add JPMorgan Chase Banks to the existing complaint because of judicial economy. The newly discovered evidence is material and pertinent to this case.

Because of the newly discovered evidence, Plaintiffs met and conferred with National Default Servicing Corporation before filing their motion to seek leave of Court to amend their complaint to add JPMorgan Chase. Subsequently, Defendant, National Default Servicing Corporation panicked and thereafter filed its Motion to *in limine* to exclude the testimony of William Paatalo. As if that was not enough, Defendant, National Default Servicing Corporation thereafter filed its First Supplemental Disclosure of Documents and Witnesses which are unwarranted, redundant, immaterial, and impertinent to Plaintiffs' case for Wrongful Foreclosure and Declaratory Relief. Moreover, the documents in Defendant, National Default Servicing Corporation's First Supplemental Disclosure of Documents and Witnesses were never made available to the Plaintiffs and Plaintiffs are challenging the validity of said documents.

As Defendant's motion *Ibid*, is replete with unwarranted, redundant, immaterial, and impertinent matter in this case and are only intended to confuse the court, Plaintiffs move to have portions of Defendant's First Supplemental Disclosure of Documents and Witnesses stricken because it is redundant, immaterial, impertinent, or scandalous

1 matter and have no possible bearing on the subject matter of the litigation for Wrongful
2 Foreclosure and Declaratory Relief premised upon Defendant, National Default
3 Servicing Corporation's failure to give Plaintiffs "Notice of Default" as required by
4 Nevada Law.

5
6 II- STATEMENT OF FACT

7 For the sake of brevity, Plaintiffs incorporate by reference the statement of facts
8 filed so far in this matter and further state the following:

9 This case arises out of the wrongful and unlawful foreclosure of Plaintiffs' real
10 property. Plaintiff filed their complaint on June 6, 2018.

11 Subsequently, the court found that Defendant National Default Servicing
12 Corporation did not provide Plaintiffs with Notice of default as required by Nevada law
13 and allowed Plaintiffs to amend their complaint.

14 After the filing of the First Amended complaint, Plaintiffs retained Mr. William J.
15 Paatalo, (Mr. Paatalo), is a licensed private investigator with Seventeen (17) years of
16 combined experience in both law enforcement and the mortgage industry. Mr. Paatalo
17 is a well-qualified expert witness and one of the leading experts in the areas of chain of
18 title analysis, foreclosure fraud, chain of title, the securitization of residential and
19 commercial mortgage loans, and accounting issues relevant to alleged "defaults, and has
20 spent more than 15,000 hours conducting investigatory research specifically related to
21 mortgage securitization and chain of title analysis.

22 Mr. Paatalo is also Plaintiffs' Fact Witness with knowledge to assist this
23 Honorable Court and the jury to determine a fact in issue in this case.

24 In their initial witness disclosure, Plaintiffs provided Defendants with the Name
25 and occupation of Mr. Paatalo in July of 2019. Neither National Default Servicing
26 Corporation, nor Breckenridge Property Fund 2016 LLC objected to Mr. Paatalo being
27 Plaintiffs' Witness.

28 Upon conducting Discovery and having reviewed the expert Report from Mr.

1 Paatalo, Plaintiffs decided to exercise the right as provided pursuant to Nev. R. Civ. P.
2 15(a)(2) for Leave to File Amended Complaint to include JPMorgan Chase Bank as a
3 necessary and indispensable party as party to the fraud, deceit, and intentional
4 misrepresentation and fraud upon the court that has just been discovered by the Plaintiffs.
5 It was during the meet and confer prior to Plaintiffs Motion for Leave to Amend
6 pursuant to Nev. R. Civ. P. 15(a)(2) that National panicked and decided to file its
7 frivolous motion in limine to exclude Mr. Paatalo as an expert witness and subsequent
8 First Supplemental Disclosure of Documents and Witnesses.

9 Accordingly, Plaintiffs seek to strike portions of Defendant, National Default
10 Servicing Corporation's First Supplemental Disclosure of Documents and Witnesses.

11 12 III-ARGUMENT

13 A. PORTIONS OF DEFENDANT, NATIONAL DEFAULT SERVICING
14 CORPORATION'S FIRST SUPPLEMENTAL DISCLOSURE OF
15 DOCUMENTS AND WITNESSES SHOULD BE STRICKEN
16 BECAUSE IT IS REDUNDANT, IMMATERIAL, IMPERTINENT,
17 SCANDALOUS AND HAVE NO POSSIBLE BEARING ON THE
18 SUBJECT MATTER OF THIS LITIGATION FOR WRONGFUL
19 FORECLOSURE AND DECLARATORY RELIEF

20 N.R.C.P. 12(f) provides in pertinent part that "[u]pon motion made by a party,..
21 the court may order stricken from any pleading any insufficient defense or any
22 redundant, immaterial, impertinent, or scandalous matter." "The disfavored character of
23 Rule 12(f) is relaxed somewhat in the context of scandalous allegations and matter of
24 this type often will be stricken from the pleadings in order to purge the court's files and
25 protect the subject of the allegations." Wright and A. Miller, *Federal Practice and*
26 *Procedure (Civil)* 2d § 1382, at 714 (1990). "Scandalous" matter "improperly casts a
27 derogatory light on someone, most typically on a party to the action." *Armed Forces*
28 *Bank. N.A. v. FSG-4, LLC*, 2011 U.S. Dist. LEXIS 130636, 9-10 (D. Nev. 2011).

1 Here, Plaintiffs contend that, any and all order or Judgment of Hon. Miranda M.
2 Du, Judge of the United States District Court or any record or docket number bearing
3 case number: 3:18-cv-00001-MMD-WGC because the Order Hon. Miranda M. Du,
4 Judge is immaterial and impertinent in this case. Furthermore, this Court had already
5 ruled that Judge Du did not rule on the issues of "Notice of Default". The gravamen of
6 Plaintiffs' complaint is unlawful foreclosure and the failure to serve Plaintiffs with the
7 Notice of Default as required by Nevada law. Additionally, any and all PACER Entry
8 of and concerning the Private Investigator William Paatalo that is proffered by
9 Defendant and referenced herein as **Plaintiffs' Exhibit A** must be stricken. The
10 document and all the contents therein, are unwarranted, redundant, immaterial and
11 impertinent in this case in that they are only intended to confuse the court. Plaintiffs'
12 case is distinguished from the cases referenced in the documents, *Ibid.* Moreover, pp.2-
13 3., ¶¶ 3, 4, 6, 7, and 8, of Defendant, National Default Servicing Corporation's First
14 Supplemental Disclosure of Documents and Witnesses should be stricken on the
15 grounds that these witnesses' statements as articulated by the Defendant are
16 unwarranted, redundant, immaterial and impertinent in this case in that they provide no
17 support to the fact that National Default Servicing Corporation failed to provide
18 Plaintiffs with the "Notice of Default" as required by Nevada which are the central
19 points of Plaintiffs' claim for wrongful foreclosure and Declaratory Relief.

20 "[T]he function of a 12(f) motion to strike is to avoid the expenditure of time and
21 money that must arise from litigating spurious issues by dispensing with those issues
22 prior to trial." *Mag Instrument, Inc. v. JS Products, Inc.*, 595 F.Supp.2d 1102, 1106
23 (C.D. Cal. 2008). While "[t]he granting of [a motion to strike] is within the discretion of
24 the court," *F.D.I.C. v. Niblo*, 821 F.Supp. 441, 449 (N.D. Tex. 1993), courts
25 consistently state that a motion to strike is sparingly granted and disfavored. See
26 *Tracfone Wireless, Inc. v. Access Telecom, Inc.*, 642 F.Supp.2d 1354, 1361 (S.D. Fla.
27 2009); *Nevada Fair Hous. Ctr., Inc., v. Clark Cnty.*, 565 F. Supp.2d 1178, 1187 (D. Nev.
28 2008). Here, motion to strike is proper because p. 5., Lines 5-12; p. 5, Lines 16-28, and

1 the portion of Defendant, National Default Servicing Corporation's First Supplemental
2 Disclosure of Documents and Witnesses *Ibid*, are unwarranted, redundant, immaterial
3 and impertinent in this case in that they provide no support to the fact that National
4 Default Servicing Corporation failed to provide Plaintiffs with the "Notice of Default"
5 as required by Nevada law which are the central points of Plaintiffs' claim for wrongful
6 foreclosure and Declaratory Relief. Further, Plaintiffs have no knowledge of the
7 documents and challenge the authenticity of the (1) Agreement and Disclosure; (2)
8 Deed of Trust; (3) Substitution of Trustee, (4) Notice of Default and Election to Sell
9 under the Deed of Trust; (5) Assignment of Deed of Trust; and (6) Notice of Trustee's
10 Sale. Furthermore, Plaintiffs are challenging the validity of (a) 14 Day Pre Foreclosure
11 File, (b) Deed of Trust; (c) Endorsed Note; (d) Fair Debt Letter(s); (f) TSG and
12 Endorsement; (g) Recorded Assignment(s); (h) Recorded SOT; (i) Written Statement to
13 the Borrower Per NRS 107.080.2(c)(3) (As Applicable) (j) AB300 Affidavit of
14 Authority, (k) NOD and (l) NOD 10 Day Mailings. Additionally, these documents, *Id*,
15 are immaterial and impertinent as to whether Defendant, National Default Servicing
16 Corporation complied with Nevada with respect to serving Plaintiffs with "Notice of
17 Default" as required by Nevada law. Furthermore, **P. 6., Lines 1-17**, of Defendant,
18 National Default Servicing Corporation's First Supplemental Disclosure of Documents
19 on the grounds that these documents are unwarranted, redundant, immaterial and
20 impertinent in this case in that they provide no support to the fact that National Default
21 Servicing Corporation fail to provide Plaintiffs with the "Notice of Default" as required
22 by Nevada law which are the central points of Plaintiffs' claim for wrongful foreclosure
23 and Declaratory Relief.

24 Additionally, **P. 7., Lines 2-28**, of Defendant, National Default Servicing
25 Corporation's First Supplemental Disclosure of Documents and Witnesses on the
26 grounds that these documents are unwarranted, redundant, immaterial and impertinent
27 in this case in that they provide no support to the fact that National Default Servicing
28 Corporation failed to provide Plaintiffs with the "Notice of Default" as required by

1 Nevada law which are the central points of Plaintiffs' claim for wrongful foreclosure
2 and Declaratory Relief. P. 8., Lines 2-6, of Defendant, National Default Servicing
3 Corporation's First Supplemental Disclosure of Documents and Witnesses on the
4 grounds that these documents are unwarranted, redundant, immaterial and impertinent
5 in this case in that they provide no support to the fact that National Default Servicing
6 Corporation failed to provide Plaintiffs with the "Notice of Default" as required by
7 Nevada law which are the central points of Plaintiffs' claim for wrongful foreclosure
8 and Declaratory Relief. Courts routinely granted motion to Strike when the pleading to
9 be stricken [sic] has no possible relation to the controversy. Please see for example,
10 Brown & Williamson Tobacco Corp., v. United States, 201 F.2d 819, 822 (6th Cir.
11 1953), and when justice requires or by a showing of prejudice by the moving party. See
12 Tracfone Wireless, 642 F.Supp.2d at 1361; Mag Instrument, 595 F.Supp.2d at 1106.
13 While the Nevada Supreme Court has not directly addressed the standard of review for a
14 motion to strike, the Ninth Circuit reviews a lower court's decision regarding a motion
15 to strike for abuse of discretion. JG v. Douglas Sch. Dist., 552 F.3d 786, 803 n.14 (9th
16 Cir. 2008).

17 In the instant case, portions of Defendant, National Default Servicing
18 Corporation's First Supplemental Disclosure of Documents and Witnesses should be
19 stricken because it not only shows prejudice, has no possible relation to the controversy
20 in Plaintiffs' claims for wrongful foreclosure and Declaratory Relief based on National
21 Default Servicing Corporation's failure to serve Plaintiffs with Notice of Default as
22 required by the laws of the State of Nevada.

23 Motion to Strike is governed by Nevada Rules of Civil Procedure Rule 12(f).
24 "The disfavored character of Rule 12(f) is relaxed somewhat in the context of
25 scandalous allegations and matter of this type often will be stricken from the pleadings
26 in order to purge the court's files and protect the subject of the allegations." Wright and
27 A. Miller, *Federal Practice and Procedure (Civil)* 2d § 1382, at 714 (1990).
28 "Scandalous" matter "improperly casts a derogatory light on someone, most typically on

1 a party to the action." *Armed Forces Bank. N.A. v. FSG-4, LLC*, 2011 U.S. Dist. LEXIS
2 130636, 9-10 (D. Nev. 2011). Here, Plaintiffs contends that, the court may strike out
3 any irrelevant, false, or improper matter inserted in National Default Servicing
4 Corporation's First Supplemental Disclosure of Documents and Witnesses, because all
5 or any part of the pleading is not drawn or filed in conformity with the laws of the State
6 of Nevada. Further, a bad faith filing of fraudulent documents not previously provided
7 to Plaintiffs is unconscionable and said documents to the extent that they are
8 unwarranted, redundant, immaterial and impertinent and should be stricken.
9 Defendant's First Supplemental Disclosure of Documents and Witnesses is only
10 intended to confuse the court; it is scandalous and intended to harass the Plaintiffs
11 therefore, should be stricken in its entirety.

12
13 IV. CONCLUSION

14 Based on the foregoing, it is respectfully requested that this motion to strike
15 portions of Defendant, National Default Servicing Corporation's First Supplemental
16 Disclosure of Documents and Witnesses be granted.
17

18
19
20 Date: 1/14/2020

Date: 1/14/2020

21
22
23 Leo Frederick Kramer

24 Leo Kramer, Pro se

25 Audrey Kramer
26 Audrey Kramer, Pro se

1 LEO KRAMER
2 AUDREY KRAMER
3 2364 REDWOOD ROAD
4 HERCULES, CA 94547

5 PLAINTIFFS IN PRO PER

6
7 THIRD JUDICIAL DISTRICT COURT
8 LYON COUNTY, NEVADA
9

10 LEO KRAMER,
11 AUDREY KRAMER,

12
13 Plaintiffs,

14 vs.

15
16 NATIONAL DEFAULT SERVICING
17 CORPORATION, ALYSSA MC DERMOTT,
18 WEDGWOOD INC., BRECKENRIDGE
19 PROPERTY FUND 2016 LLC, and DOES 1
20 THROUGH 50 INCLUSIVE,

21
22 Defendants.
23

) Case No.: 18-CV-00663

)
) DECLARATION OF AUDREY KRAMER IN
) SUPPORT OF PLAINTIFFS' NOTICE OF
) MOTION AND MOTION TO STRIKE
) PORTIONS OF DEFENDANT, NATIONAL
) DEFAULT SERVICING CORPORATION'S
) FIRST SUPPLEMENTAL DISCLOSURE OF
) DOCUMENTS AND WITNESSES;

)
) MEMORANDUM OF POINTS AND
) AUTHORITIES IN SUPPORT THEREOF

) Dept: 1

24
25 DECLARATION OF AUDREY KRAMER
26
27
28

1 I, AUDREY KRAMER declare as follows:

- 2 1. I am over the age of 18 years.
- 3 2. If called as a witness, I could and would competently testify thereto.
- 4 3. I make this declaration in support of PLAINTIFFS' NOTICE OF MOTION AND
- 5 MOTION TO STRIKE PORTIONS OF DEFENDANT, NATIONAL DEFAULT
- 6 SERVICING CORPORATION'S FIRST SUPPLEMENTAL DISCLOSURE OF
- 7 DOCUMENTS AND WITNESSES; MEMORANDUM OF POINTS AUTHORITIES IN
- 8 SUPPORT THEREOF Evidence.
- 9 4. Plaintiffs received Defendant, National Default Servicing Corporation's FIRST
- 10 SUPPLEMENTAL DISCLOSURES OF DOCUMENTS AND WITNESSES late afternoon
- 11 on Monday, January 6, 2020. Defendant's attorney, Mr. Ace Van Patten signed the
- 12 Supplemental of Disclosures of Documents and Witnesses as December 27, 2019, as did
- 13 Nicole Lane (person swearing under penalty of perjury) the document was mailed on
- 14 December 27, 2019. NDSC utilizes a self-stamping service called "Pitney Bowes". The
- 15 Pitney Bowes stamp notes a postage stamp of December 31, 2019, as the date of mailing;
- 16 however, the US Postal Service notes January 2, 2020, as the actual date the NDSC
- 17 envelope was actually placed with the US Postal Service for mailing. **PLEASE SEE**
- 18 **EXHIBIT A**
- 19 5. Plaintiffs brought the above mailing discrepancy to the attention of Mr. Ace Van Patten via
- 20 email on Monday, January 6, 2020.

21 I declare under penalty of perjury under the laws of the United States of America and under the

22 laws of the State of Nevada that the foregoing is true and correct.

23 Executed: on 1/14/2020, at CONTRA COSTA County, State

24 of California

25

26 

27 AUDREY KRAMER

28

PROOF OF SERVICE

The UPS Store

1511 Sycamore Ave. Ste M
Hercules, CA 94547
store2796@theupsstore.com



STATE OF CALIFORNIA)

) SS:

COUNTY OF CONTRA COSTA)

I am employed in the County of Alameda, State of California. I am over the age of 18 and not a party to the within action; my business address is

On 1/14/2020, I served the foregoing document entitled:

PLAINTIFFS' NOTICE OF MOTION AND MOTION TO STRIKE PORTIONS OF DEFENDANT, NATIONAL DEFAULT SERVICING CORPORATION'S FIRST SUPPLEMENTAL DISCLOSURE OF DOCUMENTS AND WITNESSES; MEMORANDUM OF POINTS AND AUTHORITIES IN SUPPORT THEREOF

DECLARATION OF AUDREY KRAMER FILED CONCURRENT HERewith;

on all parties in this action as follows:

PLEASE SEE ATTACHED SERVICE LIST

Mail. By placing a true copy thereof enclosed in a sealed envelope. I am "readily familiar" with the firm's practice of collection and processing for mailing. Under that practice it would be deposited with the U.S. Postal Service on that same day with first class postage thereon fully paid at Hercules, California in the ordinary course of business. I am aware that on motion of the party served, service is presumed invalid if the postal cancellation date or the postage meter is more than one day after day of deposit for mailing in this Proof of Service.

By Telefax. I transmitted said document by telefax to the offices of the addressees at the telefax numbers on the attached Service List.

By Personal Service. I delivered such envelope by hand to the addressee(s).

X By Overnight Courier. I caused the above-referenced document(s) to be delivered to an overnight courier service for next day delivery to the addressee(s) on the attached Service List.

I declare under penalty of perjury under the laws of the State of California and the Under the Laws of the State of Nevada that the foregoing is true and correct.

Executed on January 14, 2020, at Hercules, California.

Anna M. Beliel

Name of Declarant

Anna M. Beliel

Signature of Declarant

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SERVICE LIST

Ace Van Patten
Kevin S. Soderstrom
Tiffany & Bosco, P.A.
10100 W. Charleston Blvd, Ste. 220
Las Vegas, NV 89135

Attorneys for Defendant,
NATIONAL DEFAULT SERVICING CORPORATION

John T. Steffen
Mathew K. Schriever
Hutchison & Steffen
10080 West Alta Drive, Suite 200
Las Vegas, NV 89145

Attorneys for Defendant,
BRECKENRIDGE PROPERTY FUND 2016 LLC

ENVELOPE WITH TWO SEPARATE POSTMARKS
DECEMBER 31, 2019 AND JANUARY 2, 2020

EXHIBIT A

Jeffery & Bosco, P.A.
10100 W. Charleston Blvd Ste. 270
Las Vegas, Nevada 89137

Audrey and Leo Kramer
1164 Redwood Road
Hercules, CA 94547

94547-1164

1164 Redwood Road
Hercules, CA 94547

1 000.00

ORIGINAL

FILED

2020 JAN 16 PM 2:31

TANYA SCEIRINE
COURT ADMINISTRATOR
THIRD JUDICIAL DISTRICT

Victoria Toran CLERK

1 ACE C. VAN PATTEN, ESQ.
Nevada Bar No. 11731
2 ROBIN V. GONZALES, ESQ.
Nevada Bar No. 15229
3 **TIFFANY & BOSCO, P.A.**
4 10100 W. Charleston Blvd., Ste. 220
Las Vegas, NV 89135
5 Tel: (702) 258-8200
6 Fax: (702) 258-8787
TB #18-72716
7 *Attorneys for Defendant*
8 *National Default Serving Corporation*

9
10 **THIRD JUDICIAL DISTRICT COURT**

11 **LYON COUNTY, NEVADA**

12 LEO KRAMER,
13 AUDREY KRAMER,

14 Plaintiffs,

15 vs.

16 NATIONAL DEFAULT SERVICING
17 CORPORATION, ALYSSA MC DERMOTT,
18 WEDGWOOD INC., BRECKENRIDGE
19 PROPERTY FUND 2016 LLC, and DOES 1
THROUGH 50 INCLUSIVE,

20 Defendants.
21
22

Case No.: 18-CV-00663

Dept. No.: I

NATIONAL DEFAULT SERVICING
CORPORATION'S REPLY TO
PLAINTIFFS' OPPOSITION

23 COMES NOW Defendant National Default Servicing Corporation (hereinafter "NDSC"
24 or the "Defendant"), by and through its counsel of record, Ace C. Van Patten, Esq., and Robin
25 V. Gonzales, Esq., of Tiffany & Bosco, P.A., and hereby submits the following Reply to
26 Plaintiffs' Opposition to Defendant's Motion in Limine ("Motion") seeking to exclude and
27 disqualify Plaintiffs Leo Kramer's and Audrey Kramer's (hereinafter collectively the
28 "Plaintiffs") potential expert witness, William J. Paatalo.

TIFFANY & BOSCO, P.A.
10100 W. Charleston Boulevard, Suite 220
Las Vegas, NV 89135
Tel 702-258-8200 Fax 702-258-8787

TIFFANY & BOSCO, P.A.
10100 W. Charleston Boulevard, Suite 220
Las Vegas, NV 89135
Tel 702-258-8200 Fax 702-258-8787

1 This Reply is made and based upon the papers and pleadings on file herein, the
2 Memorandum of Points and Authorities, the attached documents, and any other additional
3 information or oral argument as may be requested by the Court.

4 DATED January 13, 2020.

5 TIFFANY & BOSCO, P.A.

6
7 
8 ACE C. VAN PATTEN, ESQ.

9 Nevada Bar No. 11731

10 ROBIN V. GONZALES, ESQ.

11 Nevada Bar No. 15229

12 10100 W. Charleston Blvd., Ste. 220

13 Las Vegas, NV 89135

14 Attorneys for Defendant

15 National Default Servicing Corporation

16 **MEMORANDUM OF POINTS AND AUTHORITIES**

17 **I.**

18 **INTRODUCTION**

19 NDSC filed its Motion to preclude any testimony from Plaintiffs' potential expert
20 witness, William J. Paatalo, because Paatalo fails to qualify as an expert, his testimony is not
21 necessary to assist a trier of fact, and he is biased. In opposition, Plaintiffs argue that
22 Defendant's motion should be denied and simply re-states Paatalo's curriculum vitae as proof of
23 his qualification and makes a bare conclusory assertion that his testimony assists a trier of fact.
24 Plaintiffs also make several factual assertions that are either misleading, legally irrelevant or
25 blatantly false. Defendant's Motion should be granted and Paatalo disqualified and precluding
26 from testifying either as an expert or a fact witness because Plaintiffs cannot show that Paatalo
27 is a qualified expert to testify in the instant matter and they cannot show that his testimony will
28 assist the Court in adjudicating the remaining cause of action in this case and cannot show that
he is a fact witness in the alternative. Further, Paatalo's testimony is wholly irrelevant to the
remaining cause of action being decided by this Court. As such, he must be disqualified and

1 precluding from providing any testimony as part of the instant action either as an expert or a
2 fact witness.

3 II.

4 LEGAL ARGUMENT AND ANALYSIS

5 A. NDSC's Motion in Limine to exclude and disqualify Paatalo is procedurally
6 proper.

7 As part of their Opposition, Plaintiffs first assert that NDSC's Motion is untimely and
8 improper based on the failure to comply with an unspecified Rule 2.47 and several
9 mischaracterizations of facts or of the law. None of Plaintiffs' assertions, even if taken to be
10 true, cause the NDSC's Motion to be untimely or improper.¹

11 Plaintiffs first suggest that NDSC did not attempt to meet and confer as required with an
12 unnamed and specified Rule 2.47(b). This appears, however, to be a reference to Rule 2.47 of
13 the Eighth Judicial District Court Rules ("EDCR"). Plaintiffs' reliance on EDCR is
14 unwarranted. Defendant did not include either an unsworn declaration or an affidavit of moving
15 counsel when it filed its Motion because it was not required to under the local rules of this
16 Court—the Third Judicial District Court Rules ("TJDCR"). The EDCR is not binding upon this
17 Court and this Court follows its own local rules of practice. Furthermore, while Rule 2.47 of the
18 EDCR requires a conference or good-faith effort to confer with Plaintiffs when filing a motion
19 in limine, there is no such requirement when filing a motion in limine under the local rules of
20 this Court. *Compare* Eight Judicial District Court Rules *with* Third Judicial District Court
21 Rules.

22 Plaintiffs' other factual assertions, though inaccurate, do not render Defendant's Motion
23 as improper or untimely. Plaintiffs appear to assert that Defendant did not immediately object to
24 Plaintiff listing Paatalo as a witness in its initial disclosures, that Defendant only filed its
25 Motion after Plaintiff reached out to Defendant's counsel regarding amending its First Amended

26
27 ¹ Plaintiffs also inexplicably claim in their Opposition that this Court found that Defendant did
28 not provide Plaintiffs with notice of the Notice of Default required by Nevada law. There is no
such finding and, indeed, is the entire basis for the remaining cause of action.

1 Complaint, and that Defendant has failed to provide Plaintiffs with a trial brief. None of these
2 factual assertions, if taken as true, cause Defendant's Motion to be untimely or improper.

3 There is no requirement under the TJDCR or the Nevada Rules of Civil Procedure
4 ("NRCP")—or even the EDCR for good measure—that objections to expert witnesses must be
5 made immediately after an opposing party's initial disclosures. NDSC was not required to make
6 these objections at the time and its current request was timely made well in advance of the
7 closing of discovery, much less any dispositive deadline and/or subsequent trial. Indeed, despite
8 the Plaintiffs' suggestion to the contrary, there is also no requirement under the TJDCR or the
9 NRCP that a trial brief be provided during the discovery phase of litigation or before a Motion
10 in Limine could be filed. Discovery is still ongoing in the current case and it is this very reason
11 why a trial brief cannot and has not been provided. This issue is also irrelevant to Plaintiffs'
12 assertion that Defendant's Motion is untimely or improper.

13 Finally, as to Plaintiffs' assertion that Defendant only filed its Motion after Plaintiff
14 reached out to Defendant's counsel regarding amending its First Amended Complaint, this too
15 is factually inaccurate and irrelevant to the consideration of the Motion before the Court.² Not
16 only does this assertion ignore that the Motion had already been filed, but the Plaintiffs fail to
17 suggest, must less actually establish, how such a timeline, even if it had occurred, would have
18 any impact on the instant Motion. Ultimately, none of Plaintiffs' false assertions and
19 misunderstood arguments succeed in establishing Defendant's Motion to be procedurally
20 improper or untimely since the Motion was properly brought.

21 /././

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25
26 ² Ignoring the relevancy of this assertion, far from panicking, NDSC had already not only
27 prepared and signed, but had also delivered to a courier its Motion in Limine prior to Plaintiffs'
28 reaching out to request a further amendment to the Complaint. *See e.g.*, Exhibit C to Plaintiffs'
Opposition noting that "in fact, [NDSC] have sent out to be filed a Motion to Disqualify Mr.
Paatalo" and that a copy of the Motion would be received shortly.

1 B. Paatalo's testimony should be excluded because he fails to qualify as an expert and
2 his testimony is not necessary to assist a fact finder in determining whether the
3 foreclosure sale was lawfully conducted.

4 1. Plaintiffs cannot show that Paatalo meets the qualification requirement.

5 Substantively, in their Opposition Plaintiffs only argument that Paatalo qualifies as an
6 expert is that he meets the qualification requirement of the *Hallmark* test for allowing an expert
7 witness to testify. *See Hallmark v. Eldridge*, 124 Nev. 492, 498, 189 P.3d 646, 650 (Nev. 2008).
8 To support their argument that he qualifies, Plaintiffs regurgitate Paatalo's curriculum vitae and
9 cite his experience working in and investigating loan mortgages as proof that he possesses
10 scientific, technical or other specialized knowledge in chain of title analysis. As previous courts
11 faced with the question of Paatalo's qualification as an expert witness have recognized, he does
12 not possess and does not rely upon such knowledge in reaching his flawed conclusions and that
13 even if it does, this, alone, is not enough to qualify a party as an expert.

14 Plaintiffs recognize that, in determining whether a person is properly qualified in an area
15 of "scientific, technical or other specialized knowledge," a district court should consider the
16 following factors: (1) formal schooling and academic degrees, (2) licensure, (3) employment
17 experience, and practical experience and specialized training. *Hallmark*, 124 Nev. at 499, 189
18 P.3d at 650-51. Here, Plaintiffs do not dispute that Paatalo has any formal schooling, academic
19 degrees or licensures that qualify him as an expert. His own Declaration confirms he is "not an
20 expert in the law." *See*, Exhibit 1, 21, ¶ 45. Instead, they point to his claimed work experience
21 as a "loan officer" and his experience investigating mortgage issues as proof that he possesses
22 specialized knowledge. But Plaintiffs point to no evidence whatsoever that Paatalo is competent
23 to testify on chain of title analyses simply because he claimed to work in and investigate these
24 issues in the past. In fact, this lack of pertinent qualifications is what the California Court of
25 Appeals relied upon when it affirmed a lower court's conclusion that he was unqualified to
26 provide an expert opinion, noting that his mortgage related experience was "insufficient to
27 establish specialized knowledge, training, or experience in properly researching and analyzing
28

1 mortgage securitization related issues.” *Qumsia v. Selene Fin. LP*, 2018 WL 4102759, at *4
2 (Cal. Ct. App. Aug. 29, 2018)(unpublished)(emphasis in the original).

3 Additionally, Paatalo does not even rely on any specialized knowledge, skill, experience
4 in providing his flawed conclusions. Paatalo’s Declaration provides his opinion as to the chain
5 of title and actions taken by two non-parties, Washington Mutual Bank and JP Morgan Chase,
6 on issues which were adjudicated in the case initiated by the Plaintiffs in federal court. Even
7 ignoring that these issues have been adjudicated in favor of JP Morgan Chase, the Declaration
8 indicates that Paatalo relied upon a variety of documents gathered from the Plaintiffs,
9 unspecified websites, publically available sources, and court filings in unrelated cases in order
10 to come to his opinion. These types of documents and information available to the public do not
11 form the basis of any opinion reached by “scientific, technical or other specialized knowledge.”
12 Paatalo’s reliance upon these types of documents has been the foundation for his
13 disqualification in several other cases mounted by plaintiffs with similar claims as those
14 presented here. *See e.g., Tadros v. Wilmington Tr., Nat’l Ass’n*, 2018 WL 1924464, at *3–4 (D.
15 Or. Apr. 23, 2018)(noting that his reliance on information from the internet fails to rise to the
16 leve of ‘scientific, technical, or other specialized knowledge”); *JP Morgan Chase Bank v.*
17 *Stevens* (“*Stevens*”), 2017 Ohio 7165, ¶¶ 24-28 (Ohio Ct. App. 2017). The documents relied
18 upon as the foundation for Paatalo’s opinion, then, require no unusual or special knowledge and
19 he cannot qualify as an expert as a result.

20 2. Ignoring Paatalo’s lack of qualification, his testimony should also be
21 excluded because it is irrelevant and does not assist the Court.

22 Even ignoring Paatalo’s lack of qualification to testify as an expert witness, the
23 *Hallmark* test requires that an expert witness’s testimony must also assist the trier of fact in
24 understanding the evidence or determining a fact in issue. *Hallmark*, 124 Nev. at 500–02, 189
25 P.3d at 651–52. An expert’s testimony will assist the trier of fact only when it is relevant and the
26 product of reliable methodology, including whether it is “based more on particularized facts
27 rather than assumption, conjecture, or generalization.” *Id.* Plaintiffs’ Opposition, however, is
28

1 wholly devoid to any analysis or explanation as to how his testimony is relevant and how it will
2 assist the Court or any fact finder in this case.

3 Plaintiffs do not articulate any argument apart from a bare conclusory assertion that
4 Paatalo's testimony will assist the trier of fact in understanding the evidence or to determine a
5 fact in issue in this case. On the contrary, the information provided in Paatalo's Declaration is
6 irrelevant for the only remaining cause of action in this case which relates to whether Defendant
7 complied with the statutory requirements under NRS 107 when it conducted the foreclosure
8 sale. The Declaration's focus on the underlying loan documents and transactions are irrelevant
9 for that purpose since those issues have already been litigated and adjudicated in favor of the
10 beneficiary—who are not even a party to this action.

11 Indeed, even if those issues had not been adjudicated fully in the federal court action,
12 Paatalo's contentions regarding the validity of the transfers of the underlying documents are
13 irrelevant since the Plaintiffs are not parties to any of the documents transferring the interest in
14 the Note and Deed of Trust held by the lender and lienholder. *See, Wood v. Germann*, 130 Nev.
15 553, 557, 331 P.3d 859, 862 (Nev. 2014). Plaintiffs do not establish how they have standing to
16 enforce a purchase agreement or challenge a transfer of the rights in the Note or Deed of Trust.
17 Indeed, they cannot because they are not intended third-party beneficiaries to those transactions
18 transferring the interest in the Note and/or Deed of Trust, they are merely parties to the
19 underlying note and deed of trust. Paatalo's testimony, then, is irrelevant in context of the
20 instant litigation, something other courts have recognized. *See e.g., Stevens*, 2017 Ohio 7165 at
21 ¶¶27-28 (finding that Paatalo's testimony was "irrelevant and not material to the facts at hand"
22 where Ohio law was clear that the borrower lacked standing to challenge an assignment of the
23 note and mortgage). Thus, Paatalo's Declaration does not provide any assistance for the Court
24 in determining whether notices were properly sent and a sale properly conducted. For this
25 reason alone, Paatalo should be disqualified and his testimony excluded

26 Moreover, Paatalo has not shown any reliable methodology on which his opinions are
27 grounded on, and only bases his assumptions and generalizations about the chain of title issues
28 on publicly-available documents which require no specialized training, experience, or

1 education. A trier of fact can form their own opinions based on these publicly available
2 documents.

3 Indeed, Paatalo's Declaration confirms that his testimony is not based upon on
4 particularized facts relevant to the case at hand but instead are based upon the same
5 "assumption, conjecture, or generalization" the Nevada Supreme Court has indicated does not
6 satisfy the expert witness requirements. *Hallmark*, 124 Nev. at 500-02, 189 P.3d at 651-52. In
7 the course of conducting his review, Paatalo relies upon unrelated cases, websites, and filings
8 which Paatalo unjustifiably speculates, generalize, and assumes are probably comparable. *See*
9 *e.g.*, Declaration, p 18, ¶37 (noting that he believes the two unrelated cases he looked at
10 "represent a common theme in the hundreds of cases I have investigated involving alleged
11 securitization of loans with WMB/JPMC involvement. **I believe it is likely that the same holds**
12 **true in all cases.**"); ¶19: "... most, if not all, residential mortgage loans originated by WMB
13 were sold and securitized..."; ¶45: "I am not an expert in the law. However, I am informed by
14 various counsel in similar foreclosure cases that..." There is no indication or explanation as to
15 how investigations conducted in the context of other cases on other loans would be applicable to
16 the instant loan, instead Paatalo relies upon unfounded assumptions, conjecture, and
17 generalizations to support his opinion. These defects have led other courts to find him
18 unqualified to provide expert testimony. *See e.g., In re Quinteros*, 2019 WL 5874609, at *6
19 (Bankr. D.D.C. Nov. 8, 2019)(noting Paatalo's testimony was "silly" and "wandered into his
20 personal perceptions regarding the effects of those documents, perceptions that were mostly
21 inadmissible speculation and impermissible opinion testimony").

22 Ultimately, Paatalo's testimony should be excluded because his opinions are unreliable,
23 irrelevant and will not assist a trier of fact. Consequently, because he does not qualify as an
24 expert witness, does not provide any relevant testimony, and has not shown it is based upon any
25 reliable methodology, Paatalo should be disqualified as an expert and his testimony excluded.

26 /./

27 /./

28 /./

1 **C. Paatalo fails to qualify as a fact witness.**

2 Plaintiffs also assert that Paatalo should be allowed to testify as a fact witness if he does
3 not testify as an expert, in a transparent effort to disguise an opinion as personal knowledge. To
4 support this argument, Plaintiffs ridiculously claim that Paatalo has personal knowledge of the
5 facts and circumstances concerning Plaintiffs current action. The facts on record directly
6 contradict this claim. In order for a fact witness to testify under NRS 50.025, evidence must be
7 introduced sufficient to support a finding that the witness has personal knowledge of the matter.
8 Here, Paatalo was retained as an expert witness only after the claims in this action arose. Indeed,
9 the Plaintiffs' own Opposition confirms that "[a]fter the filing of the First Amended
10 [C]omplaint, Plaintiffs retained [Paatalo]. See, Opposition, p. 3. As he was only retained on or
11 after October 25, 2018, he has no personal knowledge of the foreclosure actions taken as part
12 of the non-judicial foreclosure sale completed on May 18, 2018. Indeed, Plaintiffs have not
13 disclosed Paatalo as a fact witness in any prior disclosures, and specifically have held him out
14 and disclosed him as "an Expert Witness". Plaintiffs have also not introduced sufficient
15 allegations, nor any evidence whatsoever, that he has personal knowledge of the matter in this
16 case. His knowledge of the action is limited to his review of the papers, pleadings and
17 documents filed and given to him by the Plaintiffs as well as publically available information.
18 He has no personal knowledge of the actions, before this case arose, and, therefore, is not
19 competent to give testimony as a fact witness given that the only claim before the Court is
20 whether or not notice of the foreclosure sale was properly provided. As such, he is does not
21 qualify as a fact witness and his testimony must be excluded on that basis.

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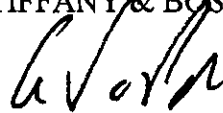
III.

CONCLUSION

Based on the above, Defendant NDSC requests that its Motion be granted in its entirety and that Paatalo not be allowed to present testimony as an expert witness where he is neither an expert, nor providing relevant information which would assist this Court or any fact finder in determining the limited scope of issues which still remain concerning the appropriateness of the foreclosure sale. He also does not qualify as a factual witness. For these reasons, Defendant's Motion must be granted.

DATED January 13, 2020.

TIFFANY & BOSCO, P.A.



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CERTIFICATE OF SERVICE

I hereby certify that on January 13, 2020, I placed a copy of the above **NATIONAL
DEFAULT SERVICING CORPORATION'S MOTION IN LIMINE TO EXCLUDE AND
DISQUALIFY WILLIAM J. PAATALO** into a sealed envelope and mailed it via regular
mail, postage prepaid, addressed to:

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Audrey Kramer
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An employee of Tiffany & Bosco, P.A.

ORIGINAL

FILED

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TANYA SCERINE
COURT ADMINISTRATOR
THIRD JUDICIAL DISTRICT

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THIRD JUDICIAL DISTRICT COURT

LYON COUNTY, NEVADA

12 LEO KRAMER,
13 AUDREY KRAMER,
14
15 Plaintiffs,

15 vs.

16 NATIONAL DEFAULT SERVICING
17 CORPORATION, ALYSSA MC DERMOTT,
18 WEDGWOOD INC., BRECKENRIDGE
19 PROPERTY FUND 2016 LLC, and DOES 1
20 THROUGH 50 INCLUSIVE,

20 Defendants.

Case No.: 18-CV-00663

Dept. No.: I

**NATIONAL DEFAULT SERVICING
CORPORATION'S OPPOSITION TO
MOTION FOR LEAVE TO AMEND
COMPLAINT TO INCLUDE FRAUD
CAUSE OF ACTION DUE TO NEWLY
DISCOVERED MATERIAL EVIDENCE**

23 COMES NOW Defendant, National Default Servicing Corporation (hereinafter "NDSC"
24 or the "Defendant"), by and through its counsel of record, Ace C. Van Patten, Esq. of Tiffany &
25 Bosco, P.A., and hereby submits the following Opposition to the Plaintiffs' Notice of Motion
26 and Motion for Leave to Amend Complaint to Include Fraud Cause of Action Due to Newly
27 Discovered Material Evidence ("Motion to Amend") filed by Plaintiffs Leo Kramer and Audrey
28 Kramer ("Plaintiffs").

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1 This Opposition is made and based upon the papers and pleadings on file herein, the
2 Memorandum of Points and Authorities, the attached documents, and any other additional
3 information or oral argument as may be requested by the Court.

4 DATED January 21, 2020.

5 TIFFANY & BOSCO, P.A.

6 

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15 **MEMORANDUM OF POINTS AND AUTHORITIES**

16 **I.**

17 **INTRODUCTION**

18 One month before the close of discovery and the deadline to file dispositive motions, the
19 Plaintiffs now seek to amend their complaint to add the beneficiary under the Deed of Trust and
20 assert claims relating to the validity of the loan documents and purported fraud – even though
21 the time to do so has expired and even though these same issues and claims have been
22 adjudicated as part of the federal court action which the Plaintiffs previously initiated. The
23 simple fact is that the Motion is untimely as the deadline to amend pursuant to the Scheduling
24 Order was October 1, 2019. The request to amend, then, must first involve the Plaintiffs'
25 establishment of good cause to extend the deadline to amend – Plaintiffs wholly fail to do so
26 here. Even under the more lenient NRCP 15 standards, the request is not made in good faith and
27 is an undue delay as a result of dilatory motives by the Plaintiffs. There simply is no basis to
28 allow the amendments, especially where doing so would be futile as a result of the fact that the
claims and issues asserted would not survive a motion to dismiss. Ultimately, this is merely the
latest attempt by the Plaintiffs to attempt to expand the instant litigation – for which the only

1 issue was whether notice of the foreclosure was properly provided – in an effort to collaterally
2 attack the issues and claims already adjudicated by the federal court and Ninth Circuit. The
3 Motion must be denied as a result.

4 II.

5 LEGAL ARGUMENT AND ANALYSIS

6 A. Plaintiffs' Motion is untimely and the Plaintiffs do not establish good cause for
7 allowing the amendment especially where the alleged evidence relied upon is not
8 "newly discovered".

9 The Plaintiffs filed the instant Motion on or after January 7, 2020, seeking to amend
10 their First Amended Complaint, but this request is untimely. Pursuant to the Case Management
11 and Trial Scheduling Order ("Scheduling Order") entered on August 8, 2019, the deadline to
12 add parties or amend the Complaint was October 1, 2019. The Motion, then, was filed more
13 than 3 months after the deadline to do so had expired. The Plaintiffs argue that under NRCP
14 15(a)(2) leave to amend should be freely granted in the absence of any apparent "undue delay,
15 bad faith, or dilatory motive on the part of the movant." *Motion to Amend*, p. 5 (citing *Stephens*
16 *v. S. Nevada Music Co., Inc.*, 89 Nev. 104, 105, 507 P.2d 138, 139 (Nev. 1973)). This, however,
17 is only part of the analysis where the time to amend provided for in the Scheduling Order has
18 expired.

19 When a party seeks leave to amend a pleading after a deadline set pursuant to NRCP
20 16(b), as is reflected by the Scheduling Order, the movant must first establish good cause exists
21 to extend the deadline before the Court even considers the merits under NRCP 15(a). *Nutton v.*
22 *Sunset Station, Inc.*, 131 Nev. 279, 287, 357 P.3d 966, 972 (Nev. App. 2015). This is because
23 when the amendment deadline included in the Scheduling Order can only be modified for good
24 cause under NRCP 16(b)(4), a standard which is much narrower than the more lenient
25 considerations reflected in NRCP 15. *Id.* In determining whether good cause exists, the court
26 should determine the diligence in the moving party to comply with the deadline. *Id.* If the delay
27 was due to lack of diligence or carelessness, based upon the movant's explanation for missing
28 the deadline, good cause will not exist. *Id.* As the *Nutton* Court noted, "...if the moving party

1 was not diligent in at least attempting to comply with the deadline, "the inquiry should end." *Id.*
2 (internal citation omitted).

3 As part of the Plaintiffs' Motion, they do not allege that good cause exists to extend the
4 deadline to amend the Complaint. Indeed, the explanation for the delay provided – newly
5 discovered evidence – does not adequately explain the failure to timely move to amend prior to
6 the October 1, 2019 deadline to do so. In *Nutton*, the movant filed the request three (3) weeks
7 late, and the Court found there was no sufficient explanation as to why the Motion was not
8 timely filed. Here, the Motion was filed 3 months late, without any explanation as to how or
9 why the Motion could not be filed prior to the deadline. The only explanation provided was
10 that:

11 "[t]he information and findings of the private investigator as wells
12 [sic] as information Plaintiffs discovered during Discovery, are
13 newly discovered evidence that, with reasonable diligence, could
14 not have been discovered in time when Plaintiffs filed their
complaint with this [Court] on October 24, 2018." *Motion*, p. 3.

15 The Paatalo Declaration, however, was executed June 8, 2019 – or nearly four (4) months
16 before the deadline to Amend would expire and nearly seven (7) months before the instant
17 Motion was filed. *See, e.g.*, Exhibit 2 to the Plaintiffs' Request for Judicial Notice ("RJN").
18 There is no explanation as to how that evidence is newly discovered, what was newly
19 discovered, or when it was discovered, or when it will be disclosed. As the Paatalo Declaration
20 was executed in June 2019, however, the evidence presented by the Plaintiffs confirms this
21 information was not newly discovered and could have been timely raised in the four months
22 preceding the deadline to amend. This lack of action amounts to a lack of diligence and
23 carelessness as it relates to the fraud claims, especially when, as discussed more below, these
24 issues had already been litigated in the Federal Court Action which was filed in December
25 2017. The Plaintiffs previously made these claims and raised these issues and are now
26 attempting to collaterally attack the same under the feigned claims that there is newly
27 discovered evidence relating to the same. Similarly, the claims relating to NRS 107.500 and the
28 foreclosure mediation, which are legally defective as discussed below, were or should have been

1 apparent in 2017 when the Notice of Default was recorded. The claims that the Plaintiffs now
2 seek to add, then, were known to the Plaintiffs prior to the October 1, 2019 deadline to amend
3 the Complaint and they have not, and cannot, establish good cause under NRCP 16 for an
4 extension of the same as part of the instant request. As a result of this failure, the Motion to
5 Amend must be denied.

6 B. Even under the more lenient standard of NRCP 15, there is no newly discovered
7 evidence and the actions by the Plaintiffs resulted in undue delay as a result of their
8 dilatory motives.

9 Even if the Plaintiffs had established good cause under NRCP 16(b), the Plaintiffs would
10 still have to establish that amendment was appropriate under NRCP 15. *Nutton*, 131 Nev. at
11 287, 357 P.3d at 972. If the plaintiff's request to amend is the result of undue delay, bad faith, or
12 a dilatory motive, the leave sought should not be granted. *Stephens*, 89 Nev. at 105-106, 507
13 P.2d at 139. Here, the Plaintiffs' request are the result of all three, and the Motion must be
14 denied. Plaintiffs filed the instant Motion less than one month before discovery was to close,
15 despite having the "newly discovered evidence" in their possession since June 2019 when
16 Paatalo executed the Declaration Plaintiffs rely upon. An online article drafted in December by
17 their proposed expert does not constitute newly discovered evidence – in fact, the supplemental
18 declaration executed by Paatalo acknowledges there is no evidence that it is even applicable,
19 noting "I believe the same holds true in this case..." and "...I believe the Kramer loan will
20 show the same investor code..." See, Amended Declaration attached to Plaintiffs' Motion, p. 2,
21 5. Moreover, there is no indication that the "newly discovered evidence" is relevant or
22 admissible. Indeed, NDSC has submitted a motion challenging Paatalo's status as an expert and
23 seeking to both disqualify him and preclude his testimony. These vague assertions by a non-
24 expert, then, are insufficient to rise to the level of "newly discovered evidence" which would
25 warrant what would amount to a completely new case on separate claims which have already
26 been adjudicated.

27 There is no actual evidence, then, only an attempt by the Plaintiffs to try to collateral
28 attack facts which have already been adjudicated and which are irrelevant to the instant

proceeding and are now being raised at a time which confirms the instant request to amend is the result of undue delay with a dilatory motive. NDSC has taken depositions of the parties - which the Plaintiffs and the other remaining Defendant participated in - and sent written discovery requests on the sole remaining issue regarding whether or not the Plaintiffs received notices as part of the foreclosure sale. On the eve of the close of discovery and the filing dispositive motions, Plaintiffs now seek to add an additional party and causes of action against NDSC which require additional discovery. As noted above and discussed more fully below, these causes of action have already been adjudicated in the Federal Court Action, with the Ninth Circuit affirming the District Court's decision, and were known to the Plaintiffs well before the deadline to amend. Any attempt to do so now is the type of futile scrambling to avoid summary judgment that courts recognize as not warranting the allowance of amendments and the Motion must be denied as a result.

C. **The proposed amendments are futile as they have already been adjudicated in the Federal Court Action and are legally defective.**

Under NRCP 15(a), leave to amend, even if it had timely been sought, need not be granted if the proposed amendment would be futile. *See e.g., Allum v. Valley Bank of Nev.*, 109 Nev. 280, 287, 849 P.2d 297, 302 (1993). A proposed amendment is futile if the plaintiff "seeks to amend the complaint in order to plead an impermissible claim, such as one which would not survive a motion to dismiss under NRCP 12(b)(5) or a 'last-second amendment[] alleging meritless claims in an attempt to save a case from summary judgment.'" *Nitton*, 131 Nev. at 289, 357 P.3d at 973 (citing *Soebbing v. Carpet Barn, Inc.*, 109 Nev. 78, 84, 847 P.2d 731, 736 (Nev. 1993)). The proposed amendments are a confusing hodgepodge of repeated allegations and misstatements of fact and law, including the Plaintiffs continued mischaracterization and confusion as to the role and responsibility of NDSC as a trustee, and would not survive a motion to dismiss. The claims relating to the loan documents have already been adjudicated in favor of NDSC and the proposed new defendant as part of the Federal Court Action, a decision which was upheld by the Ninth Circuit Court of Appeals. Additionally, the claims as it relates to the alleged fraud are not plead with specificity, and the allegations relating to NRS 107.500 and the

1 Nevada Foreclosure Mediation Program similarly fail as a matter of law since the Property was
2 not owner-occupied. As such, the proposed amendments are futile, would not survive a motion
3 to dismiss and are the exact "last-second amendment[s] alleging meritless claims in an attempt
4 to save a case from summary judgment" that courts have refused to allow.

5 **1. The claims relating to the loan documents and JP Morgan Chase's status to**
6 **foreclose have been adjudicated in the Federal Court Action in favor of**
7 **Chase and NDSC.**

8 The Plaintiffs have previously adjudicated the entirety of the new claims in the United
9 States District Court for the District of Nevada, as case number 3:18-cv-00001-MMD ("the
10 Federal Court Action") including, specifically, fraud relating to the documents at issue here on
11 the same defects the Plaintiffs rely on here. In dismissing the Plaintiffs' claims, the Federal
12 Court specifically found that the Plaintiffs were judicially estopped from arguing the validity of
13 the loan documents at issue. *See*, Order, attached hereto as **Exhibit A**. That decision was upheld
14 by the Ninth Circuit Court of Appeals, when the Plaintiffs' appealed the same. *See*,
15 Memorandum, attached hereto as **Exhibit B**. In fact, this Court recognized the same when it
16 found that the original Complaint filed by the Plaintiffs had been previously adjudicated in the
17 Federal Court Action for all claims other than those "regarding the procedural notice of the
18 foreclosure." *See*, Order Granting Motion to Dismiss Plaintiffs' Complaint, attached hereto as
19 **Exhibit C**. This is merely the latest attempt by the Plaintiffs to take multiple bites at the same
20 apple, despite court after court advising them that the claims have no merit. The only remaining
21 claims to be resolved are only whether the Plaintiffs received notice of the foreclosure sale, and
22 further amendment as requested by the Plaintiffs is futile since the new claims would not
23 survive a motion to dismiss on claim and issue preclusion grounds.

24 **2. The fraud allegations are not pled with specificity.**

25 It is well established that causes of action relating to fraud must be pled with specificity.
26 *See e.g.*, NRCP 9(b). The circumstances of the fraud "must be detailed include averments to the
27 time, the place, the identity of the parties involved, and the nature of the fraud or mistake."
28 *Brown v. Kellar*, 97 Nev. 582, 583-84, 636 P.2d 874, 874 (Nev. 1981). The allegations included

in the proposed amendments are bare assertions without specificity. *See e.g.*, Proposed Second Amended Complaint, ¶¶92-96. The allegations contained in the Complaint do not provide any detail as to the actual fraudulent actions alleged to have occurred and amendment on that basis is futile.

As part of their proposed amendments, the Plaintiffs add additional allegations to the unlawful foreclosure claim asserting that the notices were not provided under NRS 107.500 and that they were not notified of the Nevada State Foreclosure Mediation Program. *See e.g.*, Proposed Second Amended Complaint, ¶¶42, 45. The Complaint confirms that the Property was being rented out at the time of the foreclosure sale and that the Plaintiffs were not occupying the same. *See e.g.*, Proposed Second Amended Complaint, ¶25; *see also* ¶50 (noting that the Property “was purchased as a second home to become Plaintiffs’ retirement home.”). NRS 107.500 is therefore inapplicable in the instant matter as NRS 107.450 defines “residential mortgage loan” as a loan which is secured by a deed of trust on owner-occupied property. Here, the Property was not owner-occupied and so NRS 107.500 does not apply. Similarly, NRS 107.086 confirms that the Nevada State Foreclosure Mediation Program is only available to borrowers with regard to owner-occupied homes. Because the Property was not owner-occupied, the Plaintiffs did not qualify for the Program, and any allegations regarding the same or NRS 107.500 would be futile.

CONCLUSION

Based on the above, Defendant NDSC requests that the Plaintiffs' Motion be denied in its entirety as the Motion is untimely and fails to establish good cause to do so. Even under the more lenient NRCP 15 standards, the requested amendments were based upon undue delay and are the results of a dilatory motive where the amendments are being proposed after discovery has been completed and are based upon information which was in possession of the Plaintiffs since June 2019. Moreover, the amendments, if allowed are futile and would not survive

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1 dismissal. As such, there are no grounds to grant the relief requested by the Plaintiffs and the
2 Motion must be denied in its entirety.

3 DATED January 21, 2020.

4 TIFFANY & BOSCO, P.A.

5 

6 ACE C. VAN PATTEN, ESQ.

7 Nevada Bar No. 11731

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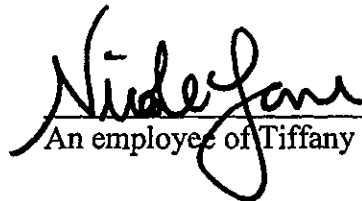
CERTIFICATE OF SERVICE

I hereby certify that on January 21, 2020, I placed a copy of the above NATIONAL DEFAULT SERVICING CORPORATION'S OPPOSITION TO MOTION FOR LEAVE TO AMEND COMPLAINT TO INCLUDE FRAUD CAUSE OF ACTION DUE TO NEWLY DISCOVERED MATERIAL EVIDENCE into a sealed envelope and mailed it via regular mail, postage prepaid, addressed to:

Leo Kramer
Audrey Kramer
2364 Redwood Road
Hercules, CA 94547
Plaintiffs in Proper Person

Casey J. Nelson, Esq.
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Attorneys for Alyssa McDermott,
Wedgewood Inc. and Breckenridge Property
Fund 2016



An employee of Tiffany & Bosco, P.A.

EXHIBIT A

EXHIBIT A

UNITED STATES DISTRICT COURT
DISTRICT OF NEVADA

LEO KRAMER, AUDREY KRAMER,
Plaintiffs,

v.

JP MORGAN CHASE BANK, N.A,
MORTGAGE ELECTRONIC
REGISTRATION SYSTEMS, INC.,
NATIONAL DEFAULT SERVICING
CORPORATION, WASHINGTON
MUTUAL BANK, N.A., and DOES 1
THROUGH 50 INCLUSIVE,

Defendants.

Case No. 3:18-cv-00001-MMD-WGC

ORDER
(ECF Nos. 17, 22, 43)

I. SUMMARY

This action is in part an attempt by Leo Kramer ("Kramer") and Audrey Kramer (collectively "Plaintiffs") to prevent a non-judicial foreclosure of their property. (See generally ECF No. 1.) Before the Court, and among other motions, are two motions to dismiss Plaintiffs' complaint ("the Complaint"), pursuant to Fed. Civ. P. ("Rule") 12(b)(6), by Defendants JPMorgan Chase Bank, N.A. ("Chase") and Mortgage Electronic Registration Systems, Inc. (MERS). (ECF Nos. 17, 22.) Plaintiffs filed responses to Chase's motion to dismiss ("Chase's Motion") (ECF Nos. 28, 31), and Chase replied (ECF No. 38).

Additionally before the Court is Plaintiffs' motion to strike MERS's motion to dismiss ("MERS's Motion"). (ECF No. 43.) The Court has reviewed MERS's response (ECF No. 45) and Plaintiffs' reply (ECF No. 50).

For the reasons discussed below, Plaintiffs' motion to strike (ECF No. 43) is denied, and both motions to dismiss (ECF Nos. 17, 22) are granted.

II. BACKGROUND

The following facts are derived from the Complaint and exhibits attached thereto, or are established by documents found in the public records (ECF Nos. 1, 17-6, 17-7, 17-8, 17-9, 17-11, 17-12, 17-13, 17-14)¹:

In June 2005, Plaintiffs obtained a loan from Paul Financial, LLC ("Paul Financial") to purchase property located at 1740 Autumn Glen Street in Fernley Nevada (the "Property" or "Collateral Property"). (ECF No. 1 at 7, 52.) The loan was secured by a deed of trust ("First DOT") naming Paul Financial as the lender and MERS as beneficiary. (See ECF No. 1 at 51-53.) In May 2008, MERS substituted Executive Trustee Services, LLC ("ETS") as the trustee under the First DOT. (ECF No. 1 at 88-90.) Acting as the substituted trustee, ETS reconveyed the Property.² (*Id.* at 89.) Accordingly, the First DOT ceased to encumber the Property.

On May 1, 2008, Plaintiffs used the Property as collateral to obtain a \$176,000 revolving line of credit (the "Loan") from Defendant Washington Mutual Bank, F.A. ("WaMu"). (ECF No. 1 at 6-8.) The deed of trust on the Property securing the WaMu Loan ("Second DOT") was publicly recorded. (*Id.* at 77.) In September 2008, the Federal Deposit Insurance Corporation ("FDIC") assumed receivership of WaMu and sold WaMu's assets and liabilities to Chase pursuant to a Purchase and Assumption Agreement ("the PAA").³

///

¹The Court may take judicial notice of "matters of public record." *Lee v. City of L.A.*, 250 F.3d 668, 689 (9th Cir. 2001) (quoting *Mack v. S. Bay Beer Distrib.*, 798 F.2d 1279, 1282 (9th Cir. 1986)); *see also* Fed. R. Evid. 201.

² The Substitution of Trustee and Full Reconveyance effectively allowed for ETS to be substituted as successor trustee, and allowed ETS to reconvey the Property to "the person or persons legally entitled thereto all estate now held by [ETS] under [the First DOT,]" who would be Plaintiffs. (See ECF No. 1 at 52-53, 88; *see also id.* at 78 (Plaintiffs representing to Washington Mutual Bank that Plaintiffs owned the Property, and that the Property was unencumbered.))

³The Court takes judicial notice of the PAA, which is available on the FDIC's website, at https://www.fdic.gov/about/freedom/washington_mutual_p_and_a.pdf. *See*,

1 The PAA details that as part of Chase's acquisition, Chase obtained the rights and
 2 liabilities of WaMu, as lender and beneficiary, arising under all of the loan assets of WaMu,
 3 which would include the Second DOT. In November 2013, Chase substituted Defendant
 4 National Default Servicing Corporation ("NDSC") as trustee under the Second DOT. (ECF
 5 No. 1 at 9, 92.)

6 Kramer filed three bankruptcy petitions: Case No 10-43951, filed as a Chapter 11
 7 petition in April 2010, but *converted to a Chapter 7 filing*; Case No 11-49493 filed as a
 8 Chapter 13 petition in September 2011; and Case No 14-42866, filed as a Chapter 13
 9 petition in July 2014.^{4,5} (ECF Nos. 17-6, 17-7, 17-8, 17-11, 17-12; *see also* ECF No. 1 at
 10 10, 96-100, 102.) In schedules filed in Case Nos. 10-43951 and 14-42866, Kramer
 11 acknowledged the Loan was secured and that Chase held a security interest in the
 12 Collateral Property.⁶ (ECF No. 17-7 at 4; ECF No. 17-12 at 4, 9; ECF No. 1 at 97.)

13 ///

14 *e.g., Allen v. United Fin. Mortg. Corp.*, 660 F. Supp. 2d 1089, 1093-94 (2009) (citing *New*
 15 *Mexico ex rel. Richardson v. BLM*, 565 F.3d 683, 702 n.22 (10th Cir. 2009) (taking judicial
 16 notice of data on web sites of federal agencies)). Because the PAA establishes only that
 17 Chase assumed WaMu's assets and liabilities, contrary to Plaintiffs' position, it is
 18 impertinent whether the link to the PAA, provided here, displays 39 pages, instead of 118
 pages which Plaintiffs allege is the actual length of the PAA and has not been made public.
 Plaintiffs do not contest that the 39-page PAA is a public record, nor do they aver that the
 allegedly longer 118-page PAA contradicts the 39-page PAA in pertinent part. (See ECF
 No. 28 at 2-3.)

19 ⁴The Court takes judicial notice of the bankruptcy proceedings, as identified in
 20 exhibits attached to Chase's Motion, because the proceedings are matters of public
 21 record. Plaintiffs do not challenge the authenticity of the bankruptcy case documents. (See
 22 *generally* ECF Nos. 28, 31.)

23 ⁵The bankruptcy court dismissed Case No. 11-49493. (See ECF No. 17-8.)

24 ⁶Plaintiffs' response to Chase's Motion asserts that Plaintiffs "naïve[ly]" and
 25 "inadvertently" listed Chase as having a security interest in Kramer's bankruptcy
 26 schedules. (See ECF No. 31 at 24.) Citing to "Exhibit I," Plaintiffs claim they "discovered
 27 through this process that their Note associated with the Loan was not assigned to Chase.
 28 (*Id.*) However, Exhibit I, which only displays Chase's billing statements, does not
 undermine Chase's security interest in the Collateral Property. Plaintiffs also identify an
 Exhibit H to support their claim that the "alleged debt" was listed as "non-secure" in the
 Chapter 7 bankruptcy. (ECF No. 31 at 4.) However, as noted *infra*, debt discharge does
 not also discharge a creditor's secured interest in collateral property. Further, Exhibit H
 lists the Collateral Property under "Schedule D – Creditors Holding Secured Claims," and
 notes Chase as a creditor. (ECF No. 31 at 166). Exhibit H also separately lists
 WaMu/Chase under "Schedule F-Creditors Holding Unsecured Nonpriority Claims," but

1 Chase filed a proof of claim regarding the Loan in both Case No. 14-42866 and
2 Case No. 11-49493, before the latter's dismissal. (ECF No. 17-9; ECF No. 17-13; see
3 also ECF No. 17-8.) To the proof of claims Chase attached a copy of the WaMu Mortgage
4 Plus Agreement and Disclosure relating to the Loan (the "Note"), and the Second DOT.
5 (See ECF No. 17-9 at 4-23; ECF No. 17-13 at 9-31.) In Case No. 14-42866, Kramer
6 proposed a Chapter 13 plan wherein Chase was recognized as a Class 3 creditor, and
7 Kramer was to surrender his interest in the Collateral Property upon plan confirmation.
8 (ECF No. 17-14 at 3.) Kramer received discharges in both Case No. 10-43951 and Case
9 No. 14-42866, on June 16, 2011, and January 9, 2017, respectively. (ECF No. 17-6 at 2,
10 13; ECF No. 1 at 11, 102.) At no point in the bankruptcy proceedings did Kramer assert
11 claims against any of the Defendants herein. Nor did Kramer seek to have the lien
12 evidenced in the Second DOT stripped from the Property to render the Loan "unsecured."

13 In October 2017, NDSC recorded a Notice of Default and Election to Sell Under the
14 Deed of Trust. (ECF No. 1 at 11, 105.) In January 2018, Plaintiff initiated this action. The
15 Complaint alleges fifteen (15) causes of action against "all Defendants," challenging the
16 impending foreclosure (see generally ECF No. 1) and requesting damages (*id.* at 12). The
17 Complaint does not allege that the Loan has been paid or that Plaintiffs are not in payment
18 default under the terms of the Loan.

19 Chase moves for dismissal, contending, *inter alia*, Plaintiffs are judicially estopped
20 from asserting claims in this Court against Chase and the various Defendants. (See ECF
21 No. 17.) MERS argues it is entitled to dismissal because MERS had "no interest in
22 transactions that allegedly give rise to Plaintiffs' claims." (ECF No. 22 at 3.) The Court
23 finds that dismissal with prejudice is warranted as to all Defendants, on all of Plaintiffs'
24 claims, as amendment would be futile.⁷

25 ///

26 nonetheless notes the claim as "Secured Credit Line," and does not list the Collateral
27 Property (*id.* at 170).

28 ⁷The Court takes note of Plaintiffs' argument that certain issues raised by Chase's
Motion can be cured by the Court permitting amendment to the Complaint (ECF No. 31 at

1 **III. PLAINTIFFS' MOTION TO STRIKE MERS'S MOTION TO DISMISS**

2 Plaintiffs' motion to strike is premised on their contention that MERS failed to serve
3 its Motion in time for Plaintiffs to respond (*see* ECF No. 43 at 2), and that therefore
4 Plaintiffs' right to due process was undermined (*id.* at 5; ECF No. 50 at 2). The Court
5 disagrees.

6 On January 23, 2018, this Court ordered MERS to respond to the Complaint within
7 twenty days after Plaintiffs posted their required security. (ECF No. 13.) Plaintiffs made
8 their cash deposit on February 21, 2018. (ECF No. 15.) MERS filed its Motion on March
9 12, 2018, within the twenty-day deadline. (*Compare* ECF No. 22 *with* ECF No. 13 *and*
10 ECF No. 15.) MERS's Motion includes a certification that MERS's Motion was served on
11 Plaintiffs by mail at the address Plaintiffs provided in the Complaint. (ECF No. 22 at 7; *see*
12 *also* ECF No. 45 at 2.) Plaintiffs filed the motion to strike MERS's Motion on April 6, 2018.
13 (*See* ECF No. 43.)

14 The day before Plaintiffs filed the motion to strike, MERS's counsel and Plaintiffs
15 had exchanged emails wherein MERS, in addition to noting it had complied with its
16 servicing obligations by mail, was "agreeable to setting a schedule for [Plaintiffs] to file a
17 response to [MERS's Motion]." (ECF No. 45-1.) MERS expressed it was "agreeable" given
18 Plaintiffs' claim of lack of receipt by mail. (*Id.*) MERS had also sent Plaintiffs a copy of its
19 Motion by email on April 3, 2018. (ECF No. 43 at 4.) It appears Plaintiffs chose to file the
20 instant motion to strike instead of accepting MERS's proposal.

21 The Court finds no merit to Plaintiffs' claim that MERS needed to engage in good
22 faith effort to "meet and confer" before filing its Motion. (ECF No. 43 at 2, 6, ECF No. 50
23 at 5.) In support of this claim, Plaintiffs cite to LR IA 1-3(f). (ECF No. 43 at 2.) However,
24 neither LR IA 1-3(f) nor any rule of which the Court is aware requires parties to meet and
25 confer prior to filing a motion to dismiss.

26 ///

27 ///

28 6), but ultimately finds these other issues irrelevant in light of the application of the judicial
 estoppel bar.

Under the circumstances here, the Court disagrees with Plaintiffs that their right to due process was undermined by not having sufficient time to respond. This is really a problem of Plaintiffs' own choosing. Plaintiffs opted to file a motion to strike instead of working with MERS to give Plaintiffs more time to respond. Moreover, Plaintiffs provide no evidence contradicting MERS's attestation that it timely mailed its Motion.⁸ Accordingly, Plaintiffs' motion to strike (ECF No. 43) is denied

IV. THE MOTIONS TO DISMISS

A. Legal Standard

A court may dismiss a plaintiff's complaint for "failure to state a claim upon which relief can be granted." Rule 12(b)(6). A properly pleaded complaint must provide "a short and plain statement of the claim showing that the pleader is entitled to relief." Rule 8(a)(2); *Bell Atlantic Corp. v. Twombly*, 550 U.S. 544, 555 (2007). While Rule 8 does not require detailed factual allegations, it demands more than "labels and conclusions" or a "formulaic recitation of the elements of a cause of action." *Ashcroft v. Iqbal*, 556 U.S. 662, 678 (2009) (citing *Twombly*, 550 U.S. at 555.) "Factual allegations must be enough to rise above the speculative level." *Twombly*, 550 U.S. at 555. Thus, to survive a motion to dismiss, a complaint must contain sufficient factual matter to "state a claim to relief that is plausible on its face." *Iqbal*, 556 U.S. at 678 (internal citation omitted).

In *Iqbal*, the Supreme Court clarified the two-step approach district courts are to apply when considering motions to dismiss. First, a district court must accept as true all well-pleaded factual allegations in the complaint; however, legal conclusions are not entitled to the assumption of truth. *Id.* at 678-79. Mere recitals of the elements of a cause of action, supported only by conclusory statements, do not suffice. *Id.* at 678. Second, a district court must consider whether the factual allegations in the complaint allege a plausible claim for relief. *Id.* at 679. A claim is facially plausible when the plaintiff's

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⁸ MERS' Motion was filed on the Court's docket. (ECF No. 22.) The next day, the Court issued a notice of the filing of a motion to dismiss and the need for the opposing party (i.e., Plaintiffs) to respond. (ECF No. 25.) Even if Plaintiffs did not receive a copy of MERS' Motion, the Court's notice should have alerted Plaintiff of the filing of such a motion.

1 complaint alleges facts that allow a court to draw a reasonable inference that the
2 defendant is liable for the alleged misconduct. *Id.* at 678. Where the complaint does not
3 permit the court to infer more than the mere possibility of misconduct, the complaint has
4 “alleged—but it has not show[n]—that the pleader is entitled to relief.” *Id.* at 679 (internal
5 quotation marks omitted). When the claims in a complaint have not crossed the line from
6 conceivable to plausible, the complaint must be dismissed. *Twombly*, 550 U.S. at 570.

7 Ordinarily, a complaint must contain either direct or inferential allegations
8 concerning “all the material elements necessary to sustain recovery under *some* viable
9 legal theory.” *Twombly*, 550 U.S. at 562 (quoting *Car Carriers, Inc. v. Ford Motor Co.*, 745
10 F.2d 1101, 1106 (7th Cir. 1989)). But, allegations in *pro se* complaints are held to less
11 stringent standards than formal pleadings drafted by lawyers and must be liberally
12 construed. See *Hamilton v. Brown*, 630 F.3d 889, 893 (9th Cir. 2011).

13 “Generally, a district court may not consider any material beyond the pleadings in
14 ruling on a Rule 12(b)(6) motion.” *Hal Roach Studios, Inc. v. Richard Feiner & Co.*, 896
15 F.2d 1542, 1555 n.19 (9th Cir.1990). Where “matters outside the pleading are presented
16 to and not excluded by the court,” a Rule 12(b)(6) motion is to “be treated as one for
17 summary judgment and disposed of as provided in Rule 56, and all parties shall be given
18 reasonable opportunity to present all material made pertinent to such a motion by Rule
19 56.” Rule 12(b).

20 There are three exceptions to this rule: (1) a court may consider documents
21 “‘properly submitted as part of the complaint’ on a motion to dismiss;” (2) if “documents
22 are not physically attached to the complaint,” incorporation by reference is proper “‘if the
23 documents’ authenticity . . . is not contested’ and ‘the plaintiff’s complaint necessarily
24 relies’ on them,” *Lee v. City of L.A.*, 250 F.3d 668, 688-89 (9th Cir. 2001) (quoting *Parrino*
25 *v. FHP, Inc.*, 146 F.3d 699, 705-06 (9th Cir. 1998)); and (3) “a court may take judicial
26 notice of ‘matters of public record.’” *Id.* (quoting *Mack v. S. Bay Beer Distribs.*, 798 F.2d
27 1279, 1282 (9th Cir. 1986)).

28 ///

1 **B. Chase's Motion**

2 Chase argues that Plaintiffs are judicially estopped from asserting claims against
3 it, as well as the other Defendants, because Plaintiffs failed to provide notice of their claims
4 during the bankruptcy proceedings. (ECF No. 17 at 12-13.) The Court agrees.

5 "Judicial estoppel will be imposed when the debtor has knowledge of enough facts
6 to know that a potential cause of action exists during the pendency of the bankruptcy, but
7 fails to amend his schedules or disclosure statements to identify the cause of action as a
8 contingent asset." *Hamilton v. State Farm Fire & Cas. Co.*, 270 F.3d 778, 784 (9th Cir.
9 2001) (citing *Hay v. First Interstate Bank of Kalispell, N.A.*, 978 F.2d 555, 557 (9th Cir.
10 1992)) (additional citations omitted). In bankruptcy proceedings, potential claims a debtor
11 may have against a creditor or lender are deemed assets. See *Hamilton v.*, 270 F.3d at
12 785 (noting the debtor plaintiff's failure to list potential claims against creditor as an asset);
13 *Hay*, 978 F.2d at 556 (the debtor plaintiff conceding its action is an asset of its bankruptcy
14 estate). While *Hay* and *Hamilton* are summary judgment cases, there is no reason their
15 analysis and conclusion would not apply in this case. Both cases support the proposition
16 that judicial estoppel should be applied here.

17 In *Hay*, the Ninth Circuit recognized that *while the plaintiff did not know all the facts*,
18 the plaintiff *knew enough* to require notification of the asset (the action/suit against a
19 creditor) to the bankruptcy court. 978 F.2d at 557. The Ninth Circuit ruled that the plaintiff's
20 failure to give the required notice estopped the plaintiff and justified the district court's
21 grant of summary judgment to the defendants. *Id.*

22 *Hamilton* additionally recognized that it is immaterial that a debtor commences an
23 action against a creditor or lender after filing for bankruptcy. 270 F.3d at 784. "The debtor's
24 duty to disclose potential claims as assets does not end when the debtor files schedules,
25 but instead continues for the duration of the bankruptcy proceeding." *Id.* at 785 (citations
26 omitted). *Hamilton* also explains that courts "must invoke judicial estoppel to protect the
27 integrity of the bankruptcy process," which includes preventing a debtor from deceiving
28 the bankruptcy court, and acquiring an "unfair advantage" due to having enjoyed "the

1 benefit of both an automatic stay and a discharge of debt in the debtor's Chapter 7
2 bankruptcy proceeding." *Id.*

3 The rulings and reasoning in *Hay* and *Hamilton* compel this Court to dismiss the
4 Complaint. Here, as noted, Kramer was involved in Chapter 7 and Chapter 13 proceedings
5 and received discharges. (ECF No. 17-6; ECF No. 1 at 11, 102.) Moreover, the Complaint
6 is grounded in the assertions that the Collateral Property that secured the Loan was part
7 of the bankruptcy proceedings and cannot be foreclosed upon, due to alleged fraud and
8 irregularities, and that the Second DOT should be stripped from it. (See ECF No. 1.) The
9 judicially noticed records show that during both the Chapter 7 and 13 bankruptcy
10 proceedings Kramer acknowledged Chase's acquired security interest in the Collateral
11 Property. (ECF No. 17-7 at 4; ECF No. 17-12 at 4,9; ECF No. 17-14 at 3; ECF No. 1 at
12 97.) The July 2014 Chapter 13 plan in Case No. 14-42866 called for Kramer to surrender
13 his interest in the Collateral Property to Chase. (ECF No. 17-14 at 3.)

14 Kramer (and by extension the Plaintiffs) knew sufficient facts by which he could
15 anticipate a cause of action against Chase, especially given Kramer's now evident
16 reservations about actually surrendering the Collateral Property. While bankruptcy
17 discharge covering the Loan extinguished Kramer's personal liability for the Loan,
18 bankruptcy discharge does not prevent foreclosure on the Collateral Property. See *Long*
19 *v. Bullard*, 117 U.S. 617, 621 (1886); accord *Dewsnup v. Timm*, 502 U.S. 410, 417 (1992)
20 ("the creditor's lien stays with the real property until the foreclosure"); *Farrey v. Sanderfoot*,
21 500 U.S. 291, 297 (1991) ("Ordinarily, liens and other secured interests survive
22 bankruptcy."); *Johnson v. Home State Bank*, 501 U.S. 78, 84 (1991) ("[A] bankruptcy
23 discharge extinguishes only one mode of enforcing a claim—namely, an action against
24 the debtor *in personam*—while leaving intact another—namely, an action against the
25 debtor *in rem*.").

26 Additionally, during the 2014 Chapter 13 bankruptcy proceeding, Kramer knew, or
27 should have known, that Chase substituted NDSC as the trustee under the Second DOT,
28 as the substitution occurred in November 2013. (See ECF No. 1 at 9.) Therefore, Kramer

(and by extension the Plaintiffs) knew enough to trigger his obligation to provide the bankruptcy court notice of his potential claims against Chase, WaMu, and NDSC.⁹ Equity demands that Plaintiffs be judicially estopped from now asserting claims against these Defendants in this Court to avoid foreclosure on the Collateral Property. To rule otherwise would be to allow Kramer to circumvent the bankruptcy process.

In sum, the Court finds that Plaintiffs are judicially estopped from asserting the claims here against Chase, WaMu and NDSC. Claims against these Defendants will be dismissed.

C. MERS's Motion

The Court finds the Complaint is improperly instituted against MERS because MERS was not involved in the loan transaction giving rise to the claims asserted in the Complaint. Although Plaintiffs have not filed a response to MERS's Motion, a response is unnecessary given the fact that MERS was not involved in the Loan or the Second DOT. The loan transaction involving MERS was resolved when ETS executed the reconveyance of the Property. Moreover, the "robo-signing" and substitution of trustee claims asserted against MERS (ECF No. 1 at 8-9) have no merits. *See, e.g., Heidig v. PNC Bank N.A.*, 2017 WL 4102465, *3 n.6 (D. Nev. Sept. 15, 2017) (stating with respect to the plaintiffs' theory challenging assignments based on a "robo-signing" argument, "the Ninth Circuit has affirmed that a borrower lacks standing to allege such an argument because the borrower does not suffer an injury from the robo-signing"); *Closson v. Reconstruct Co.*, No. 2:11-cv-00146-KDJ-RJJ, 2012 WL 893746, at *3-5 (D. Nev. Mar. 15, 2012) (holding that trustee was properly substituted by MERS because MERS has the right to substitute a new trustee in its capacity as nominee).

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⁹ Chase essentially stands in the place of WaMu as the acquirer of WaMu's assets and liabilities (specifically the Note and Second DOT), and Chase substituted NDSC as the trustee under the Second DOT.

V. CONCLUSION

The Court notes that the parties made several arguments and cited to several cases not discussed above. The Court has reviewed these arguments and cases and determines that they do not warrant discussion as they do not affect the outcome of the motions before the Court.

It is therefore ordered that Plaintiffs' motion to strike MERS's Motion (ECF No. 43) is denied.

It is further ordered that Chase and MERS's motions to dismiss (ECF Nos. 17, 22) are granted.

It is further ordered that Plaintiffs' pending motions (ECF Nos. 30, 46, 55, 56) and objection (ECF No. 51) are denied as moot.

The Clerk is directed to enter judgment accordingly and close this case.

DATED THIS 17th day of May 2018.



MIRANDA M. DU
UNITED STATES DISTRICT JUDGE

EXHIBIT B

EXHIBIT B

NOT FOR PUBLICATION

FILED

UNITED STATES COURT OF APPEALS

MAY 29 2019

FOR THE NINTH CIRCUIT

MOLLY C. DWYER, CLERK
U.S. COURT OF APPEALS

LEO KRAMER; AUDREY KRAMER,

Plaintiffs-Appellants,

v.

JP MORGAN CHASE BANK, N.A.; et al.,

Defendants-Appellees.

No. 18-15959

D.C. No. 3:18-cv-00001-MMD-
WGC

MEMORANDUM*

Appeal from the United States District Court
for the District of Nevada
Miranda M. Du, District Judge, Presiding

Submitted May 21, 2019**

Before: THOMAS, Chief Judge, LEAVY and FRIEDLAND, Circuit Judges.

Leo Kramer and Audrey Kramer appeal pro se from the district court's judgment dismissing their action alleging federal and state law claims arising out of foreclosure proceedings. We have jurisdiction under 28 U.S.C. § 1291. We review de novo a district court's dismissal under Federal Rule of Civil Procedure

* This disposition is not appropriate for publication and is not precedent except as provided by Ninth Circuit Rule 36-3.

** The panel unanimously concludes this case is suitable for decision without oral argument. See Fed. R. App. P. 34(a)(2).

12(b)(6). *Cervantes v. Countrywide Home Loans, Inc.*, 656 F.3d 1034, 1040 (9th Cir. 2011). We may affirm on any basis supported by the record. *Johnson v. Riverside Healthcare Sys., LP*, 534 F.3d 1116, 1121 (9th Cir. 2008). We affirm.

The district court did not abuse its discretion in applying judicial estoppel to the Kramers' Fair Debt Collection Practices Act ("FDCPA") and slander of title claims based on conduct before the bankruptcy discharge because these claims were omitted from Leo Kramer's bankruptcy schedules, and the Kramers failed to allege facts sufficient to show that the omission was due to inadvertence or mistake. *See Hamilton v. State Farm Fire & Cas. Co.*, 270 F.3d 778, 782-83 (9th Cir. 2001) (setting forth the standard of review and explaining that "a party is judicially estopped from asserting a cause of action not raised in a reorganization plan or otherwise mentioned in the debtor's schedules or disclosure statements"); *see also Ah Quin v. Cty. of Kauai Dep't of Transp.*, 733 F.3d 267, 271-73 (9th Cir. 2013) (explaining application of judicial estoppel in the bankruptcy context and effect of an inadvertent or mistaken omission from a bankruptcy filing; the court applies a "presumption of deliberate manipulation" when a plaintiff-debtor has not reopened bankruptcy proceedings).

Dismissal of the Kramers' FDCPA and slander of title claims arising from post-bankruptcy conduct was proper because plaintiffs failed to allege facts sufficient to state a plausible claim. *See* 15 U.S.C. § 1692a(6)(F)(ii) (excluding

from the definition of debt collector a creditor collecting debts on its behalf); 15 U.S.C. §§ 1692e, 1692f; *Obduskey v. McCarthy & Holtus, LLP*, 139 S. Ct. 1029, 1038 (2019) (“[B]ut for § 1692f(6), those who engage in only nonjudicial foreclosure proceedings are not debt collectors within the meaning of the [FDCPA].”); *Dowers v. Nationstar Mortg., LLC*, 852 F.3d 964, 971 (9th Cir. 2017) (discussing protections for borrowers set forth in § 1692f(6)); *Seeley v. Seymour*, 237 Cal. Rptr. 282, 288-89 (Ct. App. 1987) (setting forth elements of slander of title claim under California law); *see also Ashcroft v. Iqbal*, 556 U.S. 662, 678 (2009) (to avoid dismissal, “a complaint must contain sufficient factual matter, accepted as true, to state a claim to relief that is plausible on its face” (citation and internal quotation marks omitted)).

Dismissal of the Kramers’ claims under 11 U.S.C. § 524 was proper because Leo Kramer’s bankruptcy discharge did not affect the enforceability of JPMorgan Chase Bank, N.A.’s security interest. *See HSBC Bank USA, Nat’l Assn v. Blendheim (In re Blendheim)*, 803 F.3d 477, 493 (9th Cir. 2015) (“[A] discharge is neither effective nor necessary to void a lien or otherwise impair a creditor’s state-law right of foreclosure.”).

The district court did not abuse its discretion in denying leave to amend because amendment would have been futile. *See Cervantes*, 656 F.3d at 1041 (setting forth standard of review and explaining that dismissal without leave to

amend is proper if amendment would be futile).

The district court did not abuse its discretion by staying discovery pending resolution of defendants' motions to dismiss because plaintiffs failed to demonstrate actual and substantial prejudice resulting from the denial. *See Childress v. Darby Lumber, Inc.*, 357 F.3d 1000, 1009 (9th Cir. 2004) (standard of review); *Sablan v. Dep't of Fin.*, 856 F.2d 1317, 1321 (9th Cir. 1988) (district court's "decision to deny discovery will not be disturbed except upon the clearest showing that denial of discovery results in actual and substantial prejudice to the complaining litigant" (citation and internal quotation marks omitted)).

We reject as without merit the Kramers' contention that the magistrate judge was biased.

We do not consider matters not specifically and distinctly raised and argued in the opening brief. *See Padgett v. Wright*, 587 F.3d 983, 985 n.2 (9th Cir. 2009).

The Kramers' request for judicial notice in support of the reply brief (Docket Entry No. 32) and the motion to file an oversized reply brief (Docket Entry No. 33) are granted. The Clerk is instructed to file the Kramers' oversized reply brief submitted at Docket Entry No. 34.

All other pending motions and requests are denied.

AFFIRMED.

EXHIBIT C

EXHIBIT C

FILED

Case No.: 18-CV-00663
Dept. No.: I

2018 OCT 24 AM 8:28

TANYA S. P. 10-11
COURT ADMINISTRATOR
THIRD JUDICIAL DISTRICT

KATHY THOMAS

IN THE THIRD JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA
IN AND FOR THE COUNTY OF LYON

LEO KRAMER,
AUDREY KRAMER,

Plaintiffs,

vs.

**ORDER GRANTING MOTION TO
DISMISS PLAINTIFF'S COMPLAINT**

NATIONAL DEFAULT SERVICING
CORPORATION, ALYSSA MC DERMOTT,
WEDGWOOD INC., BRECKENRIDGE
PROPERTY FUND 2016 LLC, and DOES 1
THROUGH 50 INCLUSIVE,

Defendants.

THIS MATTER having come on for hearing on October 5, 2018 on the Motion to Dismiss filed by Defendant National Default Servicing Corporation and joined by Defendants Alyssa McDermott, Wedgewood Inc., and Breckenridge Property Fund 2016 LLC, the Plaintiffs having opposed the motion to dismiss, the Court having reviewed the papers and pleadings on file herein and having heard the arguments of the parties, the Court being fully advised in the premises and good cause appearing therefore the Court makes the following findings of fact and conclusions of law, and the Court orders as follows:

FINDINGS OF FACT

1. This action concerns real property commonly known as 1740 Autumn Glen Street, Fernley, Nevada, 89408, Assessor's Parcel Number 022-052-02 (hereinafter the "Property").
2. The instant state court lawsuit, commenced on June 8, 2018, is the second lawsuit filed by the Plaintiffs regarding the foreclosure on the Property.
3. The first lawsuit was filed on January 2, 2018 against NDSC, JPMorgan Chase Bank, N.A., Mortgage Electronic Registration Systems, Inc., and Washington Mutual Bank, N.A. in the United States District Court for the District of Nevada (3:18-cv-00001-MMD-WGC).
4. On May 17, 2018, Judge Miranda Du entered an order dismissing the first lawsuit and its attendant 15 causes of action with prejudice. On May 24, 2018, Plaintiffs' appealed Judge Du's Order to the Ninth Circuit. Preliminary Injunction was denied by Judge Du's Order and no stay of the non-judicial foreclosure was issued by any Court pending appeal.
5. Plaintiffs' state court Complaint filed in the instant lawsuit contains the same core causes of action that were alleged in the first, federal complaint which was dismissed by Judge Du.
6. However, Plaintiffs' state court Complaint does contain an allegation of unlawful foreclosure on procedural grounds that was not addressed in the first lawsuit or Judge Du's order dismissing the Complaint.

CONCLUSIONS OF LAW

1. Judge Du's Order dismissing the Complaint with prejudice in Case No: 3:18-cv-00001-MMD-WGC involved the same issues alleged in this instant action (except for the allegation of unlawful foreclosure based on procedural grounds), involved the same parties, and the decision was on the merits and final. All the required elements of res judicata have been met and therefore res judicata does apply in this matter.

- 1 2. Plaintiffs' Complaint appears to contain an allegation regarding the procedural notice of the
2 foreclosure which was not addressed in Judge Du's order of dismissal. The Court finds this
3 potential claim as a basis to allow the Plaintiffs' action to survive for the purpose of amending the
4 complaint.
5
6 3. Plaintiffs' Complaint is dismissed against all Defendants without prejudice.
7
8 4. Plaintiffs shall have 20 days to file and serve an Amended Complaint.

8
9 **ORDER AND JUDGMENT**

10 THE COURT HEREBY ORDERS, ADJUDGES, AND DECREES that Defendant National
11 Default Servicing Corporation's Motion to Dismiss is GRANTED.

12 THE COURT FURTHER ORDERS, ADJUDGES, AND DECREES that Plaintiffs' entire
13 Complaint against all Defendants is dismissed without prejudice with the ability to file an Amended
14 Complaint within 20 days of the date of this Order.
15

16 DATED this 23rd day of October, 2018.

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18 
19 DISTRICT COURT JUDGE
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CERTIFICATE OF SERVICE

I hereby certify that I, Aaron P. Richter, am an employee of the Honorable John P. Schlegelmilch, District Judge, and that on this date pursuant to NRCP 5(b), I mailed at Yerington, Nevada, a true copy of the foregoing document addressed to:


Leo & Audrey Kramer
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Hercules, CA 94547

Matthew K. Schriever, Esq.
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Wedgewood, LLC
2320 Potosi St., Suite 130
Las Vegas, NV 89146

Kevin S. Soderstrom, Esq.
Tiffany & Bosco, P.A.
10100 W. Charleston BLVD. Suite 220
Las Vegas, NV 89135

DATED: This 24 day of October, 2018.



Employee of Hon. John P. Schlegelmilch

IN THE SUPREME COURT OF THE STATE OF NEVADA

LEO KRAMER; AND AUDREY KRAMER
Appellants,

NO. 82379

VS

NATIONAL DEFAULT SERVICING
CORPORATION; ALYSSA MCDERMOTT;
AND BRECKENRIDGE PROPERTY FUND
2016, LLC,

Respondents.

FILED

APR 02 2021

ELIZABETH A. BROWN
CLERK OF SUPREME COURT
BY *D. Richards*
DEPUTY CLERK

RECORD ON APPEAL

VOLUME VII

Leo Kramer and Audrey Kramer
2364 Redwood Road
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In Proper Person

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CONTINUED INDEX TO RECORD ON APPEAL

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2020 JAN -7 AM 11:49

TANYA SCHEINE
COURT ADMINISTRATOR
THIRD JUDICIAL DISTRICT

Andrea Andersen

1 LEO KRAMER
2 AUDREY KRAMER
3 2364 REDWOOD ROAD
4 HERCULES, CA 94547

5 PLAINTIFFS IN PRO PER

6
7 THIRD JUDICIAL DISTRICT COURT
8 LYON COUNTY, NEVADA

9
10 LEO KRAMER,
11 AUDREY KRAMER,

12 Plaintiffs,

13 vs.

14
15 NATIONAL DEFAULT SERVICING
16 CORPORATION, BRECKENRIDGE
17 PROPERTY FUND 2016 LLC, and DOES 1
18 THROUGH 50 INCLUSIVE,

19 Defendants.

) Case No.: 18-CV-00663

) PLAINTIFFS' OPPOSITION TO
) DEFENDANT, NATIONAL DEFAULT
) SERVICING CORPORATION'S MOTION
) IN LIMINE TO EXCLUDE AND
) DISQUALIFY WILLIAM J. PAATALO;

) DECLARATION OF UPDATED
) CURRICULUM VITAE OF WILLIAM J.
) PATAALO FILED CONCURRENTLY
) HEREWITH;

) MEMORANDUM OF POINTS AND
) AUTHORITIES IN SUPPORT THEREOF

) Date: TBA
) Time: TBA
) Dept: I

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24
25 Plaintiffs, Leo Kramer and Audrey Kramer, ("Plaintiffs"), hereby, herein submits
26 their Opposition to National Default Servicing Corporation's (National Default) Motion
27 In Limine To Exclude and Disqualify Private Investigator, William J. Paatalo's (Mr.
28 Pataalo), as facts Witness as well as an Expert witness in this matter. Plaintiffs

1 contends that Defendants' Motion in Limine and for disqualification of Mr. Pataalo is
2 without merit. Plaintiffs contend that the trial is about finding out the truth. While
3 National Default is may be concerned that Mr. Pataalo will reveal the Fraud, deceit, and
4 intentional misrepresentation of National Default and its conduit JPMorgan Chase Bank,
5 Plaintiffs have Constitutional protected right of due process to present their witnesses
6 before and during trial.

7 Plaintiffs seek evidentiary Hearing to Determined if Mr. Pataalo is qualified as an
8 Expert Witness. Plaintiffs further preserved the right to call Mr. Pataalo as a Fact
9 witness to assist the Court or trier of fact to determine a fact in issue in this case. Mr.
10 Paatalo has been recognized as an Expert Witness and Fact Witness in both Federal and
11 State Courts throughout this country. Mr. Paatalo has given testimony as an Expert
12 Witness and as a Fact Witness in (3) three Federal cases and (10) ten State cases
13 Nationwide. Additionally, Mr. Paatalo has provided written expert testimony in the
14 form of Affidavits and Declarations in approximately 300-350 cases Nationwide. See
15 **Exhibit A: Mr. Paatalo's Amended Declaration of Updated Curriculum Vitae**

16 Plaintiffs' Opposition to Defendant's Motion in Limine and for disqualification of
17 Mr. Pataalo is based on this Opposition, the attached Memorandum of Points and
18 Authorities, Mr. Paatalo's updated Curriculum Vitae attached herewith; on the complete
19 files and records of this action and on such other oral and/or documentary evidence as
20 may be presented at the hearing on the Motion in limine.

21
22 Date: 1/04/2020

Date: _____

23
24
25 Leo Kramer

26 Leo Kramer, Pro se

27 Audrey Kramer, Pro se

MEMORANDUM OF POINTS AND AUTHORITIES

I- INTRODUCTION

This case arises out of the wrongful and unlawful foreclosure of Plaintiffs' real property. Plaintiff filed their complaint on June 8, 2018. Subsequently, the court found that Defendant National Default Servicing Corporation did not provide Plaintiffs with Notice of default as required by Nevada law and allowed Plaintiffs to amend their complaint. After the filing of the First Amended complaint, Plaintiffs retained Mr. William J. Paatalo, (Mr. Paatalo), a licensed private investigator with Seventeen (17) years of combined experience in both law enforcement and the mortgage industry. Mr. Paatalo is a well-qualified expert witness and one of the leading experts in the areas of chain of title analysis, foreclosure fraud, chain of title, the securitization of residential and commercial mortgage loans, and accounting issues relevant to alleged "defaults, and has spent more than 15,000 hours conducting investigatory research specifically related to mortgage securitization and chain of title analysis. **See Exhibit A: Mr. Paatalo's Amended Declaration of Updated Curriculum Vitae**

Mr. Paatalo is also Plaintiffs' Fact Witness with knowledge to assist this Honorable Court and the jury to determine a fact in issue in this case.

In their initial witness disclosure, Plaintiffs provided Defendants with the Name and occupation of Mr. Paatalo in July of 2019. Neither National Default Servicing Corporation, nor Breckenridge Property Fund 2016 LLC objected to Mr. Paatalo being Plaintiffs' Witness. Upon conducting Discovery and having reviewed the expert Report from Mr. Paatalo, **See Exhibit B Mr. Paatalo's Executed Declaration & Forensic Report of Plaintiffs' Property**, Plaintiffs decided to exercise the right as provided pursuant to Nev. R. Civ. P 15(a)(2) for Leave to File Amended Complaint to include JPMorgan Chase Bank as a necessary and indispensable party as party to the fraud, deceit, and intentional misrepresentation and fraud upon the court that has just been discovered by the Plaintiffs. It was not until Plaintiffs reached out via email to meet and confer with Defendants in an effort to obtain their written consent for leave to

1 amend Plaintiffs' First Amended Complaint that National Default panicked and decided
2 to file its frivolous motion in limine to exclude Mr. Paatalo as an expert witness. See
3 **Exhibit C Plaintiffs' Email Thread With Mr. Van Patten, Attorney for National**
4 **Default Servicing Corporation.** To date, National default has not provided Plaintiffs'
5 with a trial brief. Additionally, Defendant has not filed the required unsworn
6 declaration under penalty of perjury or was affidavit of moving counsel attached to their
7 motion setting forth a conference or good-faith effort to confer with Plaintiffs pursuant
8 to Rule 2.47- Motions in Limine. As a matter of fact, Defendant made no effort
9 whatsoever to meet and confer with Plaintiffs regarding Defendant's Motion In Limine
10 to disqualify Plaintiffs' Expert/Fact Witness, William Paatalo. imswprm dec;aratopm's
11 motion in limine is untimely. Furthermore, the Court has not set a final status
12 conference in this case. Accordingly, Plaintiffs respectfully request that the Court
13 deny Defendant's Motion in Limine in its entirety and set evidentiary hearing on
14 Plaintiffs' motion for leave to amend their complaint to add JPMorgan Chase Bank as a
15 Defendant.

16 **Rule 2. 47 (b) requires:**

17 (b) Motions in limine may not be filed unless an unsworn declaration under
18 penalty of perjury or affidavit of moving counsel is attached to the motion
19 setting forth that after a conference or a good-faith effort to confer, counsel
20 have been unable to resolve the matter satisfactorily. A "conference"
21 requires a personal or telephone conference between or among counsel.
22 Moving counsel must set forth in the declaration/affidavit what attempts to
23 resolve therefore. If a personal or telephone conference was not possible, the
24 declaration/affidavit shall set forth the reasons.

25
26 Accordingly, Plaintiffs respectfully request that the Court deny Defendant's
27 Motion In Limine in its entirety and set evidentiary hearing on Plaintiffs' Motion For
28 Leave to Amend their Complaint to add JPMorgan Chase Bank as a Defendant.

29 **II- STATEMENT OF FACTS**

30 Plaintiffs commenced this action on June 8, 2018, to seek damages for
31 Defendants' unlawful and wrongful foreclosure of Plaintiffs real property.

1 **Foundational Background of Mr. William J. Paatalo (Mr. Paatalo)**

2
3 Plaintiffs retained Mr. William J. Paatalo (Mr. Paatalo), a licensed private
4 investigator with Seventeen (17) years of combined experience in both law enforcement
5 and the mortgage industry.

6 Mr. William J. Paatalo (Mr. Paatalo), was a police officer with the St. Paul,
7 Minnesota Police Department from 1990-1996 where he was assigned "Field Training
8 Officer" duties in only his second year on the job and received multiple commendations.

9 Mr. Paatalo worked in the mortgage industry as a "loan officer" with Conseco
10 Home Finance from 1999 – 2000, followed by two years of being a branch manager for
11 multiple mortgage brokering firms. From 2002 – 2008, he became the President of
12 Midwestern Mortgage, LLC f/k/a Wissota Mortgage, LLC in Wisconsin and Minnesota.
13 As President of Wissota Mortgage, LLC, Mr. Paatalo was responsible for overseeing the
14 origination, processing, and underwriting of mortgage loans, as well as managing a staff
15 of 17 employees. **Please see Plaintiffs' Exhibit A, collective, as true and correct**
16 **copies of Mr. Paatalo's Declaration of Updated Curriculum Vitae**

17 Mr. Paatalo is a well-qualified expert witness and one of the leading experts
18 in the areas of chain of title analysis and securitization. Mr. Paatalo is also Plaintiffs'
19 Fact Witness with knowledge to assist this Honorable Court and the jury to determine a
20 fact in issue in this case.

21 For the sake of brevity, Plaintiffs need not recite Mr. Paatalo's entirety
22 Curriculum Vitae, however, Plaintiff respectfully request that the Court see **Plaintiffs'**
23 **Exhibit A** for the record. Upon review of the formal and informal discovery, and the
24 evidence uncovered by William Paatalo, the private investigator, Plaintiffs concluded
25 that additional causes of action for Fraud should be added to the case.

26 Neither JPMorgan Chase Bank, N.A., nor National Default Servicing
27 Corporation is the Holder of Plaintiffs' Note in due course. Review of the formal and
28 informal discovery, and the evidence uncovered by William Paatalo, the private

1 investigator revealed that Washington Mutual Bank did not grant assignment of interest
2 in Plaintiffs' home to JPMorgan Chase Bank.

3 On October 6, 2017, National Default Servicing Corporation recorded a
4 purported Notice of Default. During that time JPMorgan Chase Bank did not acquire
5 assignment of deed of trust from Washington Mutual Bank as such National Default
6 Servicing Corporation had no Assignment of Deed of Trust pursuant to which National
7 Default Servicing Corporation would be appointed as the trustee.

8 Newly discovered evidence demonstrates that the Assignment of Deed of
9 Trust which JPMorgan Chase Bank self-fabricated on April 04, 2018, and then recorded
10 on April 10, 2018, with Lyon County Recorder's Office in Lyon County, Nevada was a
11 forged Assignment of Deed of Trust. **See Exhibit D: Chase's fraudulent Self-**
12 **Assigned Deed of Trust Dated April 4, 2018.**

13 Furthermore, there is no evidence to demonstrate that the original lender
14 assigned Plaintiffs' Note and Mortgage to Washington Mutual Bank. Additionally,
15 there is no evidence to demonstrate that the original lender assigned Plaintiffs' Note and
16 Mortgage to JPMorgan Chase Bank, N.A. nor is there any evidence that Washington
17 Mutual Bank assigned its interest in the Revolving Line Agreement Washington Mutual
18 Bank had with Plaintiffs to Chase or anyone else when WaMu became a defunct
19 banking institution upon its seizure by the FDIC on September 25, 2008.

20 Plaintiffs performed all terms, covenants, and conditions required of them under
21 the Revolving Line of Credit Agreement, except for those terms, covenants, and
22 conditions the performance of which was either waived or rendered impossible by
23 Washington Mutual Bank in that, Plaintiffs were unable to access the substantial part of
24 the Revolving Line of Credit. Any applicable statutes of limitations have been tolled by
25 the Defendants' continuing, knowing, and active concealment of the facts alleged
26 therein in Plaintiffs' proposed Second Amended Complaint. Despite exercising
27 reasonable diligence, Plaintiffs could not have discovered, did not discover, and was
28

1 prevented from discovering, JPMorgan Chase Bank and National Default Fraudulent
2 conducts.

3
4
5 **THE PROPOSED TESTIMONY OF MR. PAATALO**

6 The proposed expert witness and/or Fact Witness, Mr. William Paatalo has been
7 a licensed private investigator since 2009; he is currently licensed by the State of
8 Oregon. Prior to that, he spent six years as a sworn police officer with the St. Paul,
9 Minnesota Police Department, after which he spent eight years as a mortgage loan
10 officer, responsible for overseeing the origination, processing, and underwriting of
11 mortgage loans. Since 2010, he has worked exclusively investigating foreclosure
12 fraud, chain of title, the securitization of residential and commercial mortgage loans,
13 and accounting issues relevant to mortgage defaults, a relatively new field which
14 burgeoned only with the mortgage lending crisis of 2008. He estimates that he has
15 expended more than 10,000 hours conducting investigatory research from public and
16 private sources specifically related to mortgage securitization and chain of title
17 analysis. Through extensive experience, research and study, he asserts expertise
18 received by courts in, among other things, the following areas:

- 19
- 20 ▪ Knowledge of the "Pooling & Servicing Agreements" and various
21 Securities & Exchange Commission (SEC) filings associated with
 mortgage-backed securitized trusts.
 - 22 ▪ Specific language in the PSA's and Prospectus / Prospectus Supplements
23 involving securitization participants, key dates, "Servicer Advances,"
 sources of third-party
 - 24 ▪ In consequence, credentialing in the field is an emerging process. That said,
25 Mr. Paatalo obtained certification as a Certified Forensic Mortgage Loan
26 Auditor in 2011 through a multi-day course given in San Diego, California
 and involving some 30-40 hours of course work and an exam. payments,
 and transfer and conveyancing requirements.
 - 27 ▪ Knowledge and use, as well as the interpretation of "MB S Data" showing
28 "advance payments" made to the certificate holders / investors, as well as

1 other information specific to accounting, chain of title, and other aspects of
2 securitization.

- 3 ■ Chain of Title analyses based upon publicly recorded documents,
4 documents produced in discovery, and documents attached as exhibits to
5 foreclosure complaints. Documents typically include mortgages, deeds of
6 trust, assignments, notes, and allonges; in addition to documents filed
7 under penalty of perjury with the SEC.
- 8 ■ In this case, he proposes to offer testimony and analysis, factual and not
9 scientific in nature, based upon review of documents filed under penalty of
10 perjury with the U.S. Securities & Exchange Commission (SEC), publicly
11 recorded documents in the Federal Court's PACER System, documents
12 obtained from the parties in this action, and documents and materials from
13 past investigations, including official government publications, to
14 demonstrate facts and circumstances to support the proposition that the
15 loan that is the subject of this case was not among the assets acquired by
16 JPMorgan Chase N.A. from FDIC upon the failure of Washington Mutual
17 Bank, as more specifically detailed his **Exhibit A & B** hereto.
- 18 ■ Mr. Paatalo's testimony is based upon investigation, study and experience,
19 addressing not only factual findings¹, but also matters implicating the
20 intricacies, both with respect to Washington Mutual Bank and in general,
21 of mortgage loan pooling and securitization and the roles of the various
22 participants therein, and the splitting of loan rights (such as servicing and
23 ownership) and income streams, subjects well beyond the ken of the
24 ordinary person. In that way, his testimony will fairly assist the trier of fact
25 in "understanding the evidence or determining an issue of fact."
- 26 ■ These factual findings include, but are not limited to: (i) Chase's proffered
27 'Loan Transfer History' document for this loan departs from other similar
28 documents produced by Chase for similar pre-takeover Washington Mutual
originated loans in that it does not begin with loan inception; (ii) Chase's
proffered 'Loan Transfer History' document for this loan reveals that the
loan was held by an investor designated as "AOI "; (iii) documents
provided by Chase and available in public case records reveal that investor
designations beginning with the letters "A" through "V" denote private
investors, not Chase, for which other letter designations are used; (iv)
Official Government Reports confirm Washington Mutual Bank's
extensive off balance sheet activities and securitization practices, including
the extent Chase's proffered 'Loan Transfer History' document for this loan
reveals that the loan was held by an investor designated as "AOI "; (iii)
documents provided by Chase and available in public case records reveal
that investor designations beginning with the letters "A" through "V"
denote private investors, not Chase, for which other letter designations are
used; (iv) Official Government Reports confirm Washington Mutual
Bank's extensive off balance sheet activities and securitization practices,
including the extensive use of its non-bank subsidiaries to effect
securitization; (v) the presence of explicit exclusions of assets in the
Purchase and Assumption Agreement with the FDIC; (vi) the terms of the

¹ See Exhibit B-William Paatalo's Amended Declaration Of Updated Curriculum Vitae & Executed Declaration & Forensic Report of Plaintiffs' Property.

Purchase and Assumption Agreement with the FDIC in general and their bearing on this case; and (vii) the fact that, based on publicly available SEC documents, Washington Mutual Bank's securitization non-bank subsidiary securitization..

III- ARGUMENT

A. THE COURT SHOULD DENY DEFENDANT NATIONAL DEFAULT MOTION IN LIMINE AND ALLOW TESTIMONY OF MR. WILLIAM PAATALO AS AN EXPERT WITNESS OR IN THE ALTERNATIVE AS FACT WITNESS OR BOTH

Standard for Admission of Expert Testimony

Expert testimony is admissible when three tests are met. First, the witness must be "qualified as an expert by special knowledge, skill, experience, training or education." Second, the testimony must "assist the trier of fact to understand the evidence or determine a fact in issue." And third, the witness may testify on matters that are "within the scope of such knowledge" as the expert possesses. See NRS 50.275. The Nevada Supreme Court clarified the statute noting that "three overarching requirements for admissibility of expert testimony" are: "(1) qualification; (2) assistance; and (3) limited scope, requirements." Hallmark v. Eldridge, 124 Nev. 492, 498, 189 P.3d 646, 650 (2008).

These requirements are intended to insure reliability and relevance without imposing the rigid, mechanical factors of federal evidentiary law. Higgs v. State, 126 Nev. Adv. Op. 1, 222 P.3d 648, 659 (2010). If scientific, technical or other specialized knowledge will assist the trier of fact to understand the evidence or to determine a fact in issue, a witness qualified as an expert by special knowledge, skill, experience, training or education may testify to matters within the scope of such knowledge. NV Rev Stat § 50.275 (2017). Determination of competency of an expert witness is largely in the discretion of the trial judge. Walton v. Eighth Judicial Dist., 94 Nev. 690, 586 P.2d 309, 1978 Nev. LEXIS 655 (Nev. 1978).

1 Here, Mr. Paatalo has specialized knowledge in the area of investigating
2 foreclosure fraud, chain of title, the securitization of residential and commercial
3 mortgage loans, and accounting issues and will assist the trier of fact to understand the
4 evidence or to determine a fact in issue in the instant case. Further, Mr. Paatalo has
5 worked in the mortgage industry as a "loan officer" and was responsible for overseeing
6 the origination, processing, and underwriting of mortgage loans, as well as managing a
7 staff of 17 employees.

8 A person need not be licensed to qualify as an expert; rather, the witness must
9 simply possess "special knowledge, skill, experience, training or education" relating to
10 the subject matter. Hanneman v. Downer, 110 Nev. 167, 871 P.2d 279, 110 Nev. Adv.
11 Rep. 19, 1994 Nev. LEXIS 33 (Nev.), cert. denied, 513 U.S. 928, 115 S. Ct. 318, 130 L.
12 Ed. 2d 279, 1994 U.S. LEXIS 7110 (U.S. 1994). Here, it is irrefutable that Mr. Paatalo
13 poses special knowledge, skills, experience, training and education to qualify him as an
14 expert. For example, Mr. Paatalo has worked exclusively since 2010 investigating
15 foreclosure fraud, chain of title, the securitization of residential and commercial
16 mortgage loans, and accounting issues relevant to alleged "defaults, and has spent more
17 than 15,000 hours conducting investigatory research specifically related to mortgage
18 securitization and chain of title analysis. He has performed such analyses for
19 residential real estate located in many states, including but not limited to, Washington,
20 Oregon, California, Nevada, Florida, Montana, Texas, Arizona, Ohio, New Jersey, and
21 several other states. To date, Mr. Paatalo has conducted more than 1,200 investigations
22 across the U.S. and has provided written expert testimony in the form of affidavits and
23 declarations in approximately 300 -350 cases nationwide. (Exhibit A)

24 A decision concerning the competency of a witness to offer an opinion as an
25 expert is within the sound discretion of the trial court and the ruling will not be
26 disturbed unless a clear abuse of the court's discretion is shown. Cheyenne Constr. v.
27 Hozz, 102 Nev. 308, 720 P.2d 1224, 1986 Nev. LEXIS 1293 (Nev. 1986). An expert
28 witness need not be licensed to testify as an expert, as long as he or she possesses

1 special knowledge, training and education, or in this case, knowledge of the standard of
2 care. Freeman v. Davidson, 105 Nev. 13, 768 P.2d 885, 1989 Nev. LEXIS 5 (Nev.
3 1989). A witness need not be licensed to practice in a given field in order to be
4 qualified to testify as an expert. Wright v. Las Vegas Hacienda, 102 Nev. 261, 720 P.2d
5 696, 1986 Nev. LEXIS 1299 (Nev. 1986). Moreover, concerning the admissibility of
6 expert testimony, the district court is in a better position than the supreme court to
7 determine the helpfulness of proposed testimony in light of the material facts in issue.
8 When the district court's exercise of discretion is not manifestly wrong the supreme
9 court will not reverse. Krause Inc. v. Little, 117 Nev. 929, 34 P.3d 566, 117 Nev. Adv.
10 Rep. 76, 2001 Nev. LEXIS 76 (Nev. 2001). Plaintiffs contend that the admissibility
11 of the testimony of expert witnesses is a question of law for the determination of the
12 court. The weight and credibility to be given to such opinions is a question for the jury
13 alone to determine.

14 Accordingly, Defendant's Motion In Limine must be denied with prejudice in its
15 entirety.

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18 **B. THE COURT SHOULD DENY DEFENDANT NATIONAL**
19 **DEFAULT MOTION IN LIMINE AND ALLOW TESTIMONY OF**
20 **MR. WILLIAM PAATALO AS A FACT WITNESS**
21

22 Opinions: Lay witnesses. If the witness is not testifying as an expert, the
23 witness's testimony in the form of opinions or inferences is limited to those opinions or
24 inferences which are: (1) Rationally based on the perception of the witness; and (2)
25 Helpful to a clear understanding of the testimony of the witness or the determination of
26 a fact in issue. NRS 50.265. Here, Mr. Paatalo has personal knowledge of the fact
27 and circumstances concerning Plaintiffs' chain of title, the securitization of Plaintiffs'
28 Revolving Line of Credit, and issues relevant to the purported default.

1 Nev. Const. art. 1, § 8 provides that no person shall be deprived of life, liberty, or
2 property, without due process of law. The same rights are preserved in U.S. Const.
3 amend. V This does not mean "the process," or, otherwise expressed, "the proceeding,"
4 shall be the same as pursued at common law, but that the mode and manner of their
5 procedure may be regulated and prescribed by statute. Here, Plaintiffs' Constitutional
6 Rights will be violated if Mr. Paatalo who is both a fact witness and expert witness is
7 excluded from at the evidentiary hearing and at trial in this matter.

8 Mr. Paatalo is competent to testify as both an Expert Witness and a Fact Witness
9 for the Plaintiffs. Mr. Paatollo has had sufficient observation and personal knowledge
10 and would be able to form a belief on the subject matter at issue in this case.

11
12 **IV. CONCLUSION**

13 Based on the foregoing, it is respectfully requested that this Honorable Court
14 deny Defendant's Motion In Limine with prejudice in its entirety and allow Mr. Paatalo
15 to Testify as an Expert Witness or in the alternative as a Fact Witness in this case.
16

17
18 Date: 1/04/2020

19 Date: January 4, 2020

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23 Leo Kramer
24 Leo Kramer, Pro se

25 Audrey Kramer
Audrey Kramer, Pro se

PROOF OF SERVICE

STATE OF CALIFORNIA)

) SS:

COUNTY OF CONTRA COSTA)

The UPS Store

1511 Sycamore Ave. Ste M
Hercules, CA 94547

store2796@theupsstore.com



I am employed in the County of Alameda, State of California. I am over the age of 18 and not a party to the within action; my business address is: _____

On Jan 6, 2020, I served the foregoing document entitled:

PLAINTIFFS' OPPOSITION TO DEFENDANT, NATIONAL DEFAULT SERVICING CORPORATION'S MOTION IN LIMINE TO EXCLUDE AND DISQUALIFY WILLIAM J. PAATALO;

DECLARATION OF UPDATED CURRICULUM VITAE OF WILLIAM J. PATAALO FILED CONCURRENTLY HEREWITH;

MEMORANDUM OF POINTS AND AUTHORITIES IN SUPPORT THEREOF on all parties in this action as follows:

PLEASE SEE ATTACHED SERVICE LIST

 Mail. By placing a true copy thereof enclosed in a sealed envelope. I am "readily familiar" with the firm's practice of collection and processing for mailing. Under that practice it would be deposited with the U.S. Postal Service on that same day with first class postage thereon fully paid at Hercules, California in the ordinary course of business. I am aware that on motion of the party served, service is presumed invalid if the postal cancellation date or the postage meter is more than one day after day of deposit for mailing in this Proof of Service.

 By Telefax. I transmitted said document by telefax to the offices of the addressees at the telefax numbers on the attached Service List.

 By Personal Service. I delivered such envelope by hand to the addressee(s).

☒ By Overnight Courier. I caused the above-referenced document(s) to be delivered to an overnight courier service for next day delivery to the addressee(s) on the attached Service List.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on Jan 6, 2020, at Hercules, California.

Corina DiGrazia

Name of Declarant

Signature of Declarant

SERVICE LIST

Matthew K. Schriever
John T. Steffen

Hutchison & Steffen
1008 West Alta Drive, Suite 200
Las Vegas, NV 89145

Attorneys for Defendants,
BRECKENRIDGE PROPERTY FUND 2016 LLC, et al.

Ace Van Patten
Kevin S. Soderstrom
Tiffany & Bosco, P.A.
10100 W. Charleston Boulevard, Ste.220
Las Vegas, NV 89135

Attorneys for Defendant,
NATIONAL DEFAULT SERVICING CORPORATION

LIST OF EXHIBITS:

A—WILLIAM J. PAATALO'S AMENDED
DECLARATION OF UPDATED
CURRICULUM VITAE

B—WILLIAM J. PAATALO'S EXECUTED
DECLARATION & FORENSIC REPORT OF
PLAINTIFFS' PROPERTY

C—PLAINTIFFS' EMAIL THREAD WITH
MR. VAN PATTEN, ATTORNEY FOR
NATIONAL DEFAULT SERVICING CORP.

D—CHASE'S FRAUDULENT SELF-
ASSIGNED DEED OF TRUST, DATED
APRIL 4, 2018

WILLIAM J. PAATALO'S AMENDED
DECLARATION OF UPDATED
CURRICULUM VITAE

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**DISTRICT COURT
CLARK COUNTY, NEVADA**

Leo Kramer and Audrey Kramer,

Plaintiffs,

Case No. 18-CV-00663

v.

**AMENDED DECLARATION OF
PRIVATE INVESTIGATOR
WILLIAM J. PAATALO**

National Default Servicing Corp.,
et al.,

Defendants.

I, William J. Paatalo, hereby declares as follows:

1. This is an amended declaration to my previous declaration executed on June 8, 2019. I have attached as **Exhibit A** my current CV to reflect cases in which I have testified since that date.

I. Newly produced documents by JPMC proves hidden and concealed investors.

2. Attached as **Exhibit B** is an article I authored and posted on 12/5/2019 on my website www.bpinvestigativeagency.com. The article is titled, "Smoking Gun' Proof That JPMorgan Chase Never Acquired Beneficial Interest In My WaMu Loan Through The FDIC."

3. The documents I reference in this article were produced by JPMorgan

1. Declaration of Private Investigator -- William J. Paatalo

1 Chase (JPMC) upon a subpoena issued by the Defendant in my own case
2 captioned: Paatalo v. McCarthy, Oregon Circuit Court for Lincoln County, Case
3 No. 18CV44633.

4 4. I have attached the document showing the escrow wiring account
5 information, as well as screenshots showing the investor code "AO1" for my Deed
6 of Trust (top of each page) from 2006 through the FDIC takeover of WMB on
7 9/25/2008. (Exhibit C). For edification purposes, the facts leading up to the
8 foreclosure of my Oregon property align with the facts in this case. I too had
9 WaMu Deed of Trust whereby JPMC foreclosed non-judicially claiming they
10 acquired ownership of my DOT and Note through the FDIC. However, when
11 challenging title to my property in my current Ejectment Action, JPMC produced
12 these documents that reveal the liquidated proceeds of the sale of my foreclosed
13 home were wired into a trust account for various undisclosed investors.

14 5. I believe the same holds true in this case. As I outlined in Section "IX,
15 Beg. P26" in my prior declaration, I believe the Kramer loan will show the same
16 investor code "AO1." And, the escrow wiring instructions for the sale proceeds of
17 the subject property in this matter will show the same account, or an account
18 similar, revealing JPMC's concealment of the actual investor(s) of the Kramer
19 loan, and its false representation that it acquired beneficial ownership of the
20 Kramer DOT prior to foreclosure.

21 I declare under penalty of perjury, under the laws of the United State and Nevada
22 that the above is true and correct, and that this declaration was executed this 30th
23 day of December 2019.

24
25 
26 William J. Paatalo
27 Private Investigator – Oregon PSID# 49411

2. Declaration of Private Investigator – William J. Paatalo

William J. Paatalo
476 Labrie Drive
Whitefish, MT 59937
Office: 1-(888)-582-0961
bill.bpia@gmail.com

Curriculum Vitae

William Paatalo has been a licensed private investigator since September of 2009. He has 17 years combined experience in both law enforcement and the mortgage industry which he has utilized to become a leading expert in the areas of chain of title analyses and securitization. He was a police officer with the St. Paul, Minnesota Police Department from 1990-1996 where he was assigned "Field Training Officer" duties in only his second year on the job and received multiple commendations.

Mr. Paatalo worked in the mortgage industry as a "loan officer" with Conseco Home Finance from 1999 – 2000, followed by two years of being a branch manager for multiple mortgage brokering firms. From 2002 – 2008, he became the President of Midwestern Mortgage, LLC f/k/a Wissota Mortgage, LLC in Wisconsin and Minnesota. As President of Wissota Mortgage, LLC, Mr. Paatalo was responsible for overseeing the origination, processing, and underwriting of mortgage loans, as well as managing a staff of 17 employees.

Mr. Paatalo has worked exclusively since 2010 investigating foreclosure fraud, chain of title, the securitization of residential and commercial mortgage loans, and accounting issues relevant to alleged "defaults, and has spent more than 15,000 hours conducting investigatory research specifically related to mortgage securitization and chain of title analysis. He has performed such analyses for residential real estate located in many states, including but not limited to, Washington, Oregon, California, Nevada, Florida, Montana, Texas, Arizona, Ohio, New Jersey, and several other states. To date, Mr. Paatalo has conducted more than 1,200 investigations across the U.S. and has provided written expert testimony in the form of affidavits and declarations in approximately 300 -350 cases nationwide. Mr. Paatalo has been qualified in both state and federal courts as an expert, and personally appeared and testified at trial in the cases

outlined below. This experience has led to Mr. Paatalo becoming one of the leading national experts in this field.

Mr. Paatalo's specific areas of expertise allowed by the courts in the cases referenced below are as follows:

- Knowledge of the "Pooling & Servicing Agreements" and various Securities & Exchange Commission (SEC) filings associated with mortgage-backed securitized trusts.
- Specific language in the PSA's and Prospectus / Prospectus Supplements involving securitization participants, key dates, "Servicer Advances," sources of third-party payments, and transfer and conveyancing requirements to name a few.
- Knowledge and use of the Bloomberg Terminal, ABSNet, MBSData and the interpretation of its internal accounting data showing "advance payments" made to the certificateholders / investors, as well as other information specific to accounting, chain of title, and other aspects of securitization.
- Chain of Title analyses based upon publicly recorded documents, documents produced in discovery, and documents attached as exhibits to foreclosure complaints. Documents typically include mortgages, deeds of trust, assignments, notes, and allonges; in addition to documents filed under penalty of perjury with the SEC.

Relevant Experience:

- Police Officer / "Field Training Officer" – St. Paul, MN 1990-1996.
- Oregon licensed private investigator under ORS 703.430, and has met the necessary requirements under ORS 703.415. To obtain his PI license, Mr. Paatalo met the requirement of 5,000 hours of investigation experience in the law enforcement field and passed a thorough background investigation and criminal history check.
- Member of the "Oregon Association of Licensed Investigators" (OALI.)
- President of Midwestern Mortgage, LLC f/k/a Wissota Mortgage, LLC in Wisconsin and Minnesota from 2002 – 2008.

Achievements:

- “2013 - Fraud Investigator of the Year” – “The Foreclosure Hour with Gary Dubin” – KHVH – AM, Honolulu, HI.
- Guest Speaker “Illinois Association of Foreclosure Defense Attorneys” – February 20, 2017. (<http://www.afdaillinois.org/>)
- Presenter in the March 2018 webinar titled “Mastering Discovery And Evidence In Foreclosure Defense” sponsored by Neil Garfield, Esq., The Garfield Firm, and GTC Honors, LLC.
- Co-Author of eBook titled “Table-Funding And Securitization Go Hand In Hand” – December 2015.

Education:

A.A.S. – Law Enforcement – Normandale C.C., Bloomington, MN – 1986
Marketing Management Certificate – Concordia University, St. Paul, MN 2001
Forensic Loan Auditor Certification Training Course (CFLA) – 32 hrs. – San Diego, CA 2011

Expert Testimony (Trial):

FEDERAL CASES

MONTANA

Robert T. Fanning, Debtor – U.S. Bankruptcy Court, District of Montana – BK Case No. 10-61660

CALIFORNIA

Rivera v. Deutsche Bank National Trust Company, U.S. BK Court, Northern CA – Oakland – Case No. 14-54193-MEH-13.

WASHINGTON D.C.

Quinteros v. National Home Investors, et.al., U.S. BK Court, D.C., Case No. 19-00195-SMT.

STATE CASES

CALIFORNIA

Dang v. HSI Asset Securitization Trust 2006-OPT1, Mortgage-Pass-Through Certificates, Series 2006-OPT1, California Superior Court, County of Alameda, Case No. RG14743930

Koeppel v. Central Pacific Mortgage, California Superior Court, County of Monterey, Case No. M133160.

PennyMac Holdings, LLC v. Mario Carini, et. al., California Superior Court, County of San Diego, Case No. 37-2017-00039675-CL-UD-CTL.

CONNECTICUT

JPMorgan Chase Bank, N.A. v. Geronimos et. al., Connecticut Superior Court, Stamford/Norwalk, Case No. FST-CV13-6017139-S

FLORIDA

U.S. Bank as Trustee for WMALT 2006-AR5 v. Paul Landers, et al., 20th Judicial Circuit for Lee County, FL Case No.: 14-CA-051647

Bank of America, N.A. v. Jorge A. Castro, et al., 17th Judicial Circuit for Broward County, FL Case No.: 12-06339-11

U.S. Bank Trust NA as Trustee for LSF9 Master Participation Trust v. James K. Murphy, et al., 15th Judicial Circuit for Palm Beach County, FL Case No.: 50-2017-CA-012236-XXXX-MB

OHIO

Washington Mutual Bank fka Washington Mutual Bank, F.A. v. Jon A. Smetana, et al., In The Court of Common Pleas, Cuyahoga County, Ohio Case No. CV-08-652392

OREGON

U.S. Bank, N.A. as Trustee v. Natache D. Rinegard-Guirma, et al. - Circuit Court For The State Of Oregon, County Of Multnomah - Case No. 1112-16030

NEW YORK

Deutsche Bank National Trust Company, as Trustee v. Ledgerwood, Sup. Ct NY, Co. Richmond, Case No. 135896/2016



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"Smoking Gun" Proof That JPMorgan Chase Never Acquired Beneficial Interest In My WaMu Loan Through The FDIC

Posted by Bill Paatalo on Dec 5, 2019 in Uncategorized | 0 comments

This little piece of production in my Oregon Ejectment Action just confirmed what I have been testifying to since day-one: Chase acquired no ownership of loans that WaMu sold and securitized prior to the September 25, 2008 takeover by the FDIC.

The story by the Defendants in my case is that Chase acquired beneficial rights to my deed of trust through the FDIC and the Purchase & Assumption Agreement, and proceeded to foreclose non-judicially as the "successor in interest" to WaMu. However, in newly produced documents, I've learned that my loan was assigned the investor code "AO1" which I have written about here:

<https://bpinvestigativeagency.com/wamu-investor-code-a01-revealed-chase-stipulates-it-represents-wamu-asset-acceptance-corp/>

This code belonged to "Washington Mutual Asset Acceptance Corp" to which Chase stipulated. Chase also stipulated that the loan with the designated code "AO1" did not pass through the FDIC. My position, based on years of investigations and accumulated evidence, is that Chase has been hiding and concealing the identities of the actual investors in many WaMu loans that were sold into private trusts, and have proceeded to foreclose on thousands of homes claiming to be the owner/beneficiary/mortgagee which is flat out false. Well here is some hard evidence that my position is in fact true. Attached is the escrow wiring instructions for the REO sale transaction of my property to the current occupants who purchased back in 2011. Proceeds

Exhibit B

from the cash sale were to be wired to account titled "Washington Mutual Bank in Trust for the REO proceeds in Trust for various Investors and Mortgagors."

NRT REOExperts, LLC
7100 Commercial Blvd., Suite 101, Ft Lauderdale, FL 33319

THE SELLER'S PROCEEDS MUST BE WIRED WITHIN 24 HRS AFTER CLOSING AS FOLLOWS:

To: JPMorgan Chase
400 East Main St, Stockton CA 95250

Account Title: Washington Mutual Bank in Trust for the REO proceeds
in Trust for various Investors and Mortgagors

ACCOUNT / CL#: 763912803

ABA / ROUTING: 021000021

BENEFICIARY PARTY
INFORMATION: Lisa A. Shepard, NATIONAL, REO, JPMorgan Chase

It should also be noted, that the real estate sales agreement named the "Seller" as "NRT REOExperts, LLC as agent for JPMorgan Chase Bank, N.A. as Servicing Agent for Owner of Record."

Bill Paatalo

Oregon Private Investigator – PSID#49411

BP Investigative Agency, LLC

Office: 1-(888)-582-0961

bill.bpia@gmail.com

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Comment

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- [Did Chase Park The WaMu Loans In Off-Shore "Tax Haven Subsidiaries?" Evidence Says. Yes.](#)
- ["U.S. Bank Trust, N.A. v Moomey-Stevens" – Plaintiff Fails To Prove Its Standing Once Again](#)

19081-721

WASHINGTON MUTUAL BANK, F.A.

LOAN HISTORY Y-T-D INV A01 CAT 013 INV# 9299 T13 12/30/08

PAGE 36230

LME 9299 WILLIAM JOHN BARTALO

ARM PLAN 0209
EMI 0 90PG

P O BOX 111

YACHTS

OR 974900000

1ST ORIG PRIN	2ND ORIG PRIN	ESC BAL	REST ESC	SUSPENSE	ADV BAL	REPL RES	WHD BAL	LC BAL	INT DUE	DUE DATE	WHD PRN	OF M
896,555.84	.00	1947.65	.00	.00	.00	.00	.00	.00	.00	08-01-07	.00	00 0

P & I 1ST	PRN END	CO TAX CITY	TAX	MAX INS	M I P	LYEN	ESC A & H	LIFE	MISC	REF RES	TOT PAYMT	INT RATE	DT SW
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OVER/SHORT AMT 34.29													

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880,000	0	880,000.00	2			8,571.78		0.00		0		0

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12													

PMI PERIOD	1998-DET-NIST	POINTS-PAID/RPTG	YR	SUPPR-MICR-BTMT	DI-NOT-RPT-YR	RIAS CAUS	RI-HDR-SW	1ST-DUR-DT	REO STAT/COMPL DT
12								10-06	

108 CREDIT	YTD/W-H	SW/W-H	BALANCE	108 CREDIT	YTD/W-H	SW/W-H	BALANCE	CONSTR CD	NO FURGE	FLAG/YR	BNKRPT	STAT	LAST DEF DUE
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REC CORP ADV BAL	3RD REC CORP ADV BAL	FURCEL WEST CODE/REINSTATE DATE	INIT ESC	STMT CODE / DATE	1088 HIT	STATUS/COMPL DATE
.00	.00		9	08-23-06		

DUE DATE	PROG	TR	NO	AMOUNT	PRINCIPAL	PRINCIPAL	INTEREST	ESCROW	ESCROW	ADVANCE	STATUS	STATUS	UNLEARNED	OTHER	CFT
DATE	DATE	TR	NO	RECEIVED	PAID	BALANCE	PAID	PAID	BALANCE	BALANCE	AMOUNT	BALANCE	INT-BAL.	AMOUNT	ACT

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11-06

LN# 9299 WILLIAM JOHN PARTALO

ARM PLAN 0200

EMP 0 POF0

P O BOX 111

YACHTS

OR 974950000

1ST MTGE PRIN	2ND MTGE PRIN	ESC BAL	REST ESC	SUSPENSE	ADV BAL	REPL RES	NUD BAL	LC BAL	INT DUE	DUE DATE	NUD FRT	CF M
922,170.29	.00	1598.67	.00	.00	.00	.00	.00	.00	.00	01-01-05	.00	00 0

P & I 1ST	P&I 2ND	CO TAX CITY	TAX	HAZ INS	M 2 P	LYEN	BSC A & H	LIFE	MISC	REP RES	TOT PAYMT	INT RATE	UT BN
3192.53	.00	576.91	.00	94.92	.00	.00	.00	.00	.00	.00	2658.67	.0811300	1 8
OVER/SHORT AMT		34.29											

1ST ORIG MTG	2ND ORIG MTG	PRIN BAL RES	INT IND	CAP FLAG	HIGH SSN	DEF INT BAL	PRIOR YR	PPD INT	PPD INT IND	GRM ORG
880,000	0	886,555.64	2			44,186.23		0.00	0	0

ASSUM-OT	XFER-DEED	PHA-SEC/NUM	LIP	PAYOFF	PC-TRK-SW	YE-ACQ-RPT/DATE	SALE-ID	EXEMPT	PLGD-LN	PMT-OPT	CALC-METH	BLOC	ENKRCY	CH/DT

PMT PERIOD	1095-DET-HIST	POINTS-PAID/RPTG	YR	SUPPR-MICR-STAT	DI-MOT-RPT-YR	REAS CAUS	RI-BDR-SW	1ST-DUE-OT	REQ STAT/COMPL	DT
12		.00						10-06		

IOE CREDIT	YTD/W-H	SW/W-H	BALANCE	IORE CREDIT	YTD/W-H	SW/W-H	BALANCE	CONSTR CD	NO PURGE	FLAG/YR	ENKRCY	STAT	LAST DEF	DUE
.00	.00	.00	.00	.00	.00	.00	.00						09-36	

REC CORP	ADV BAL	3RD REC	CORP ADV	BAL	FORECL	WKST CODE/REINSTATE	DATE	INIT	ZSC	STMT CODE	/ DATE	LOSS	MIT	STATUS/COMPL	DATE
.00	.00	.00	.00	.00				9			05-23-06				

DUE PROC	TP	EQ	AMOUNT	PRINCIPAL	PRINCIPAL	INTEREST	ESCRON	ESCRON	ADVANCE	STATUS	STATUS	UNEARNED	OTHER	CFD
DATE	DATE	TR NO	RECEIVED	PAID	BALANCE	PAID	PAID	BALANCE	BALANCE	AMOUNT	BALANCE	INT-BAL.	AMOUNTS	DOT
BAL-YTD	410	4 93	2		886555.84			1947.65	.00	.00	.00	.00		
02-07	02-10	1 71	1	3436.73	3131.43-	889687.27	5064.04	506.12	3453.77	.00	.00	.00		

02-10-07 L
3131.43-AB
3131.43-AC
3131.43-AD
3131.43-AE

BATCH 6XC EDIT-SEQ 070665

IR EFF	03-07	OLD	.0820800	NEW	.0825800	PRIN BAL	889,687.27
PI EFF	03-07	OLD	2,932.61	NEW	2,932.61	PRIN BAL	889,687.27
03-07	03-14	1 71	1	3438.73	3189.92-	892077.19	6122.53

03-14-07 L
3189.92-AB
3189.92-AC
3189.92-AD
3189.92-AE

BATCH 6WJ EDIT-SEQ 247345

IR EFF	04-07	OLD	.0825800	NEW	.0830800	PRIN BAL	892,077.19
PI EFF	04-07 <td>OLD</td> <td>2,932.61</td> <td>NEW</td> <td>2,932.61</td> <td>PRIN BAL <td>892,077.19</td> </td>	OLD	2,932.61	NEW	2,932.61	PRIN BAL <td>892,077.19</td>	892,077.19
04-07	04-14	1 71	1	3438.73	3249.08-	896126.27	6181.69

04-14-07 L
3249.08-AB
3249.08-AC
3249.08-AD
3249.08-AE

BATCH 6XC EDIT-SEQ 050313

IR EFF	05-07	OLD	.0830800	NEW	.0833900	PRIN BAL	896,126.27
PI EFF	05-07 <td>OLD</td> <td>2,932.61</td> <td>NEW</td> <td>2,932.61</td> <td>PRIN BAL <td>896,126.27</td> </td>	OLD	2,932.61	NEW	2,932.61	PRIN BAL <td>896,126.27</td>	896,126.27
05-07	05-14	1 71	1	3438.73	3294.72-	899420.99	6227.33

05-14-07 L
3294.72-AB
3294.72-AC
3294.72-AD
3294.72-AE

LW# 9239 WILLIAM J PAREALO

ARM PLAN 0200

EMP 0 POF0

OR 974280000

400 E 3RD ST

YACHTS

1ST MTGE PRIN	2ND MTGE PRIN	ESC BAL	REST ESC	SUSPENSE	ADV BAL	REPL RES	HUD BAL	LC BAL	INT DUE	DUE DATE	HUD PRF	CF M
944,573.06	.00	.00	.00	.00	112.37	.00	.00	981.24	.00	10-01-08	.00	00 7

P & I 1ST	P&I 2ND	CO TAX	CITY TAX	H&A INS	M I P	LIEN	BSC A & H	LIFE	MISC	REP RES	TOT PAYMT	INT RATE	DT BM
3388.99	.00	383.11	.00	103.92	.00	.00	.00 0	.00 0	.00 0	.00	3912.05	.0618000	1 8
OVER/SHORT AMT 30.03													

1ST ORIG MTG	2ND ORIG MTG	PRIN BAL BEG	INT IND	CAP FLAG	MTGR SSN	DEF INT BAL	PRICR YR	PPD INT	PPD INT IND	GPM ORG
880,000	0	922,170.29	2			56,589.00		0.00	0	0

ASSUM-DT	KFER-D2SD	ZHA-SEC/NUM	LIP PAYOFF	PC-TRK-SB	YE-ACQ-RPT/DATE	SALE-ID	EXEMPT	PLGO-LN	PMY-OPT	CALC-METH	ELOC	BNKRPCY	CH/DT
12													B

PMT PERIOD	1098-INT-NIST	POINTS-PAID/RPTG	YR	SUPPR-MICR-STMT	DI-NOY-RET-YR	REAS CAUS	RI-HDR-SW	1ST-DUE-DT	ARO	STAT/COMPL	DT
12		.00						10-06			

IOE CREDIT	YTD/W-H	SW/W-H	BALANCE	IORE CREDIT	YTD/W-H	SW/W-H	BALANCE	CONSTA	CD	NO PURGE	FLAG/YR	BNKRPT	STAT	LAST DEF	DUE
.00	.00	.00	.00	.00	.00	.00	.00							09-36	

REC CORP	ADV BAL	3RD REC	CORP	ADV BAL	FORECL	WKST	CODE/REINSTATE	DATE	INIT	ESC	STMT	CODE /	DATE	LOSS	MIT	STATUS/COMPL	DATE
.00	.00	.00	.00	.00					9				08-23-06				

DUE PROC	TP	BQ	AMOUNT	PRINCIPAL	PRINCIPAL	INTEREST	ESCROW	ESCROW	ADVANCE	STATUS	STATUS	UNEARNED	OTHER	CFD
DATE	DATE	TR	NO	RECEIVED	PAID	BALANCE	PAID	PAID	BALANCE	BALANCE	AMOUNT	BALANCE	INT-BAL	AMOUNTS
01-08	01-14	1	71	1	3658.67	3082.09	925252.38	6234.64	506.12	1598.67	.00	.00	.00	.00
01-08	01-14	1	71	1	3658.67	3082.09	925252.38	6234.64	506.12	1598.67	.00	.00	.00	.00

01-14-08 L
3082.09-AB
3082.09-AC
3082.09-AE
3082.09-AF

BATCH 6X EDIT-SEQ 110122

IR EFF	02-08	OLD	.0811300	NEW	.0798700	PRIN BAL	925,252.38
PI EFF	02-08	OLD	3,152.55	NEW	3,152.55	PRIN BAL	925,252.38
02-08	02-19	1	52	1	.00	.00	2104.79
02-08	02-25	1	72	1	3816.30	3005.78	928258.16

MPL-ID A801

02-23-08 L
3005.78-AB
3005.78-AC
3005.78-AE
3005.78-AF

BATCH 6S EDIT-SEQ 130892

IR EFF	03-08	OLD	.0798700	NEW	.0784700	PRIN BAL	928,258.16
PI EFF <td>03-08 <td>OLD <td>3,152.55 <td>NEW <td>3,152.55 <td>PRIN BAL <td>928,258.16 </td></td></td></td></td></td></td>	03-08 <td>OLD <td>3,152.55 <td>NEW <td>3,152.55 <td>PRIN BAL <td>928,258.16 </td></td></td></td></td></td>	OLD <td>3,152.55 <td>NEW <td>3,152.55 <td>PRIN BAL <td>928,258.16 </td></td></td></td></td>	3,152.55 <td>NEW <td>3,152.55 <td>PRIN BAL <td>928,258.16 </td></td></td></td>	NEW <td>3,152.55 <td>PRIN BAL <td>928,258.16 </td></td></td>	3,152.55 <td>PRIN BAL <td>928,258.16 </td></td>	PRIN BAL <td>928,258.16 </td>	928,258.16
03-08	03-17	1	52	1	.00	.00	2627.85
03-08	03-29	1	72	1	3890.18	2917.49	931179.63

MPL-ID A801

03-28-08 L
2917.49-AB
2917.49-AC
2917.49-AE
2917.49-AF



BONUS: EXPIRES:

Pay \$50.00 Title Curative Fee to Fidelity Title or Titor Title (Charge to the seller only if an invoice is attached). Collect the recording fee for the POA when applicable. Collect a Wire Fee. The Referral Fee is deducted from the listing side of the commission. The Referral Fee and Management Fee are Payable to NRT REOExperts, LLC and the sum of both Fees must be on line number 704 of the HUD described as Commission.

The checks are to be mailed to my attention at:

NRT REOExperts, LLC
7100 Commercial Blvd., Suite 101, Ft Lauderdale, FL 33319

THE SELLER'S PROCEEDS MUST BE WIRED WITHIN 24 HRS AFTER CLOSING AS FOLLOWS:

To: JPMorgan Chase
400 East Main St, Stockton CA 95290

Account Title: Washington Mutual Bank in Trust for the REO proceeds
in Trust for various Investors and Mortgagees
765912803

ACCOUNT / CL#: 765912803

ABA / ROUTINE#: 021000021

BENEFICIARY PARTY
INFORMATION: Lisa A. Shepherd, NATIONAL, REO, JPMorgan Chase

REO LOAN ID#: [REDACTED]

ALL WIRES MUST BE RECEIVED WITHIN 24 HRS OF CLOSING.

Late wires will be subject to penalty interest and your Company will responsible to pay the Fee.

PLEASE EMAIL ME THE SIGNED HUD BY THE BUYER AND THE WIRE CONFIRMATION WITHIN 24HRS OF CLOSING.
If you have any questions, please contact me at lisa.hamlett@reoxperts.net.

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www.reoxperts.net

An Equal Opportunity Company. An Equal Housing Opportunity. Owned and Operated by NRT LLC

2 | Page

Rev. 01 12.11

Order Agreement rev 01/11

McCarthy 2-0562

**WILLIAM J. PAATALO'S EXECUTED
DECLARATION & FORENSIC REPORT OF
PLAINTIFFS' PROPERTY**

B

1
2 **DISTRICT COURT**
3 **CLARK COUNTY, NEVADA**
4
5

6 Leo Kramer and Audrey Kramer,
7

8 Plaintiffs,

Case No. 18-CV-00663

9 v.

10 **DECLARATION OF PRIVATE**
11 **INVESTIGATOR WILLIAM J.**
12 **PAATALO**

12 National Default Servicing Corp.,
13 et al.,

14 Defendants.
15

16 I, William J. Paatalo, hereby declares as follows:

17 1. I am an Oregon licensed private investigator under ORS 703.430, and
18 have met the necessary requirements under ORS 703.415. My Oregon PSID
19 number is 49411.

20 2. I am over the age of eighteen years, am of sound mind, having never
21 been convicted of a felony or a crime or moral turpitude. I am competent in all
22 respects to make this Declaration. I have personal knowledge of the matters
23 declared herein, and if called to testify, I could and would competently testify
24 thereto.

25 3. I have 17 years combined experience in law enforcement and private
26 investigation with concentration on the mortgage lending industry and enforcement.

27 1. Declaration of Private Investigator – William J. Paatalo

1 actions seeking foreclosure of title or enforcement of possession. My Resume
2 ("CV") is attached as "Exhibit 1."

3 4. I have worked exclusively over the last 8 – years and more than
4 15,000 hours conducting investigatory research and interviews related to mortgage
5 securitization and chain of title analyses. Typically my investigations are at the
6 request of a homeowners or their counsel with the objective of determining
7 whether there are facts that corroborate both the actual assertions and implied
8 statements contained in various documents that purport to transfer, deliver or
9 otherwise imply possession or ownership of a debt, note or mortgage (deed of trust
10 in nonjudicial states).

11 5. I have performed such analyses for residential real estate located in
12 many states, including, but not limited to Washington, Oregon, California,
13 Arizona, Nevada, Florida, Ohio, Montana, New Jersey, Illinois, and numerous
14 other states.

15 6. As of this date, I have conducted more than 1,200 investigations.

16 7. Because of my education and experience I am familiar with and have
17 sufficient training and expertise to qualify as an expert, and I have testified as an
18 expert in state and federal judicial proceedings in various jurisdictions throughout
19 the United States.

20 8. Most recently, I testified at trial as an expert witness on August 6,
21 2018 in Re: PennyMac Holdings, LLC v. Mario Carini, et. al., California Superior
22 Court, County of San Diego, Case No. 37-2017-00039675-CL-UD-CTL.

23 9. My specific areas of expertise that have been deemed qualified by the
24 courts are as follows:

25
26
27 2. Declaration of Private Investigator – William J. Paatalo

1 • Knowledge of the "Pooling & Servicing Agreements" and various
2 Securities & Exchange Commission (SEC) filings associated with mortgage-
backed securitized trusts.

3 • Specific language in the PSA's and Prospectus / Prospectus
4 Supplements involving securitization participants, key dates, "Servicer Advances,"
5 sources of third-party payments, and transfer and conveyancing requirements to
name a few.

6 • Knowledge and use of ABSNet / MBSData and the interpretation of
7 its internal accounting data showing "advance payments" made to the certificate
8 holders / investors, as well as other information specific to accounting, chain of
title, and other aspects of securitization.

9 • Chain of Title analyses based upon publicly recorded documents,
10 documents produced in discovery, and documents attached as exhibits to
11 foreclosure complaints. Documents typically included mortgages, deeds of trust,
12 assignment, notes, and allonges; in addition to documents filed under penalty of
perjury with the SEC.

13
14 11. I was retained by the Plaintiff to review the chain of title for the Deed
15 of Trust (DOT) originated by Washington Mutual Bank, F.A. on or about April 4,
16 2008, as well as the Substitution of Trustee (SOT) recorded on 12/05/2013 which
17 are the subject of this action, and to render any opinions as to defects, deficiencies,
18 or fraud should they exist.

19 12. The following documents were inspected and marked as exhibits:

20
21 **Exhibit 2** – Amended Complaint & Exhibits

22 **Exhibit 3** – Dayen Article

23 **Exhibit 4** – Testimony Transcript – Robert Schoppe - FDIC

24 **Exhibit 5** – Declaration of Neil Garfield, Esq.

25 **Exhibit 6** – Chase letter to FDIC September 12, 2014

26 **Exhibit 7** – Chase Emergency Motion – Proodian – FL - 2018

27 **Exhibit 8** – Chase Supplemental Responses – Daee – TN – 3/30/15

3. Declaration of Private Investigator – William J. Paatalo

1 **Exhibit 9 – Chase Supplemental Responses – Daee – 11/25/15**
2 **Exhibit 10 – Memorandum – Daee – TN**
3 **Exhibit 11 – Purchase & Assumption Agreement**
4 **Exhibit 12 – JPMorgan Chase Stipulation of Fact**
5 **Exhibit 13 – Hearing Transcript – Schiefer v. Wells Fargo**
6 **Exhibit 14 – FOIA Response**
7 **Exhibit 15 – Chase Collateral File Screenshots – Comparable Case #1**
8 **Exhibit 16 – Chase Collateral File Screenshots – Comparable Case #2**
9 **Exhibit 17 – Chase Consent Judgment – National Settlement**
10 **Exhibit 18 – Order – FL – Wells Fargo as Trustee v. Riley**
11 **Exhibit 19 – Chase “Investor” disclosure letters**
12 **Exhibit 20 – Affidavit of Marilyn Lea**
13 **Exhibit 21 – Kelley Case – LNTH Screenshot**
14 **Exhibit 22 – LNTH Inv Codes – 3 comparable cases**
15 **Exhibit 23 – Deposition Transcript – Peter Katsikas – JPMorgan Chase**
16 **Exhibit 24 – Peter Katsikas testimony – Proodian**
17 **Exhibit 25 – Deposition Transcript – Matthew Dudas – JPMC**

18 13. Having reviewed the above documents, and having conducted well
19 over 300 investigations of WaMu mortgage loans involving the FDIC and Chase,
20 my professional opinions are as follows:

21 a. The chain of title to the Kramer DOT is clouded and cannot be verified.
22 JPMorgan Chase did not acquire, nor can it prove, ownership of any WaMu loan
23 via the “Purchase & Assumption Agreement” (PAA) with the FDIC, including the
24 Kramer DOT, and it remains an issue of fact as to whether it even acquired the
25 servicing rights to any WaMu loan, including the Kramer loan, that was securitized
26 and sold prior to the FDIC Receivership on September 25, 2008.

27 b. Washington Mutual Bank (WMB) tacitly admitted in “Securities &
Exchange Commission” (SEC) filings that no endorsements would be placed upon

4. Declaration of Private Investigator – William J. Paatalo

1 the notes it was selling and securitizing, and no assignments of the mortgages
2 would be prepared or recorded to document the securitization and sales of the loans
3 by Washington Mutual, Inc.'s subsidiaries. With full knowledge of these pre-
4 receivership securitization and sales transactions, including the sale of the Kramer
5 DOT, JPMorgan Chase (JPMC) has falsely asserted ownership to these loans using
6 a generic and nondescript Purchase & Assumption Agreement (PAA) with the
7 FDIC, and in turn, has executed self-serving assignments that contain material
8 misrepresentations of beneficial ownership in order to create the illusion of
9 standing and clean chains of title in thousands of foreclosure related cases. Such is
10 the case here. My opinions, having previously been challenged as just theories, are
11 now supported by JPMC's own admissions under oath in various court proceedings
12 across the United States. These admissions show (1) JPMC knows of no employees
13 or agents, currently or previously, who have any personal knowledge of any of the
14 facts of the underlying transactions which they represent in their self-authored
15 documents, and (2) in spite of these facts, JPMC admits that its employees forge
16 and fabricate the necessary documents, (assignments, note endorsements, allonges,
17 and affidavits) as needed for litigation; precisely the type of behavior discovered
18 and forbidden in the billion-dollar consent judgments issued in the past decade.
19 These behaviors continue unabated per my years of ongoing investigative research.
20 And,

21 c. The assignment of beneficial ownership of the Kramer DOT to JPMC,
22 which is fraudulent for the reasons set forth below, is executed and recorded more
23 than four-years after JPMC asserted itself as beneficiary and substituted "National
24 Default Servicing Corporation" (NDS) as Trustee in the recorded Substitution of
25 Trustee (SOT) on 12/05/2013. As such, and for reasons set forth in this

26
27 5. Declaration of Private Investigator -- William J. Paatalo

1 Declaration, the SOT appears invalid, as JPMC had no authority to substitute
2 trustees.

3 EVIDENCE IN SUPPORT OF OPINIONS

4 I. Background - WaMu's "Off-Balance Sheet Activities"

6 14. On April 13, 2011, the U.S. Senate's "Permanent Subcommittee On
7 Investigations" published an investigative report that includes a detailed analysis of
8 WaMu's securitization activities leading up to the financial collapse in 2008. The
9 report can found be found at the following government website address:

10 [https://www.hsgac.senate.gov/subcommittees/investigations/media/senate-](https://www.hsgac.senate.gov/subcommittees/investigations/media/senate-investigations-subcommittee-releases-levin-coburn-report-on-the-financial-crisis)
11 [investigations-subcommittee-releases-levin-coburn-report-on-the-financial-](https://www.hsgac.senate.gov/subcommittees/investigations/media/senate-investigations-subcommittee-releases-levin-coburn-report-on-the-financial-crisis)
12 [crisis](https://www.hsgac.senate.gov/subcommittees/investigations/media/senate-investigations-subcommittee-releases-levin-coburn-report-on-the-financial-crisis)

13 15. Key excerpts from the report are as follows:

14 Pg.116 –

15 E. Polluting the Financial System

16 Washington Mutual, as the nation's largest thrift, was a leading issuer of home
17 loans. When many of those loans began to go bad, they caused significant damage
18 to the financial system.

19 According to a 2007 WaMu presentation, by 2006, Washington Mutual was the
20 second largest non agency issuer of mortgage backed securities in the United
21 States, behind Countrywide.

22 By securitizing billions of dollars in poor quality loans, WaMu and Long Beach
23 were able to decrease their risk exposure while passing along risk to others in the
24 financial system. They polluted the financial system with mortgage backed
25 securities which later incurred high rates of delinquency and loss. At times, WaMu
26 securitized loans that it had identified as likely to go delinquent, without disclosing
27 its analysis to investors to whom it sold the securities, and also securitized loans
tainted by fraudulent information, without notifying purchasers of the fraud that
was discovered and known to the bank.

25 Pg. 119 –

26 "WaMu Capital Corp. acted as an underwriter of securitization transactions
27 generally involving Washington Mutual Mortgage Securities Corp. or WaMu

6. Declaration of Private Investigator – William J. Paatalo

Asset Acceptance Corp. Generally, one of the two entities would sell loans into a securitization trust in exchange for securities backed by the loans in question, and WaMu Capital Corp. would then underwrite the securities consistent with industry standards. As an underwriter, WaMu Capital Corp. sold mortgage-backed securities to a wide variety of institutional investors. WCC sold WaMu and Long Beach loans and RMBS securities to insurance companies, pension funds, hedge funds, other banks, and investment banks. It also sold WaMu loans to Fannie Mae and Freddie Mac. WCC personnel marketed WaMu and Long Beach loans both in the United States and abroad.

Before WCC was able to act as a sole underwriter, WaMu and Long Beach worked with a variety of investment banks to arrange, underwrite, and sell its RMBS securitizations, including Bank of America, Credit Suisse, Deutsche Bank, Goldman Sachs, Lehman Brothers, Merrill Lynch, Royal Bank of Scotland, and UBS. To securitize its loans, WaMu typically assembled and sold a pool of loans to a qualifying special-purpose entity (QSPE) that it established for that purpose, typically a trust.

The QSPE then issued RMBS securities secured by future cash flows from the loan pool. Next, the QSPE – working with WCC and usually an investment bank – sold the RMBS securities to investors, and used the sale proceeds to repay WaMu for the cost of the loan pool. Washington Mutual Inc. generally retained the right to service the loans.

16. These findings are also supported by Washington Mutual, Inc.'s 10-Q filing with the U.S. Securities and Exchange Commission (SEC) on June 30, 2008 which states on (p.60),

Off-Balance Sheet Activities

The Company transforms loans into securities through a process known as securitization. When the Company securitizes loans, the loans are usually sold to a qualifying special-purpose entity ("QSPE"), typically a trust. The QSPE, in turn, issues securities, commonly referred to as asset-backed securities, which are secured by future cash flows on the sold loans. The QSPE sells the securities to investors, which entitle the investors to receive specified cash flows during the term of the security. The QSPE uses the proceeds from the sale of these securities to pay the Company for the loans sold to the QSPE. These QSPEs are not consolidated within the financial statements since they satisfy the criteria established by Statement No. 140, *Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities*. In general, these criteria require the QSPE to be legally isolated from the transferor (the Company), be limited to permitted activities, and have defined limits on the types of assets it can hold and the permitted sales, exchanges or distributions of its assets.

17. It is my opinion that the Kramer DOT was securitized and sold into the secondary market through one of WaMu's subsidiaries and its "off-balance sheet activities. As will be explained in-depth below, JPMC has specific "MSP"

7. Declaration of Private Investigator – William J. Paatalo

1 (Mortgage Servicing Platform) screenshots within its custody and control that will
2 show and prove (1) the sale prior to the FDIC Receivership, and (2) the investor
3 codes for each sale and transfer.

4 **II. JPMC did not acquire the assets of WaMu's subsidiaries**

5
6 17. Attached as **Exhibit 11** is the widely publicized copy of the PAA
7 dated September 25, 2008 between the FDIC and JPMorgan Chase. Page 2 of the
8 PAA states,

9
10 "**Assets**" means all assets of the Failed Bank purchased pursuant to Section 3.1.
11 Assets owned by Subsidiaries of the Failed Bank are not 'Assets' within the
12 meaning of this definition."

13 18. The relevance to this will be explained further below.

14 **III. No schedule or inventory of assets listing any specific WaMu**
15 **mortgage loan acquired by JPMC exists. This includes servicing rights.**

16
17 19. One fact is now well established – no schedule or inventory of assets
18 listing any specific WMB mortgage loan acquired by JPMC, including the Kramer
19 DOT, exists or has ever been produced or disclosed. The reason for this fact is
20 most, if not all, residential mortgage loans originated by WMB were sold and
21 securitized through WaMu's "Off-Balance Sheet Activities."

22 20. The testimony of Lawrence Nardi, the operations unit manager and
23 mortgage officer of JPMC, who previously worked with WAMU and was picked
24 up by JPMC after WMB failed confirmed that no schedule of assets exists. (see:
25 Deposition of Lawrence Nardi in the matter of *JPMorgan Chase Bank, N.A., as*
26 *successor in interest to Washington Mutual Bank v. Waisome*, Florida 5th Judicial

27 8. Declaration of Private Investigator – William J. Paatalo

1 Circuit Case No. 2009CA005717.

2 <http://www.scrib.com/doc/102949976/120509JPMCvWaisomeFLLawrenceNardiID>
3 eposition)

4
5 Here are the relevant questions and answers:

6 Q: (p.57, beginning at line 19) "Okay The are you aware of any type of
7 schedule of loans that would have been created to represent the -- either the loans
8 that were assets, loans or loans that were serviced by WAMU? Are you -- was the -
- do you know if there is a schedule or database of loans like that?"

9 A: (p.58, beginning at line 1) "I know that there was a schedule
10 contemplated in certain documents related to the purchase. That schedule has never
11 materialized in any form. We've looked for it in countless other cases. We've
12 never been able to produce it in any previous cases. It certainly be a wonderful
thing to have, but it's as far as I know, it doesn't exist, although it was it was
contemplated in the documents.

13 Q: (p.260 beginning at line 18) "Have you ever in your duties of being a
14 loan analyst loan operations specialist, have you ever seen a FDIC bill of sale or a
15 receiver's deed or an assignment of mortgage or an allonge?"

16 A: (p.260, beginning at line 23) "For loans, I'm assuming you're talking
17 about the WAMU loan that was subject to the purchase here"

18 Q. (p.261, line 1) "Right."

19 A. (p.261, beginning at line 2) "No there is no assignments of mortgage.
20 There's no allonges. There's no in the thousands of loans that I have come in
21 contact with that were a part of this purchase, I've never once seen an assignment
22 of mortgage. There is simply not they don't exist. Or allonges or anything
transferring ownership from WAMU to Chase, in other words. Specifically,
endorsements and things like that."

23 21. Attached as **Exhibit 5** is the Declaration of Neil F. Garfield, Esq.
24 submitted in Re: Mario Polychronas, Debtor - US BK CD-CA Case No. 1:11-bk-
25 18306-vk retrieved from the Federal Court's PACER System. Per Garfield's sworn
26 testimony, Mr. Schoppe stated "*that there never was any instrument prepared or*

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1 *executed between JPMorgan Chase and either the FDIC or the bankruptcy trustee*
2 *in which Chase acquired the loans. Specifically, he stated, 'if you are looking for*
3 *an assignment of loans, you won't find it because it does not exist.'* (Exhibit 5,
4 ¶7).

5 22. This is supported by Robert Schoppe's own testimony provided as
6 Exhibit 4 whereby Schoppe testified,

7
8 "Q. Are there any provisions in the Purchase and Assumption Agreement that
9 talks to who's going to keep all the records, who's going to maintain the records if
they're needed down the road?

10 A. Yes, there is.

11 Q. Okay. Explain that to us.

12 A. There is a continuing cooperation clause in there which basically says, in
layman's terms, whoever has the records, if the other party needs them, we can get
them.

13 Q. And so in this case, who maintains the records for all of the WAMU-
14 originated loans?

15 A. JPMorgan Chase holds all those records.

16
17 Q. Under the Purchase and Assumption Agreement, did it provide that y'all
18 were going to get like a list of all the loans or anything like that? Is there some
kind of list that y'all have at FDIC, as receiver?

19 A. The agreement does call for us to get a list of the loans. We agreed that we
20 would not get them. There were tens of hundreds of thousands of loans. We had no
way of actually getting and -- we usually -- every other bank, we will get a
21 download of all the loans. They number in the thousands. Here, they were
numbering in the millions, I believe, tens of millions, and we simply didn't have
22 capacity to download that information, store it someplace where we could get it. So
we agreed with JPMorgan that we would not take a download. If we needed the
23 information, we would just get it from them.

24 (Note) Schoppe also testified to the following:

25
26
27 10. Declaration of Private Investigator -- William J. Paatalo

1 Q. So when JPMorgan Chase took over or bought these purchases, do they
2 pay something for this Purchase and Assumption agreement?

3 A. Again, I think -- I tried to explain it. Perhaps I didn't do a very good job,
4 so let me do that again. They assumed all of the assets, and they also assumed
5 which assets were -- round numbers, please don't quote me on that -- I think it was
6 about \$330 billion. They also assumed; I believe it was about \$300 billion worth of
7 liabilities.

8 23. No schedule or inventory of any specific asset is also supported by an
9 FOIA response letter from the FDIC on March 30, 2017 whereby the FDIC could
10 find no responsive documents regarding any schedule of assets on the books of
11 WMB. This FOIA letter was provided to me by a client as part of an investigation.
12 (Exhibit 14).

13 24. For years now, JPMC has been getting away with a massive
14 presumption that it acquired multi-billions of dollars' worth of loans created by
15 "Washington Mutual" via the "Purchase & Assumption Agreement" (PAA), yet
16 the mortgage loans they claim to have acquired, specifically the Kramer DOT, was
17 not "on the books" of "Washington Mutual Bank" at the time the "Office of Thrift
18 Supervision" (OTS) took control of WMB.

19 **IV. Washington Mutual Bank routinely disclosed in SEC Prospectus**
20 **filings for public trusts that the notes it was selling were not going to be**
21 **endorsed "or otherwise marked to reflect the transfer" to the trusts, and no**
22 **assignments would be prepared, which resulted in the intentional clouding of**
23 **titles.**

24 25. The following admissions / "Risk Factors" were made by WMB to the
25 investors in the WMABS 2007-HE2 Trust's 424(B) Prospectus Supplement on P.
26 21 (SEC link -<http://www.secinfo.com/d16VAy.u48.htm#1stPage>)

27 **For transactions in which WMB fsb holds some or all of the mortgage
notes and mortgages as custodian on behalf of the trust, investors should
consider the following:**

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1 The trustee will not physically possess some or all of the mortgage notes
2 and mortgages related to the mortgage loans owned by the Trust. Instead, WMB
3 fsb will hold some or all of the mortgage notes and mortgages as custodian on
4 behalf of the trust. **The mortgage notes and mortgages held by WMB fsb will**
5 **not be endorsed or otherwise marked to reflect the transfer to the trust, and**
6 **assignments of the mortgages to the trust will not be prepared or recorded.**

7 As a result, if a third party were to obtain physical possession of those mortgage
8 notes or mortgages without actual knowledge of the prior transfer to the trust, the
9 trust's interest in those mortgage notes and mortgages could be defeated, thereby
10 likely resulting in delays or reductions in distributions on the certificates.

11 For transactions in which WMB fsb holds some or all of the mortgage
12 notes and mortgages as custodian on behalf of the trust, investors should
13 consider the following:

14 With respect to each mortgage held by WMB fsb as custodian on behalf of
15 the trust, an assignment of the mortgage transferring the beneficial interest under
16 the mortgage to the trustee or the trust will not be prepared or recorded. In
17 addition, an assignment of the mortgage will not be prepared or recorded in
18 connection with the sale of the mortgage loan from the mortgage loan seller to
19 the depositor.

20 26. These same admissions / disclosures were made by WMB in
21 many of their public securitization transactions filed with the SEC, and it is my
22 opinion that this was WMB's common business practice with its private
23 placement transactions and GSE sales to Fannie Mae and Freddie Mac as well.
24 This is supported by the Nardi testimony as will be explained further below.

25 V. **Evidence shows a pattern and practice of fabricating**
26 **endorsements and allonges upon notes, as the MSP System show notes are**
27 **endorsed with WaMu signatures after 9/25/2008.**

28 27. Though no copy of the original Kramer Note was provided for

29 12. Declaration of Private Investigator – William J. Paatalo

1 inspection, the following information is relevant for purposes of understanding
2 the overall conduct and widespread practice of forging and fabricating
3 documents beyond just the assignments.

4 28. Attached as **Exhibits 15 & 16** are collateral file servicing system
5 screenshots produced in discovery in other cases which I was involved. Both of
6 these comparable cases involve loans originated by WMB with the notes bearing
7 endorsements "in blank" by a WaMu officer.

8 29. The screenshots in **Exhibit 15** show that the Note was taken into
9 Chase custody on "Jul 18, 2009 5:49.59" and that the Note was subsequently
10 endorsed "WaMu to Blank" on "Feb 24, 2012 12:14:51," with another
11 "facsimile" endorsement of "WaMu to Blank" being created on "Oct 28, 2014
12 4:08:57" (**Exhibit 15, P. 3**, and "Exception Add Date & Time" P.4).

13 30. Attached as **Exhibit 16** are discovery documents provided by JPMC
14 in "comparable case #2." The screenshots in this exhibit shows "NEN1 - Note
15 Endorsement 1 - WAMU to Blank - Sep 24, 2013, 12:00:00 AM" (**Exhibit 16,**
16 **P.2**).

17 31. My opinion in these comparable cases is that the notes were
18 endorsed after the FDIC's takeover of WaMu on September 25, 2008, as there is
19 an abundance of information now in the public domain, as well as within the
20 realm of my personal investigative experiences, to universally suggest that the
21 largest servicers create note endorsements and/or allonges when missing, or
22 when needed in litigation to prove-up "standing." These are commonly referred
23 to in foreclosure proceedings as "ta-dah" endorsements, which are never dated or
24 witnessed by anyone having personal knowledge as to any underlying
25 transactions.

26 32. On September 25, 2015, a hearing was held in Schiefer v. Wells

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1 Fargo Bank, USBK – WD – ARK, 5:14-AP-0706. I retrieved a copy of the
2 hearing transcript from the Federal Court's PACER System and I have attached
3 as **Exhibit 13**. From my review of the testimony provided, Wells Fargo's
4 witness, Robert Bateman, provided incriminating testimony as follows That
5 JPMC applied the WaMu officer's endorsement upon the note in 2013:

6 **P.35, L15-25 & 36, L1-5:**

7
8 Question: "With respect to your prior answers as defined above, you
9 indicated that the promissory note has never been aggregated into a larger of
10 mortgage notes. Please explain the legal nature of the transfer in which you
11 acquired this individual promissory note."

12 Response: "Wells Fargo Bank, N.A. purchased the promissory note on
13 February 1, 2007 from JPMorgan Chase Bank National Association as successor
14 in interest from the FDIC as receiver of Washington Mutual Bank."

15 **(NOTE: This statement is an impossibility since WaMu had not failed
16 until 9/25/2008).**

17 **P.44, L13-25 & P. 45, L1-11:**

18 Q So, from your -- from your review before today and -- and going through
19 this a little bit today, other than the endorsements, is this the same note -- or does
20 it appear to be the same note as what we've been talking about on the proof of
21 claim and on the other exhibit?

22 A This copy of the note has a second endorsement on it that we have not
23 previously discussed or -- or looked at, as far as I remember. I have seen a -- the
24 original note, and I have seen a copy of the original note, which is the same as
25 this copy. I have seen this copy before with the two endorsements on it that are in
26 our electronic scanning system. Our system doesn't have a copy that has -- that
27 has the redaction, but I have looked at a copy of this note with both endorsements
on it. And when I say both endorsements, the second endorsement is a blank
endorsement that is signed by Washington Mutual Bank, N.A.

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1 Q Okay. And could you just read that whole endorsement to me, please,
2 for the record?

3 A "Pay to the order of blank without recourse Washington Mutual Bank,
4 F.A. by" -- and then there's a signature, and the name under it -- "Leta
5 Hutchinson, Assistant Vice President."

6 Q Mr. Bateman, have you seen these -- these discovery responses before?

7 A No, I don't think I have.

8 **P.46, L1-25 & P.47 thru 48:**

9 Q Okay. Well, what I'd ask you to do for the Court is read the
10 Request to Admit Number 3, which appears at the top of page 6, and then the
11 answer. If you'll just wait a second so everyone in the courtroom can get there.
12 All right. Please.

13 A "That at the time you acquired physical possession of the original note,
14 it bore both the endorsements shown on the copy of the last page of the
15 promissory note attached hereto as Exhibit A."

16 Answer to Request for Admission Number 3: "Denied. The note bore the
17 endorsement from First Western Mortgage to Washington Mutual Bank, N.A.
18 when received on February 14th, 2007. The endorsement in blank from
19 Washington Mutual Bank, N.A. was completed in February 2013 pursuant to a
20 limited power of attorney appointing -- appointing Wells Fargo Bank, N.A. as the
21 lawful attorney in fact for JPMorgan Chase Bank National Association as
22 successor in interest from the FDIC as receiver of Washington Mutual Bank. A
23 copy of the limited power of attorney is attached as Exhibit A."

24 Q Okay. Based upon your reading of that response, when was that second
25 endorsement added?

26 A I'll read again what it says: "The endorsement in blank from Washington
27 Mutual Bank, N.A. was completed in February of 2013."

Q And in -- in everyday laymen's terms, what would that mean to you?

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1 A It means what it says.

2 Q Which is?

3 A On February '13, there was an endorsement in blank on the note.

4 Q Well, it says "completed." Who -- who completed?

5 A From Washington Mutual Bank, N.A.

6 Q Who would have completed the endorsement?

7 A I just read what this says. It says this was -- this was completed by
8 Washington Mutual Bank. Well, in reading further -- let me continue to read
9 after that. Excuse me. Reading further:

10 "Pursuant to a limited power of attorney appointing Wells Fargo Bank,
11 N.A. as the attorney in fact for JPMorgan Chase Bank National Association as
12 successor in interest from the FDIC as receiver of Washington Mutual Bank."
13

14 Q So, reading further, what do you think?

15 A That the endorsement was by JPMorgan Chase Bank.

16 Q I'm sorry?

17 A That the endorsement was done by JPMorgan Chase Bank.

18
19
20 33. Attached as **Exhibits 8 & 9** are Supplemental Responses
21 produced by JPMC and a Memorandum **Exhibit 10** in the case captioned Dae v.
22 JPMorgan Chase USDC, MD TN Case No. 3:13-cv-1332 which I retrieved from
23 the Federal Court's *PACER* System. In *Dae*, two allonges were created on the
24 subject Note by JPMC employees as needed to prove up the standing issues in
25 the litigation. The chronological sequence for the creation of these allonges is
26 outlined in JPMC's Supplemental Response (**Exhibit 8**).

27 16. Declaration of Private Investigator -- William J. Paatalo

1 34. Attached as **Exhibit 9** is JPMC's Supplemental Responses dated
2 3/30/2015 which admit the following:

3 4. *State the dates JP Morgan Chase Bank, N.A. executed the allonges and*
4 *state the basis for this knowledge.*

5 *RESPONSE: (Objections Omitted) Chase's internal records indicate that*
6 *the allonges were executed shortly before the foreclosure proceedings at issue in*
7 *this case began.*

8 1. *Identify the employees, supervisors or agents of JP Morgan Chase*
9 *Bank, N.A. who has personal knowledge of the assignments and endorsements*
10 *that occurred on December 17, 1998 and the allonges.*

11 *RESPONSE: (Objections Omitted) [d]espite a diligent search, at this time*
12 *Chase is not aware of any employees, supervisors, or agents that have*
13 *independent personal knowledge or recollection of the assignments,*
14 *endorsements or allonge, apart from knowledge gained from a review of relevant*
15 *business records.*

16 2. *Identify every person known to JP Morgan Chase Bank, N.A. who has,*
17 *or who claims or purports to have, knowledge of facts which you contend support*
18 *the allegations contained in your Answer and Motion for Summary Judgment.*

19 *RESPONSE: (Objections Omitted) Chase states that the documents Chase*
20 *relied on speak for themselves. Chase's position in this case is based on its*
21 *review of business records, and despite a diligent search, at this time Chase is*
22 *not aware of any employees, supervisors, or agents that have independent*
23 *personal knowledge of the facts at issue.*

24 35. JPMC admits that its employees created the assignment and note
25 allonges despite having no personal knowledge of the underlying transactions
26 and could produce no witnesses past or present with any knowledge of the facts
27 surrounding the case. JPMC's position was that the self-serving documents they
produced simply "spoke for themselves." This is a tacit admission of non-

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1 compliance with the National Settlement and Consent Judgment attached as
2 **Exhibit 17.**

3 36. In sanctioning Chase for its discovery abuses and delay tactics, the
4 Court's analysis concluded in its memorandum (**Exhibit 10**),
5

6 *"After the court's October 10, 2014 Memorandum pointed out multiple*
7 *missing steps and unsupported assumptions inherent in Chase's representations*
8 *to the court, Chase conducted further investigation and has now reversed course,*
9 *contending that those transactions are irrelevant. Chase now essentially takes*
10 *the position that the documents it recorded with the Sumner County Register of*
11 *Deeds were (and remain) legally irrelevant and should be ignored in the court's*
12 *analysis. After months of delay, Chase now claims that no depositions are*
13 *warranted because, according to Chase, none of the employees or former*
14 *employees have any personal knowledge of the underlying transaction[s.]"*

15 *"Chase seems to believe that it can operate on its own schedule, that it can*
16 *selectively produce records that favor its position (whatever that position may be*
17 *at a certain point in time), and that it can prevent reasonable inquiry into the*
18 *veracity of its (shifting) representations and the import of underlying records."*
19

20 37. The *Dae* and *Schiefer* cases represent a common theme in the
21 hundreds of cases I have investigated involving alleged securitization of loans
22 with WMB / JPMC involvement. I believe it is likely that the same holds true in
23 all cases.
24

25 38. JPMC appears to have taken the position that it acquired beneficial
26 interest in the Kramer DOT and loan via the PAA and the FDIC Receivership of
27 WMB. But this is not what the publicly recorded assignment reflects. Attached as
an exhibit to the complaint (**Exhibit 2**) is the only recorded assignment per my
research which purports the following:

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1 **DOC #: 578946**

2 **Recorded: 04/10/2018**

3 **Executed: 04/4/2018**

4 **Assignor: Washington Mutual Bank, a Federal Association**

5 **Assignee: JPMorgan Chase Bank, N.A.**

6 39. The assignment is executed by "Debbie A. Swayzer – Vice President
7 – JPMorgan Chase Bank, N.A., as Attorney In Fact for the Federal Deposit
8 Insurance Corporation as Receiver of Washington Mutual Bank F/K/A
9 Washington Mutual Bank, FA." First, the FDIC is not named as the assignee, as
10 this was WaMu who ceased to exist as of 9/25/2008. Second, the assignment is a
11 self-to-self transfer with JPMC playing both sides of the transaction even though
12 JPMC names the defunct WaMu as the assignee. And third, there is no reference
13 to any power of attorney document recorded in conjunction with this assignment
14 showing the FDIC's involvement, as well as JPMC's authority to act on its
15 behalf as an agent. This document is clearly fraudulent on its face, and this is
16 quite common per my experience. It should be noted that I was personally
17 solicited by a document fabrication mill in Idaho to forge and back-date an
18 assignment in 2015 for a WaMu loan with a defective chain of title. (See:
19 **Exhibit 3**).

20 40. Also attached to the complaint is the Substitution of Trustee (SOT)
21 recorded on 12/05/2013 whereby JPMC substitutes NDS as Trustee in place of
22 "California Reconveyance Company", the original Trustee named on the DOT.
23 The recorded documents show that JPMC did not become beneficiary until more
24 than four-years later. Though the assignment somehow implies that JPMC was
25 acting as agent for the FDIC, there is no such authority implied in the SOT.

26
27 19. Declaration of Private Investigator – William J. Paatalo

1 There simply is no evidence to show JPMC having any authority as a beneficiary
2 when it executed the SOT in 2013, and as such, the SOT appears to be invalid.

3
4 **VI. JPMorgan Chase admits to destroying WaMu records and**
5 **executing assignments and endorsements for loans "not reflected on the**
6 **books and records of WMB as of September 25, 2008.**

7 41. In addition to the tacit admissions in SEC filings outlined above,
8 attached as **Exhibit 6** is a letter from JPMorgan Chase's counsel to the FDIC
9 dated "September 12, 2014." This exhibit was taken directly from the FDIC's
10 governmental website located at: <https://www.fdic.gov>.

11 42. This letter is a notice to the FDIC that JPMC sought
12 reimbursement for expenses related to correcting defective chains of title on
13 various loans that "were not reflected on the books and records of Washington
14 Mutual Bank" at the time WMB failed on September 25, 2008.

15 43. JPMC makes the following tacit admissions in the letter:

16 *The additional matters giving rise to JPMC's indemnity rights relate to costs*
17 *incurred in connection with mortgages held by WMB prior to September*
18 *25, 2008. These costs have resulted from aspects of and circumstances related to*
19 *WMB mortgages that were not reflected on the books and records of WMB as of*
20 *September 25, 2008, and include:*

21 *Costs incurred by JPMC to expunge records associated with WMB mortgages as*
22 *a result of errors in mortgage documentation occurring prior to September 25,*
23 *2008, including erroneously recorded satisfactions of mortgages and associated*
24 *legal fees and disbursements.*

25 *Costs incurred by JPMC to correct various defects in the chains of title for WMB*
26 *mortgages occurring prior to September 25, 2008, including recording and legal*
27 *services fees.*

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1 At the time of WMB's closure, the above liabilities were not reflected on its
2 books and records.

3 44. Again, it is my opinion that due to the defective and non-existent
4 chain of title for the Kramer DOT, JPMC has taken advantage by assigning and
5 transferring the DOT and Note unto itself. But again, no Note has been presented
6 for my inspection.

7 45. I am not an expert in the law. However, I am informed by various
8 counsel in similar foreclosure related cases that the original note must be present
9 or re-established for enforcement to occur and that I should presume that the
10 language of the Uniform Commercial Code applies in all states when enforcing a
11 mortgage or deed of trust, to wit:

12
13 "9-203 - Attachment and enforceability of security interest; proceeds; supporting
14 obligations; formal requisites. (a) A security interest attaches to collateral when
15 it becomes enforceable against the debtor with respect to the collateral, unless an
16 agreement expressly postpones the time of attachment.

17 (b) Except as otherwise provided in subsections (c) through (i), a security
18 interest is enforceable against the debtor and third parties with respect to the
19 collateral only if:

20 (1) Value has been given;"

21 46. Given the absence of corroboration of the implied assertion of a
22 transaction in which the debt was purchased for value, it appears that these
23 preconditions are not satisfied in this case. As an investigator I take the absence
24 of any attempt to re-establish the note to mean that the current parties do not
25 have any evidence of having purchased the debt for value, to which my
26 investigation has found no such evidence.

27 **VII. JMorgan Chase admits that mortgage assignments are**

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1 "materially false," were not assigned by the FDIC as they state, and do not
2 transfer ownership, but only servicing rights.

3 47. From: Wells Fargo Bank, N.A. as Trustee for WaMu Mortgage
4 Pass Through Certificates, Series 2005-PR4 Trust v. Riley, Circuit Court
5 Fifteenth Judicial Dist., Palm Beach County, FL, Case No.: 50-2016-CA-010759-
6 XXXX-MB:

7 (Order attached as Exhibit 18.)

8 ***Plaintiff Engaged in Unclean Hands Trying to Prove Standing to***
9 ***Foreclose***

10 ***Unclean Hands, Generally***

- 11
- 12 1. "One who comes into equity must come with clean hands else all relief
13 will be denied him regardless of merit of his claim, and it is not essential
14 that act be a crime; it is enough that it be condemned by honest and
15 reasonable men." *Roberts v. Roberts*, 84 So.2d 717 (Fla.1956) (emphasis
16 added).
 - 17 2. Therefore, even if Plaintiff had standing to foreclose (a meritorious claim),
18 Plaintiff would be denied the equitable relief of foreclosure upon a finding
19 that Plaintiff took actions in pursuing this foreclosure that reasonable and
20 honest men would condemn.
 - 21 3. The Florida Supreme Court noted "the principle or policy of the law in
22 withholding relief from a complainant because of 'unclean hands' is
23 punitive in its nature." *Busch v. Baker*, 83 So. 704 (Fla. 1920). As U. S.
24 Supreme Court Justice Black wrote:

25 "[T]ampering with the administration of justice in the manner
26 indisputably shown here involves far more than an injury to a single litigant. It is
27 a wrong against the institutions set up to protect and safeguard the public,
institutions in which fraud cannot complacently be tolerated consistently with the
good order of society." *Hazel-Atlas Glass Co. v. Hartford-Empire Co.*, 322 U.S.
238, 246, 64 S. Ct. 997, 88 L. Ed. 1250 (1944).

28 48. Also, in the Order,

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1 21. At trial, Ms. Marcott admitted that any claim JP Morgan Chase ever owned or sold
2 Defendant's note and mortgage was false. She testified that Defendant's note and mortgage were
3 not assets of Washington Mutual after 2005. As such, the 2010 assignment could not truthfully
4 document a transaction that JPMorgan Chase obtained Defendant's note and mortgage from
Washington Mutual and sold it to the Plaintiff Trust. This transaction never happened.

5 22. Moreover, the 2015 assignment contains a materially false statement that JP
6 Morgan purchased Defendant's note and mortgage from the Federal Deposit Insurance
7 Corporation ("FDIC") as Receiver for Washington Mutual.

8 23. The note and mortgage were not assets of Washington Mutual to be sold by the
9 FDIC Receiver to JP Morgan Chase and or to be sold by JP Morgan Chase to the Plaintiff Trust.
10 Plaintiff's Trial Witness admitted the statement that the FDIC sold this loan as Receiver to
Washington Mutual to JP Morgan Chase who sold it to the Plaintiff is materially false.

11
12 49. In the case Proodian v Washington Mutual Bank, F.A., JPMorgan
13 Chase Bank, N.A. et. al., JPMC employee "Matthew Dudas – Legal Specialist
14 III" is asked about the assignment of Proodian's WaMu Mortgage from the FDIC
15 to Chase (**Exhibit 25**). The assignment, and thousands of others like it, state that
16 the FDIC is assigning the mortgage to JPMorgan Chase, and that JPMC is
17 executing as attorney in fact for the FDIC. However, when Dudas is asked point
18 blank whether the FDIC assigned the mortgage, here was his response:

19
20 Q Was the mortgage assigned from FDIC
21 to Chase?

22 MS. GABSI: Objection to form.

23
24 A No. 1

25 50. Dudas testified that this assignment does not transfer any

26
27 23. Declaration of Private Investigator – William J. Paatalo

1 "ownership" rights in the mortgage, but rather ONLY transfers the "servicing
2 rights."

3
4 Q Let me get this clear what this
5 document means and says to me, that this
6 document represents an assignment of servicing
7 right, is that correct?

8 A Yes.

9
10 Q That this document does not reflect
11 an Assignment of Mortgage, is that correct?

12 MS. GABSI: Objector to form.

13 A It's not an assignment ownership.
14

15 51. Nowhere in any of these assignments does it specifically disclose
16 that it is only servicing rights that are being assigned. JPMC clearly states in its
17 self-authored Kramer assignment that it is transferring beneficial interest in the
18 DOT and Note unto itself.
19

20 **VIII. Chase admits the loans were sold and securitized, then denies.**
21

22 52. In cases I have reviewed across the country, borrowers have made
23 and continue to make, inquiries to "Chase" seeking the identity of the investor(s)
24 of their WMB loan(s) only to be told,

25 "Your loan was sold into a public security managed by JPMorgan
26 Chase Bank, N.A. and may include a number of investors. As the

27 24. Declaration of Private Investigator – William J. Paatalo

servicer of your loan, Chase is authorized by the security to handle any related concerns on their behalf."

53. Attached as **Exhibit 19** are two letters provided by JPMC to other borrower clients of mine with this exact language. In both cases, after having made these disclosures to the borrowers, JPMC took the position in court that it was the sole owner of the loans by the authority granted in the PAA, and there were no investors associated with these loans because, "WaMu never sold or securitized the loans."

54. This same situation occurred in a case I was involved in Ontario, Canada. Attached as **Exhibit 20** is an affidavit of JPMC's Marilyn Lea in the Canada case. Per the Lea Affidavit ¶20 & 21, she states that the letters sent from Chase stating that the subject loan had been "sold into a public security managed by [Chase]" were "sent in error."

55. "Exhibit V" to the Affidavit shows an MSP Servicing System screenshot of the "Loan Transfer History." (LNTH). Per the Affidavit ¶23 (a)(b), Lea states that in November 2009 the loan "was transferred to Investor ID A11" and that "Investor A11 was Chase owned." She also attests that "Investor A70" was also Chase owned. In cases I have been involved investigating Chase and these investor codes involving loans that were owned or serviced by WaMu and its subsidiaries, almost all codes coming into question are attested to as "bank owned" / "Chase Owned," even when codes exist in the loan transfer history screenshots moving from "OLD/INV" to "NEW/INV" (Old Investor to New Investor). This is highly unlikely, unusual, and is indicia of a "cover-up."

56. Attached as **Exhibit 21** is a screenshot taken from JPMC's MSP System regarding a WaMu loan originated on 08/07/2007 in a case I was involved. Two of the codes in this screenshot are "AO1" and "A11." The "A11"

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code existed in WaMu's system on 12/17/07 and was not a code created by Chase as attested to in the Lea Affidavit. As explained further below, the "AO1" code belonged to the WaMu subsidiary "Washington Mutual Asset Acceptance Corporation," and I believe investor code "A11" was a private investor and not "bank owned;" likely "Washington Mutual Mortgage Securities Corporation" (WMMSC).

57. Attached as **Exhibits 22** are Pre-Receivership MSP screenshots in two other cases I am involved. Each of these screenshots show investor code "AO1" and in each case, Chase claims the loans were never sold or securitized, and were "bank owned" and acquired through the PAA. This is false.

58. Like these cases, it is my opinion that the Kramer "Loan Transfer History" screenshot within JPMC's MSP System, if produced, will very likely show the investor code(s) "AO1" and/or "A11" signifying the securitization and sale of the Kramer DOT and Note through WaMu's subsidiaries.

IX. JPMC's "AO1 Stipulation" is an admission against its own interests.

59. Attached as **Exhibit 12** is a "Joint Trial Stipulation Re Issues Of Facts" signed by JPMorgan Chase Bank on June 7, 2017 in the matter of Harry M. Fox v. JPMorgan Chase Bank, N.A. et. al., CA SC LA, Case No. BC602491. I was personally retained as an expert witness in the *Fox* case.

60. The following facts were admitted and stipulated to by JPMorgan Chase Bank on P.2,

/

/

/

26. Declaration of Private Investigator – William J. Paatalo

1 ¶8-10:

2
3 "8. Investor Code AO1 in the Loan Transfer History File represents
4 WaMu Asset Acceptance Corporation."

5 "9. Investor Code 369 in the Loan Transfer History File represents
6 Washington Mutual Mortgage Securities Corporation."

7 "10. JPMorgan Chase Bank, N.A. did not purchase the loan from the
8 Federal Deposit Insurance Corporation."

9 61. JPMC has contested my opinion in similar cases prior to their
10 stipulation that the "AO1" code belonged to one of the WaMu subsidiaries
11 WMAAC or WMMSC. Numerous witnesses for JPMC have testified in
12 depositions and trials that my theory is incorrect because (1) the investor code
13 "AO1" was assigned to WMB (2) the code signified "bank owned," and (3) that
14 the loans were never sold or securitized.

15 62. Attached as **Exhibit 23** is the deposition transcript of JPMC
16 witness Peter Katsikas who contradicts JPMC's own stipulation regarding
17 Investor Code AO1. Per P. 45-46,

18 *Q. So what three characters -- well, let's put it another way. What*
19 *characters would indicate a Chase-owned asset -- a WaMu-owned asset? Excuse*
20 *me.*

21 *A. For these two loans?*

22 *Q. Yes.*

23 *A. AO1.*

24 *Q. AO1?*

25 *A. Yeah.*

26 *Q. And that AO1 stands for what?*

27 *A. That's just the three digit code, which is bank-owned.*

Q. AO1?

27 Declaration of Private Investigator -- William J. Paatalo

1 A. Uh-huh.

2 63. Peter Katsikas is the same witness used by JPMC in many cases,
3 and he takes the same position in the court transcript marked as **Exhibit 24, P.**
4 **81,**

5 *THE COURT: Okay. And then A01 was an ID used specifically for loans that*
6 *came from WaMu?*

7 *THE WITNESS: As being bank-owned.*

8 *THE COURT: So bank-owned loans from Washington Mutual?*

9 *THE WITNESS: Correct. Yes, that's correct.*

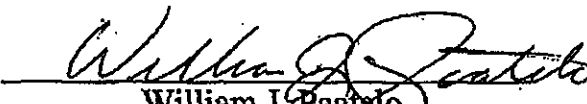
10 64. In the *Fox* case, a public trust was identified in the chain of title,
11 and the trust was declared the beneficiary of the *Fox* Deed of Trust. To sustain its
12 argument that the loan was properly securitized and sold to the trust, JPMC and
13 U.S. Bank, N.A. as Trustee both stipulated that the Depositor entity WMAAC
14 purchased and then sold the loan to the trust prior to the Receivership, and as
15 such, the loan was not a part of the purchase with the FDIC.

16
17 65. Strictly from a title perspective, the above evidence clearly shows
18 that WMB purposefully and intentionally chose not to document any chain of title
19 to the mortgages and deeds of trust and note(s) upon selling the loans prior to its
20 failure on September 25, 2008, and that JPMC has taken it upon itself to not only
21 "*expunge records associated with WMB mortgages as a result of errors in*
22 *mortgage documentation occurring prior t[o, "]* but also to "*correct various*
23 *defects in the chains of title for WMB mortgages occurring prior t[o, "]* This means
24 there is no chain of title that can be determined outside of fabricated paperwork. In
25 other words, the chain of title to tens of thousands of WaMu loans, including the
26

27 28. Declaration of Private Investigator – William J. Paatalo

1 Kramer DOT, are "clouded" and fatally defective due to WaMu no longer being in
2 existence. Yet in this case, the fatal defects did not impede the defunct WaMu from
3 assigning the Kramer DOT and Note ten years after its demise.

4
5 I declare under penalty of perjury, under the laws of the United State and Nevada
6 that the above is true and correct, and that this declaration was executed this 8th
7 day of June 2019.

8 
9 William J. Paatalo
Private Investigator – Oregon PSID# 49411

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27 29. Declaration of Private Investigator – William J. Paatalo

3217

PLAINTIFFS' EMAIL THREAD WITH MR.
VAN PATTEN, ATTORNEY FOR
NATIONAL DEFAULT SERVICING CORP.

C

SUBJECT: REQUEST LEAVE TO AMEND 1ST AMENDED COMPLAINT5
Yahoo/Sent

Audrey Kramer <audreykramer55@yahoo.com>
To: Ace Van Patten, Matthew K. Schriever
Cc: Natasha Petty
Dec 20 at 2:04 PM

SUBJECT: REQUEST LEAVE TO AMEND 1ST AMENDED COMPLAINT

Good Afternoon Mr. Van Patten and Mr. Schriever,

Per Nev. R. Civ. P. 15 (a)(2) We would like to notify you that based on the report we received from our Private Investigator, William J. Paatalo, it is our intent to motion the court to amend our 'First' Amended Complaint.

Nev. R. Civ. P. 15 (a)(2) requires we obtain your written consent or the court's leave to amend.

In an effort to avoid unduly overburdening the Court we would appreciate and ask that per the statute you both affirm and provide written consent stipulating you have no objection to our request to amend our 1st Amended Complaint.

Please Note:

1) A copy of Mr. Paatalo's Curriculum Vitae, Signed Declaration and Exhibits were provided to you in our Disclosures.

2) Nev. R. Civ. P. 15

(a) Amendments Before Trial.

(2) Other Amendments. In all other cases, a party may amend its pleading only with the opposing party's written consent or the court's leave. The court should freely give leave when justice so requires.

If you would like to discuss further we will make ourselves available accordingly.

Thank you in advance for your prompt reply to this request.

Sincerely,

Leo and Audrey Kramer

510-708-9100

Ace Van Patten <avp@tblaw.com>
To: Audrey Kramer, Matthew K. Schriever
Cc: Natasha Petty
Dec 20 at 2:16 PM

Good afternoon,

I do not consent on behalf of my client, and in fact, we have sent out to be filed a Motion to Disqualify Mr. Paatalo. Even if we hadn't, I would still object to any further amendment of the Complaint at this stage of the litigation. You should receive a copy of the Motion via FedEx shortly; I believe FedEx picked it up last night or earlier this morning. If you have any other questions, however, please let me know.

Sincerely,

Ace C. Van Patten, Esq. | Associate Attorney*

10100 W. Charleston Blvd., Ste. 220 | Las Vegas | Nevada | 89135

D 702.916.1686 | P 702.258.8200 | F 702.258.8787

avp@tblaw.com | [Website](#)

Tiffany & Bosco P.A. Law Firm

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Offices: Arizona | California | Nevada | New Mexico

** Licensed in Nevada and Idaho*

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If you believe that it has been sent to you in error, do not read it. Please immediately reply to the sender that you have received the message in error, then delete it. Thank you.

CHASE'S FRAUDULENT SELF-ASSIGNED
DEED OF TRUST, DATED APRIL 4, 2018

D

Doc #: 578946

04/10/2018 08:53 AM Page: 1 of 1

OFFICIAL RECORD

Requested By: SERVICELINK TITLE AGENCY INC

Lyon County, NV

Dawna L. Warr, Recorder

Fee: \$38.00 RPTT: \$0.00

Recorded By: mkassebaum

RECORDING REQUESTED BY:

WHEN RECORDED MAIL TO:

National Default Servicing Corporation
7720 N. 16th Street, Suite 300
Phoenix, AZ 85020

NDSC NO.: 12-31926-JP-NV

APN: 022-052-02

PROP ADDRESS: 1740 Autumn Glen St, Fernley NV 89408-7204

ASSIGNMENT OF DEED OF TRUST

For Value Received, Washington Mutual Bank, a Federal Association the undersigned corporation hereby grants, assigns and transfers to JPMorgan Chase Bank, National Association all beneficial interest under that certain Deed of Trust dated 04/04/2008 executed by Leo F. Kramer and Audrey E Kramer Trustor, to California Reconveyance Company, A California Corporation Trustee, and recorded on 05/01/2008 as Instrument No. 425436 of the Official Records of Lyon County, NV describing the land therein:

AS PER DEED OF TRUST MENTIONED ABOVE.

Together with the Note or Notes therein described or referred to, the money due and to become due thereon with interest, and all rights accrued or to accrue under said Deed of Trust.

Dated: April 4, 2018

JPMorgan Chase Bank, National Association, as Attorney in fact for the Federal Deposit Insurance Corporation as Receiver of Washington Mutual Bank F/K/A Washington Mutual Bank, FA

By: Delanie A. Swartz
Its: Vice President

STATE OF Louisiana
PARISH OF Ouachita

On April 4, 2018, 2018, before me, Amy Gott, a Notary Public for said State, personally appeared Delanie A. Swartz who personally known to me (or who proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

AMY GOTT
OUACHITA PARISH, LOUISIANA
LIFETIME COMMISSION
NOTARY ID # 66396

Signature: [Signature]

Amy Gott #66396

FILED

2020 JAN -9 AM 12

TANYA SCEIRINE
COURT ADMINISTRATOR
THIRD JUDICIAL DISTRICT

Ruth Thomas
CLERK

LEO KRAMER
AUDREY KRAMER
2364 REDWOOD ROAD
HERCULES, CA 94547

PLAINTIFFS IN PRO PER

THIRD JUDICIAL DISTRICT COURT
LYON COUNTY, NEVADA

Case No.: Case No.: 18-CV-00663

LEO KRAMER, PRO SE
AUDREY KRAMER, PRO SE

Plaintiffs,

vs.

NATIONAL DEFAULT SERVICING
CORPORATION, BRECKENRIDGE
PROPERTY FUND 2016 LLC,
JPMORGAN CHASE BANK, N.A.,
AND DOES 1 THROUGH 50 INCLUSIVE,

Defendants.

PLAINTIFFS' REQUEST FOR
JUDICIAL NOTICE OF: EXPERT /
FACT WITNESS, WILLIAM J.
PAATALO'S 'AMENDED UPDATED'
CURRICULLUM VITAE ,
EXECUTED DECLARATION AND
FORENSIC REPORT AND EXHIBITS
AND JUDICIAL NOTICE OF:
WIDELY PUBLICIZED
GOVERNMENT DOCUMENTS
WITHIN THE PUBLIC DOMAIN IN
REFERENCE TO JPMORGAN CHASE
BANK'S, PURSANT TO NRS 47.130
MATTERS OF FACT; IN SUPPORT
OF PLAINTIFFS' MOTION FOR
LEAVE TO AMEND PLAINTIFFS'
FIRST AMENDED COMPLAINT AND
REQUEST FOR EVIDENTIARY
HEARING

Dept.: 1

1 **IN SUPPORT OF PLAINTIFFS' MOTION FOR LEAVE TO AMEND**
2 **PLAINTIFFS' FIRST AMENDED COMPLAINT AND REQUEST FOR**
3 **EVIDENTIARY HEARING...** Plaintiffs, Leo Kramer and Audrey Kramer
4 ("Plaintiffs"), hereby ask this Hon. Court take **JUDICIAL NOTICE OF LICENSED**
5 **PRIVATE INVESTIGATOR (PSID # 4941), FORENSIC AUDITOR AND**
6 **EXPERT / FACT WITNESS, WILLIAM J. PAATALO'S, AMENDED UPDATED**
7 **CURRICULLUM VITAE AND EXECUTED DECLARATION & FORENSIC**
8 **REPORT AND EXHIBITS.**

9
10 Plaintiffs additionally ask the Court take **JUDICIAL NOTICE OF OFFICIAL**
11 **GOVERNMENT DOCUMENTS WITHIN THE PUBLIC DOMAIN IN**
12 **SUPPORT OF** Mr. Paatalo's Forensic Report and Plaintiffs' claim that JP Morgan
13 Chase Bank, N.A. has a long well-documented history of fabricating and falsifying
14 documents and cutting of corners in millions of unlawful foreclosures Chase Bank
15 conducted Nationwide. Chase Bank committed **FRAUD AGAINST HOMEOWNERS,**
16 **THE COURTS AND THE GOVERNMENT** resulting in Billions of Dollars in fines
17 levied by Federal Regulators against Chase Bank:

18
19
20 **MOTION TO TAKE JUDICIAL NOTICE**

21 **I**

22 **INTRODUCTION**

23
24 Under Nevada Rule NRS 47.130 Matters of fact:

25
26 1. The facts subject to judicial notice are facts in issue or facts from which they
27 may be inferred.
28

1 2. A judicially noticed fact must be:

2 (a) Generally known within the territorial jurisdiction of the trial court; or

3
4 (b) Capable of accurate and ready determination by resort to sources whose
5 accuracy cannot reasonably be questioned, so that the fact is not subject to reasonable
6 dispute.

7 Evidence 201, the court may take judicial notice of "fact that is not subject to
8 reasonable dispute because it can be accurately and readily be determined from sources
9 whose accuracy cannot reasonably by questioned." Fed. R. Evid. 201(b).

10
11 Justice cries out for the need for judicial notice in appealing the substantial and
12 prejudicial error of the District Court dismissing Plaintiffs' case when the record
13 demonstrates that Defendants and each of them lacked standing to commence the non-
14 judicial foreclosure of Plaintiffs' real property.

15
16 As such, Plaintiffs, hereby, respectfully request the THIRD JUDICIAL
17 DISTRICT COURT FOR LYON COUNTY, NEVADA take judicial notice of the
18 following documents and things:

19
20 **(Exhibit RJN-1):**

21 Plaintiffs ask this Hon. Court to take Judicial Notice of the Amended Declaration
22 of Updated Curriculum Vitae of Licensed Private Investigator (PSID # 4941), William
23 J. Paatalo, Expert Witness and Forensic Auditor...specializing in the areas of Chain of
24 Title Analyses and Securitization.

25 Mr. Paatalo has been recognized as an Expert Witness and a Fact Witness in both
26 Federal and State Courts nationwide. Mr. Paatalo has given testimony as an expert
27 witness and as a Fact Witness in (3) three Federal cases and (10) State cases
28

1 throughout the country. Additionally, Mr. Paatalo has provided written expert
2 testimony in the form of Affidavits and Declarations in approximately 300-350 cases
3 Nationwide.
4

5 **(EXHIBIT RJN-2):**

6 Plaintiffs also ask this Hon. Court to take Judicial Notice of Mr. Paatalo's
7 Executed Declaration & Forensic Report & Exhibits. Mr. Paatalo's report evidences
8 that JPMorgan Chase Bank did not and does not have security interest in Plaintiffs'
9 real property.

10 Further, Mr. Paatalo's Investigation Report and Declaration determined upon
11 careful examination of records filed in the Lyon County Recorder's Office in Lyon
12 County Nevada that JPMorgan Chase Bank and their cohorts committed FRAUD
13 AGAINST the US DISTRICT COURT, RENO, NEVADA by filing and submitting
14 false forged documents in their zest to unlawfully foreclose on Plaintiffs' real
15 property. These forged documents were central in the District Court's decision to
16 dismiss Plaintiffs' complaint.
17

18 **(EXHIBIT RJN-3):**

19
20 Plaintiffs additionally ask the Court take **JUDICIAL NOTICE OF THE**
21 **FOLLOWING OFFICIAL GOVERNMENT DOCUMENTS:**

22 **A) The United States Department of Justice-- News Release:**

23 U.S. Trustee Program Reaches \$50 Million Dollar Settlement with JP Morgan
24 Chase to Protect Homeowners in Bankruptcy. The settlement addresses Robo-
25 Signing and other improper Practices in Bankruptcy Cases.
26
27
28

1 **(EXHIBIT RJN-4):**

2 **WIDELY PUBLICIZED ARTICLE TITLED: "JP MORGAN CHASE**
3 **BANK FINED \$48 MILLION FOR FAILING TO COMPLY WITH**
4 **ROBOSIGNING SETTLEMENT":**

5 **(A) (Supported by Official Government Document from**
6 **'UNITED STATES OF AMERICA DEPARTMENT OF THE**
7 **TREASURY COMPTROLLER OF THE CURRENCY' ("OCC")**
8 **Titled: In the Matter of: JPMorgan Chase Bank, N.A., New York, NY—**
9 **AA-EC-11-15 CONCENT ORDER**

10 **(B) Supported by Official Government Document from**
11 **'UNITED STATES OF AMERICA DEPARTMENT OF THE**
12 **TREASURY COMPTROLLER OF THE CURRENCY'**
13 **Titled: In the Matter of: JPMorgan Chase Bank, N.A., New York, NY—**
14 **#2013-129 AMENDS AA-EC-11-15 #2011-050**
15 **AMENDMENT TO APRIL 13, 2011 CONSENT ORDER.....**

16 **(C) Supported by Official Government Document from**
17 **'UNITED STATES OF AMERICA DEPARTMENT OF THE**
18 **TREASURY COMPTROLLER OF THE CURRENCY'**
19 **Titled: In the Matter of: JPMorgan Chase Bank, N.A., New York, NY—**
20 **#2016-004 AA-EC-2015-105**
21 **'CONSENT ORDER FOR A CIVIL MONEY PENALTY'**

22
23 **II**

24 **ARGUMENT**

25
26 **THE MATERIAL TO BE NOTICED IS RELEVANT TO PLAINTIFFS'**
27 **REQUEST FOR LEAVE TO AMEND THEIR COMPLAINT TO**
28 **INCLUDE INTENTIONAL MISREPRESENTATION, NEGLIGENT**
MISREPRESENTATION, FRAUD IN THE CONCEALMENT AND
DEFAMATION

1 Judicial Notice is also governed by Federal Rule of Evidence 201. "A judicially
2 noticed fact must be one not subject to reasonable dispute in that it is either (1)
3 generally known within the territorial jurisdiction of the trial court or (2) capable of
4 accurate and ready determination by resort to sources whose accuracy cannot reasonably
5 be questioned." Fed. R. Evid. 201(b)(1)-(2). "[A] party requesting judicial notice bears
6 the burden of persuading the trial judge that the fact is a proper matter for judicial
7 notice." *In re Tyrone F. Conner Corporation*, 140 B.R. 771, 781 (Bankr. E.D. Cal.
8 1992). Here, the adjudicative fact sought to be noticed is in fact proper for notice under
9 FRE 201, and the facts are not subject to dispute and is capable of immediate and
10 accurate determination by resort to a source whose accuracy cannot reasonably be
11 questioned. In other words, "the fact must be one that only an unreasonable person
12 would insist on disputing." *United States v. Jones*, 29 F.3d 1549, 1553 (11th Cir.1994).

13 It is irrefutable that Defendants commenced and conducted a fraudulent,
14 oppressive and non-judicial foreclosure of Plaintiffs' real property, which ultimately
15 resulted in the fraudulent, unlawful and unjust sale of Plaintiffs' property. The records
16 and documents sought to be judicially noticed by this Honorable Court are not
17 reasonably subject to dispute and are capable of immediate and accurate determination
18 by resort to a source 'whose accuracy cannot reasonably be questioned.

19 Furthermore, the documents are part of the public record and may be judicially
20 noticed to show, for example, that a judicial proceeding occurred or that a document
21 was filed in another court case, but a court may not take judicial notice of findings of
22 facts from another case. See *Wyatt v. Terhune*, 315 F.3d 1108, 1114 & n. 5 (9th
23 Cir.2003); *Lee v. City of Los Angeles*, 250 F.3d 668 (9th Cir.2001); *Jones*, 29 F.3d at
24 1553. Nor may the court take judicial notice of any matter that is in dispute. *Lee*, 250
25 F.3d at 689-90; *Lozano v. Ashcroft*, 258 F.3d 1160, 1165 (10th Cir.2001); *Hurd v.*
26 *Garcia*, 454 F. Supp. 2d 1032, 1054-55 (S.D. Cal. 2006).

27 Because "[t]he court may take judicial notice at any stage of the proceeding," it
28 may be taken for the first time on appeal. Fed. R. Evid. 201(d); see *Bryant v. Carleson*,

1 444 F.2d 353, 357 (9th Cir. 1971). Paragraph (b)(2) of Rule 201 states in part that "[t]he
2 court may judicially notice a fact that is not subject to reasonable dispute because it: . .
3 can be accurately and readily determined from sources whose accuracy cannot
4 reasonably be questioned." Plaintiffs seek judicial notice of facts pertaining "[T]he
5 most frequent use of judicial notice of ascertainable facts is in noticing the content of
6 court records." Colonial Penn Ins. Co. v. Coil, 887 F.2d 1236, 1239 (4th Cir. 1989).
7 Accordingly, Court has held that it "may take notice of proceedings in other courts, both
8 within and without the federal judicial system, if those proceedings have a direct
9 relation to matters at issue." See for example, *U.S. ex rel. Robinson Rancheria Citizens*
10 *Council v. Borneo, Inc.*, 971 F.2d 244, 248 (9th Cir. 1992);

11
12 III.

13 CONCLUSION

14
15 For the foregoing reasons, the Court should grant this motion to take judicial
16 notice of the Documents proffered by the Plaintiffs in support of Plaintiffs' Motion For
17 Leave To Amend Plaintiffs' First Amended Complaint.

18
19 Date: 1/06/2020

(ak)
Date: 1/6/2020

20
21
22 Leo Kramer

23 Plaintiff, Leo Kramer, Pro Se

Audrey Kramer

24 Plaintiff, Audrey Kramer, Pro Se

PROOF OF SERVICE

STATE OF CALIFORNIA)
) SS:
COUNTY OF CONTRA COSTA)

The UPS Store
1511 Sycamore Ave. Ste M
Hercules, CA 94547
store2796@theupsstore.com



I am employed in the County of Contra Costa, State of California. I am over the age of 18 and not a party to the within action; my business address is: _____

On January 7, 2020, I served the foregoing document entitled:

PLAINTIFFS' REQUEST FOR JUDICIAL NOTICE OF: EXPERT / FACT
WITNESS, WILLIAM J. PAATALO'S 'AMENDED UPDATED' CURRICULLUM
VITAE, EXECUTED DECLARATION AND FORENSIC REPORT AND EXHIBITS
AND JUDICIAL NOTICE OF: WIDELY PUBLICIZED GOVERNMENT
DOCUMENTS WITHIN THE PUBLIC DOMAIN IN REFERENCE TO JPMORGAN
CHASE BANK'S, PURSANT TO NRS 47.130 MATTERS OF FACT; IN SUPPORT
OF PLAINTIFFS' MOTION FOR LEAVE TO AMEND PLAINTIFFS' FIRST
AMENDED COMPLAINT AND REQUEST FOR EVIDENTIARY HEARING

on all parties in this action as follows:

PLEASE SEE ATTACHED SERVICE LIST

 Mail. By placing a true copy thereof enclosed in a sealed envelope. I am "readily familiar" with the firm's practice of collection and processing for mailing. Under that practice it would be deposited with the UPS or U.S. Postal Service on that same day with first class postage thereon fully paid at Hercules, California in the ordinary course of business. I am aware that on motion of the party served, service is presumed invalid if the postal cancellation date or the postage meter is more than one day after day of deposit for mailing in this Proof of Service.

 By Telefax. I transmitted said document by telefax to the offices of the addressees at the telefax numbers on the attached Service List.

 By Personal Service. I delivered such envelope by hand to the addressee(s).

 By Overnight Courier. I caused the above-referenced document(s) to be delivered to an overnight courier service for next day delivery to the addressee(s) on the attached Service List.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on January 7, 2020 at Hercules, California.

Corina DiGrazia

Name of Declarant

Signature of Declarant

SERVICE LIST:

Matthew K. Schriever
John T. Steffen
Hutchison & Steffen
1008 West Alta Drive, Suite 200
Las Vegas, NV 89145

Attorneys for Defendants,
BRECKENRIDGE PROPERTY FUND 2016 LLC, et al.

Ace Van Patten
Kevin S. Soderstrom
Tiffany & Bosco, P.A.
10100 W. Charleston Boulevard, Ste.220
Las Vegas, NV 89135

Attorneys for Defendant,
NATIONAL DEFAULT SERVICING CORPORATION

Kent F. Larsen
Smith Larsen & Wixom
1935 Village Center Circle
Las Vegas, Nevada 89134

Attorneys for Defendant,
JPMORGAN CHASE BANK, N.A.

EXHIBIT LIST:

RJN-1

Updated Curriculum Vitae of Licensed Private Investigator (PSID # 4941), William J. Paatalo,
Expert Witness and Forensic Auditor

RJN-2

Mr. Paatalo's Executed Declaration & Forensic Report & Exhibits

RJN3-

The United States Department of Justice-- News Release

RJN-4-

WIDELY PUBLICIZED ARTICLE TITLED: "JP MORGAN CHASE BANK FINED \$48
MILLION FOR FAILING TO COMPLY WITH ROBOSIGNING SETTLEMENT":

DOCUMENT – (A)

Supported by Official Government Document from

***'UNITED STATES OF AMERICA DEPARTMENT OF THE TREASURY
COMPTROLLER OF THE CURRENCY' ("OCC")***

Titled: In the Matter of: JPMorgan Chase Bank, N.A., New York, NY—

AA-EC-11-15 CONCENT ORDER

DOCUMENT -(B)

Supported by Official Government Document from

***'UNITED STATES OF AMERICA DEPARTMENT OF THE TREASURY
COMPTROLLER OF THE CURRENCY'***

Titled: In the Matter of: JPMorgan Chase Bank, N.A., New York, NY—

#2013-129 AMENDS AA-EC-11-15 #2011-050

AMENDMENT TO APRIL 13, 2011 CONSENT ORDER.....

DOCUMENT -(C)

Supported by Official Government Document from

***'UNITED STATES OF AMERICA DEPARTMENT OF THE TREASURY
COMPTROLLER OF THE CURRENCY'***

Titled: In the Matter of: JPMorgan Chase Bank, N.A., New York, NY—

#2016-004 AA-EC-2015-105

'CONSENT ORDER FOR A CIVIL MONEY PENALTY'

RJN-1

Updated Curriculum Vitae of Licensed Private Investigator (PSID # 4941), William J. Paatalo,
Expert Witness and Forensic Auditor

1
2 **DISTRICT COURT**
3 **CLARK COUNTY, NEVADA**

4
5 Leo Kramer and Audrey Kramer,

6 Plaintiffs,

Case No. 18-CV-00663

7 v.

8
9 **AMENDED DECLARATION OF**
10 **PRIVATE INVESTIGATOR**
11 **WILLIAM J. PAATALO**

12 National Default Servicing Corp.,
13 et al.,

14 Defendants.

15 I, William J. Paatalo, hereby declares as follows:

16 1. This is an amended declaration to my previous declaration executed on
17 June 8, 2019. I have attached as **Exhibit A** my current CV to reflect cases in which
18 I have testified since that date.

19 **I. Newly produced documents by JPMC proves hidden and concealed**
20 **investors.**

21 2. Attached as **Exhibit B** is an article I authored and posted on 12/5/2019
22 on my website www.bpinvestigativeagency.com. The article is titled, "Smoking
23 Gun' Proof That JPMorgan Chase Never Acquired Beneficial Interest In My
24 WaMu Loan Through The FDIC."

25 3. The documents I reference in this article were produced by JPMorgan

26
27 1. Declaration of Private Investigator – William J. Paatalo

1 Chase (JPMC) upon a subpoena issued by the Defendant in my own case
2 captioned: Paatalo v. McCarthy, Oregon Circuit Court for Lincoln County, Case
3 No. 18CV44633.

4 4. I have attached the document showing the escrow wiring account
5 information, as well as screenshots showing the investor code "AO1" for my Deed
6 of Trust (top of each page) from 2006 through the FDIC takeover of WMB on
7 9/25/2008. (Exhibit C). For edification purposes, the facts leading up to the
8 foreclosure of my Oregon property align with the facts in this case. I too had
9 WaMu Deed of Trust whereby JPMC foreclosed non-judicially claiming they
10 acquired ownership of my DOT and Note through the FDIC. However, when
11 challenging title to my property in my current Ejectment Action, JPMC produced
12 these documents that reveal the liquidated proceeds of the sale of my foreclosed
13 home were wired into a trust account for various undisclosed investors.

14 5. I believe the same holds true in this case. As I outlined in Section "IX,
15 Beg. P26" in my prior declaration, I believe the Kramer loan will show the same
16 investor code "AO1." And, the escrow wiring instructions for the sale proceeds of
17 the subject property in this matter will show the same account, or an account
18 similar, revealing JPMC's concealment of the actual investor(s) of the Kramer
19 loan, and its false representation that it acquired beneficial ownership of the
20 Kramer DOT prior to foreclosure.

21 I declare under penalty of perjury, under the laws of the United State and Nevada
22 that the above is true and correct, and that this declaration was executed this 30th
23 day of December 2019.

24
25 
26 William J. Paatalo
Private Investigator - Oregon PSID# 49411

27 2. Declaration of Private Investigator - William J. Paatalo

William J. Paatalo

476 Labrie Drive
Whitefish, MT 59937
Office: 1-(888)-582-0961
bill.bpia@gmail.com

Curriculum Vitae

William Paatalo has been a licensed private investigator since September of 2009. He has 17 years combined experience in both law enforcement and the mortgage industry which he has utilized to become a leading expert in the areas of chain of title analyses and securitization. He was a police officer with the St. Paul, Minnesota Police Department from 1990-1996 where he was assigned "Field Training Officer" duties in only his second year on the job and received multiple commendations.

Mr. Paatalo worked in the mortgage industry as a "loan officer" with Conseco Home Finance from 1999 – 2000, followed by two years of being a branch manager for multiple mortgage brokering firms. From 2002 – 2008, he became the President of Midwestern Mortgage, LLC f/k/a Wissota Mortgage, LLC in Wisconsin and Minnesota. As President of Wissota Mortgage, LLC, Mr. Paatalo was responsible for overseeing the origination, processing, and underwriting of mortgage loans, as well as managing a staff of 17 employees.

Mr. Paatalo has worked exclusively since 2010 investigating foreclosure fraud, chain of title, the securitization of residential and commercial mortgage loans, and accounting issues relevant to alleged "defaults, and has spent more than 15,000 hours conducting investigatory research specifically related to mortgage securitization and chain of title analysis. He has performed such analyses for residential real estate located in many states, including but not limited to, Washington, Oregon, California, Nevada, Florida, Montana, Texas, Arizona, Ohio, New Jersey, and several other states. To date, Mr. Paatalo has conducted more than 1,200 investigations across the U.S. and has provided written expert testimony in the form of affidavits and declarations in approximately 300 -350 cases nationwide. Mr. Paatalo has been qualified in both state and federal courts as an expert, and personally appeared and testified at trial in the cases

outlined below. This experience has led to Mr. Paatalo becoming one of the leading national experts in this field.

Mr. Paatalo's specific areas of expertise allowed by the courts in the cases referenced below are as follows:

- Knowledge of the "Pooling & Servicing Agreements" and various Securities & Exchange Commission (SEC) filings associated with mortgage-backed securitized trusts.
- Specific language in the PSA's and Prospectus / Prospectus Supplements involving securitization participants, key dates, "Servicer Advances," sources of third-party payments, and transfer and conveyancing requirements to name a few.
- Knowledge and use of the Bloomberg Terminal, ABSNet, MBSDData and the interpretation of its internal accounting data showing "advance payments" made to the certificateholders / investors, as well as other information specific to accounting, chain of title, and other aspects of securitization.
- Chain of Title analyses based upon publicly recorded documents, documents produced in discovery, and documents attached as exhibits to foreclosure complaints. Documents typically include mortgages, deeds of trust, assignments, notes, and allonges; in addition to documents filed under penalty of perjury with the SEC.

Relevant Experience:

- Police Officer / "Field Training Officer" – St. Paul, MN 1990-1996.
- Oregon licensed private investigator under ORS 703.430, and has met the necessary requirements under ORS 703.415. To obtain his PI license, Mr. Paatalo met the requirement of 5,000 hours of investigation experience in the law enforcement field and passed a thorough background investigation and criminal history check.
- Member of the "Oregon Association of Licensed Investigators" (OALI.)
- President of Midwestern Mortgage, LLC f/k/a Wissota Mortgage, LLC in Wisconsin and Minnesota from 2002 – 2008.

Achievements:

- “2013 - Fraud Investigator of the Year” – “The Foreclosure Hour with Gary Dubin” – KHVH – AM, Honolulu, HI.
- Guest Speaker “Illinois Association of Foreclosure Defense Attorneys” – February 20, 2017. (<http://www.afdallinois.org/>)
- Presenter in the March 2018 webinar titled “Mastering Discovery And Evidence In Foreclosure Defense” sponsored by Neil Garfield, Esq., The Garfield Firm, and GTC Honors, LLC.
- Co-Authored eBook titled “Table-Funding And Securitization Go Hand In Hand” – December 2015.

Education:

A.A.S. – Law Enforcement – Normandale C.C., Bloomington, MN – 1986
Marketing Management Certificate – Concordia University, St. Paul, MN 2001
Forensic Loan Auditor Certification Training Course (CFLA) – 32 hrs. – San Diego, CA 2011

Expert Testimony (Trial):

FEDERAL CASES

MONTANA

Robert T. Fanning, Debtor – U.S. Bankruptcy Court, District of Montana – BK Case No. 10-61660

CALIFORNIA

Rivera v. Deutsche Bank National Trust Company, U.S. BK Court, Northern CA – Oakland – Case No. 14-54193-MEH-13.

WASHINGTON D.C.

Quinteros v. National Home Investors, et.al., U.S. BK Court, D.C., Case No. 19-00195-SMT.

STATE CASES

CALIFORNIA

Dang v. HSI Asset Securitization Trust 2006-OPT1, Mortgage-Pass-Through Certificates, Series 2006-OPT1, California Superior Court, County of Alameda, Case No. RG14743930

Koeppel v. Central Pacific Mortgage, California Superior Court, County of Monterey, Case No. M133160.

PennyMac Holdings, LLC v. Mario Carini, et. al., California Superior Court, County of San Diego, Case No. 37-2017-00039675-CL-UD-CTL.

CONNECTICUT

JPMorgan Chase Bank, N.A. v. Geronimos et. al., Connecticut Superior Court, Stamford/Norwalk, Case No.FST-CV13-6017139-S

FLORIDA

U.S. Bank as Trustee for WMALT 2006-AR5 v. Paul Landers, et al., 20th Judicial Circuit for Lee County, FL Case No.: 14-CA-051647

Bank of America, N.A. v. Jorge A. Castro, et al., 17th Judicial Circuit for Broward County, FL Case No.: 12-06339-11

U.S. Bank Trust NA as Trustee for LSF9 Master Participation Trust v. James K. Murphy, et al., 15th Judicial Circuit for Palm Beach County, FL Case No.: 50-2017-CA-012236-XXXX-MB

OHIO

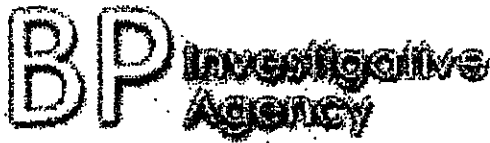
Washington Mutual Bank fka Washington Mutual Bank, F.A. v. Jon A. Smetana, et al., In The Court of Common Pleas, Cuyahoga County, Ohio Case No.CV-08-652392

OREGON

U.S. Bank, N.A.as Trustee v. Natache D. Rinegard-Guirma, et al. - Circuit Court For The State Of Oregon, County Of Multnomah - Case No. 1112-16030

NEW YORK

Deutsche Bank National Trust Company, as Trustee v. Ledgerwood, Sup. Ct NY, Co. Richmond, Case No. 135896/2016



Forensic "Securitization" Auditing, Chain of Title Analysis, Legal Support Services, Bonded & Insured

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"Smoking Gun" Proof That JPMorgan Chase Never Acquired Beneficial Interest In My WaMu Loan Through The FDIC

Posted by [Bill Paatalo](#) on Dec 5, 2019 in [Uncategorized](#) | [0 comments](#)

This little piece of production in my Oregon Ejectment Action just confirmed what I have been testifying to since day-one: Chase acquired no ownership of loans that WaMu sold and securitized prior to the September 25, 2008 takeover by the FDIC.

The story by the Defendants in my case is that Chase acquired beneficial rights to my deed of trust through the FDIC and the Purchase & Assumption Agreement, and proceeded to foreclose non-judicially as the "successor in interest" to WaMu. However, in newly produced documents, I've learned that my loan was assigned the investor code "AO1" which I have written about here:

<https://bpinvestigativeagency.com/wamu-investor-code-a01-revealed-chase-stipulates-it-represents-wamu-asset-acceptance-corp/>

This code belonged to "Washington Mutual Asset Acceptance Corp" to which Chase stipulated. Chase also stipulated that the loan with the designated code "AO1" did not pass through the FDIC. My position, based on years of investigations and accumulated evidence, is that Chase has been hiding and concealing the identities of the actual investors in many WaMu loans that were sold into private trusts, and have proceeded to foreclose on thousands of homes claiming to be the owner/beneficiary/mortgagee which is flat out false. Well here is some hard evidence that my position is in fact true. Attached is the escrow wiring instructions for the REO sale transaction of my property to the current occupants who purchased back in 2011. Proceeds

Exhibit B

from the cash sale were to be wired to account titled "Washington Mutual Bank in Trust for the REO proceeds in Trust for various Investors and Mortgagors."

NRT REOExperts, LLC
7100 Commercial Blvd., Suite 101, Ft Lauderdale, FL 33319

THE SELLER'S PROCEEDS MUST BE WIRED WITHIN 24 HRS AFTER CLOSING AS FOLLOWS:

To: JPMorgan Chase
400 East Main St, Stockton CA 95290

Account Title: Washington Mutual Bank in Trust for the REO proceeds
in Trust for various Investors and Mortgagors

ACCOUNT / CL# 763912803

ABA / ROUTING: 021000021

BENEFICIARY PARTY
INFORMATION: Lisa A. Shepard, NATIONAL, REO, JPMorgan Chase

It should also be noted, that the real estate sales agreement named the "Seller" as "NRT REOExperts, LLC as agent for JPMorgan Chase Bank, N.A. as Servicing Agent for Owner of Record."

Bill Paatalo

Oregon Private Investigator – PSID#49411

BP Investigative Agency, LLC

Office: 1-(888)-582-0961

bill.bpia@gmail.com

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Leave a Reply

[Logged in as Bill Paatalo.](#) [Log out?](#)

Comment

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Recent Posts

- ["Smoking Gun" Proof That JPMorgan Chase Never Acquired Beneficial Interest In My WaMu Loan Through The FDIC](#)
- [Law Firm Finally Admits The Absence Of Any Mortgagee!](#)
- [Did Chase Park The WaMu Loans In Off-Shore "Tax Haven Subsidiaries?" Evidence Says. Yes.](#)
- ["U.S. Bank Trust, N.A. v Moomey-Stevens" – Plaintiff Fails To Prove Its Standing Once Again](#)

19881-721

WASHINGTON MUTUAL BANK, F.A.

LOAN HISTORY Y-Y-N INV A01 CAT 013 INVA 9299 T13 12/30/04
PAGE 88230

LWF 9299 WILLIAM JOHN BANTALG

P O BOX 111

YACHTS

OR 974910000

1ST MISC PRIN	2ND MISC PRIN	ESC BAL	REST XSC	SUSPENSE	ADV BAL	REPL XSC	MID BAL	LC BAL	INT DUE	DUE DATE	MID PRY	OF M
886,555.84	.00	1947.85	.00	.00	.00	.00	.00	.00	.00	02-01-07	.00	00 0

P & I 1ST	PRIN 2ND	CO TAX CITY TAX	MISC INK	M T P	DIEN	ESC A & N	LIFE	MISC	REP XSC	TOT PAYMT	INT RATE	DT BM
2932.61	.00	578.91	.00	88.32	.00	.00	.00 0	.00 0	.00	3438.73	.0820886	1 8
OVER/SHORT AMT		34.29										

1ST ORIG MTS	2ND ORIG MTS	PRIN BAL SEC	INT 2ND	CAR PLAS	HYCR SEC	DEF INT BAL	PRIOR YR	PPD INT	PPD INT IND	GMX ORG
880,000	0	880,000.00	2			8,311.78		0.00	0	0

ASSUM-OT	XFER-DEED	FID-SEC/NUM	LIP PAYOFF	PC-TRE-SW	YE-ACQ-RPT/DATE	SALL-ID	EXEMPT	PLD-DR	INT-OPT	CALO-METH	BLDG	MMKRCY	CH/DT

PRM PERIOD	1088-DEF-HIST	POINTS-PAID/RPTG	YR	SUMPR-MICH-STMT	DI-MOT-RPT-YR	REAR CAUS	RI-RDR-SW	1ST-DUR-DT	REO STAT/COMPL	DT
12			.00					10-06		

108 CREDIT	YTD/W-N	SW/W-N	BALANCE	108 CREDIT	YTD/W-N	SW/W-N	BALANCE	CONSTR	NO	NO	PURSE	FLAG/YR	MMKRCY	STAT	LAST DEF	DUE
.00		.00	.00	.00		.00	.00								09-36	

REC CORP	ADV BAL	3RD REC	CORP	ADV BAL	FORCL	WST	CODE/REINSTATE	DATE	INIT	ESC	STMT	CODE	DATE	1088	HIT	STATUS/COMPL	DATE
.00		.00		.00										08-23-06			

DUE DATE	PRIN	TR	NO	AMOUNT	PRINCIPAL	PRINCIPAL	INTEREST	ESCROW	ESCROW	ADVANCE	STATUS	STATUS	UNRECORDED	OTHER	CFD
DATE DATE	TR	NO	RECEIVED	PAID	BALANCE	BALANCE	PAID	PAID	BALANCE	BALANCE	AMOUNT	BALANCE	INT-BAL.	AMOUNT	DT

10-06	08-21	1	42	1	.00	880000.00-	880000.00	.00	.00	.00	.00	.00	.00	.00	1
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09-06	06-21	1	70	2	7230.68	.00	880000.00	2662.52	4368.18	4368.18	.00	.00	.00	.00	3
-------	-------	---	----	---	---------	-----	-----------	---------	---------	---------	-----	-----	-----	-----	---

10-06	10-16	1	32	1	.00	.00	000000.00	.00	.00	4368.16	.00	.00	.00	.00	11
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10-06	10-27	3	12	1	CHECK 8864564			4322.81	43.23		.00	.00	.00	.00	1
-------	-------	---	----	---	---------------	--	--	---------	-------	--	-----	-----	-----	-----	---

10-06	10-30	1	72	1	3408.21	2015.94	877984.06	916.47	475.80	520.85	.00	.00	.00	.00	2
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11-06	11-06	1	72	1	IR EFF 11-06	OLD .0120000	NEW .0798800	PRIN BAL	877,984.06		.00	.00	.00	.00	3
-------	-------	---	----	---	--------------	--------------	--------------	----------	------------	--	-----	-----	-----	-----	---

11-06	11-06	1	72	1	PI REF 11-06	NEW 2,932.61	NEW 2,932.61	PRIN BAL	877,984.06		.00	.00	.00	.00	3
-------	-------	---	----	---	--------------	--------------	--------------	----------	------------	--	-----	-----	-----	-----	---

11-06	11-07	1	72	1		.00	877984.06	.00	.00	520.85	.00	.00	.00	.00	11
-------	-------	---	----	---	--	-----	-----------	-----	-----	--------	-----	-----	-----	-----	----

11-06	11-16	1	32	1		.00	877984.06	.00	.00	520.85	.00	.00	.00	.00	11
-------	-------	---	----	---	--	-----	-----------	-----	-----	--------	-----	-----	-----	-----	----

11-06	11-17	1	72	1		.00	877984.06	.00	.00	520.85	.00	.00	.00	.00	12
-------	-------	---	----	---	--	-----	-----------	-----	-----	--------	-----	-----	-----	-----	----

11-06	11-18	1	72	1	3408.21	2812.57	880696.83	6415.18	475.80	998.45	.00	.00	.00	.00	1
-------	-------	---	----	---	---------	---------	-----------	---------	--------	--------	-----	-----	-----	-----	---

11-18-06	1	2912.57-AS	2012.57-AC	2812.57-AC
----------	---	------------	------------	------------

Exhibit C

CONFIDENTIAL

JPMC000740

(3244)

LNI 9299 WILLIAM JOHN PAATALO

P O BOX 111

YACHTS

OR 974980006

ARM PLAN 0206

EMP 0 POF0

1ST MTGE PRIN	2ND MTGE PRIN	ESC BAL	REST ESC	SUSPENSE	ADV BAL	REPL RES	HOD BAL	LC BAL	INT DUE	DUE DATE	HOD PRT	CF M
922,170.29	.00	1598.67	.00	.00	.00	.00	.00	.00	.00	01-01-08	.00	00 0

P & Y 1ST	PAI 2ND	CO TAX CITY	TAX	HAZ INS	M I P	LYEN	RSC	A & H	LYFE	MISC	REF RES	TOT PAYMT	INT RATE	DT BW
3192.55	.00	376.91	.00	94.82	.00	.00	.00	.00	.00	.00	.00	3658.67	.0811308	1 8
OVER/SHORT AMT		34.29												

1ST ORIG MTG	2ND ORIG MTG	PRIN BAL	ESC	INT IND	CAP FLAG	MTGR SSN	DEF INT BAL	PRIOR YR	PPD INT	UPD INT	IND	GPM ORG
880,000	0	886,555.84	2				44,186.23		0.00	0	0	0

ASSUM-OT	XTER-DEED	PHA-SEC/MUM	LTP	PAYOFF	FC-TRK-SW	YE-ACQ-RPT/DATE	SALE-ID	EXEMPT	PLGD-LN	PMT-OPT	CALC-METH	ELOG	BNKRSCY	CH/DT
														8

PMT PERIOD	1096-DET-NIST	POINTS-PAID/RPTO	YR	SUPPR-MICR-STMT	DI-NOT-RPT-YR	REAS CAUS	RI-HER-SW	1ST-DUE-OT	REQ STAT/COMPL	DT
12		.00						10-06		

IOE CREDIT	YTD/W-H	SW/W-H	BALANCE	IOE CREDIT	YTD/W-H	SW/W-H	BALANCE	CONSTR CD	NO PURGE	FLAG/YR	BNKRPT STAT	LAST DEF DUE
.00	.00	.00	.00	.00	.00	.00	.00					09-36

REC CORP	ADV BAL	3RD REC	CORP	ADV BAL	FORECL	WKST	CODE/REINSTATE	DATE	INIT	ESC	STMT	CODE	DATE	LOSS	MIT	STATUS/COMPL	DATE
.00	.00	.00	.00	.00					9				08-23-08				

DUE	PRIC	TP	EQ	AMOUNT	PRINCIPAL	PRINCIPAL	INTEREST	ESCROW	ADVANCE	STATUS	STATUS	UNEARNED	OTHER	CFD
DATE	DATE	TR	NO	RECEIVED	PAID	BALANCE	PAID	BALANCE	BALANCE	AMOUNT	BALANCE	INT-BAL.	AMOUNTS	DCT
BAL-YTD	410	4	93	2		886555.84		1947.65	.00	.00	.00	.00		
02-07	02-10	1	71	1	3438.73	3131.43-	889687.27	6064.04	506.12	2453.77	.00	.00	.00	1

02-10-07 L
3131.43-AB
3131.43-AC
3131.43-AE
3131.43-AF

IR EFF	03-07	OLD	.0820800	NEW	.0825800	PRIN BAL	889,687.27
PI EFF	03-07	OLD	2,932.61	NEW	2,932.61	PRIN BAL	889,687.27
03-07	03-14	1	71	1	3438.73	3184.92-	892877.13

BATCH 5XC EDIT-SEQ 070665

03-14-07 L
3189.92-AB
3189.92-AC
3189.92-AE
3189.92-AF

IR EFF	04-07	OLD	.0825800	NEW	.0830800	PRIN BAL	892,877.19
PI EFF	04-07	OLD	2,932.61	NEW	2,932.61	PRIN BAL <td>892,877.19</td>	892,877.19
04-07	04-14	1	71	1	3438.73	3249.08-	896126.27

BATCH 6W1 EDIT-SEQ 247345

04-14-07 L
3249.08-AB
3249.08-AC
3249.08-AE
3249.08-AF

IR EFF	05-07	OLD	.0830800	NEW	.0833900	PRIN BAL	896,126.27
PI EFF	05-07	OLD	2,932.61	NEW	2,932.61	PRIN BAL <td>896,126.27</td>	896,126.27
05-07	05-14	1	71	1	3438.73	3294.72-	899420.99

BATCH 6XC EDIT-SEQ 050313

05-14-07 L

19081-721

JPMORGAN CHASE BANK, ARIZONA, EARLY WAMU

LOAN HISTORY Y-T-D INV ADJ CAT INVT 9299 T13 12/31/08

PAGE - 95529

ARM PLAN 0200

EMP 0 POPO

OR 974980000

LN# 9299 WILLIAM J PAATULO

400 E 3RD ST

YACHTS

1ST MTGE PRIN	2ND MTGE PRIN	ESC BAL	REST ESC	SUSPENSE	ADV BAL	REPL RES	HUD BAL	LC BAL	INT DUE	DUE DATE	HUD PRT	OF M
944,573.06	.00	.00	.00	.00	112.37	.00	.00	981.24	.00	10-01-08	.00	DU Y

P & Y 1ST	P&Y 2ND	CO TAX CITY	TAX	H&S INS	M I P	LISE	BSC A & H	LIFE	MISC	REF RES	TOT PAYMT	INT RATE	DT SM
3388.90	.00	383.11	.00	109.92	.00	.00	.00	.00	.00	.00	2812.05	.0618000	1 8
OVER/SHORT AMT 30.03													

1ST ORIG MTG	2ND ORIG MTG	PRIN BAL BEG	INT IND	CAP FLAG	MYGR SSN	DEF INT BAL	PRIOR YR	PPD INT	PPD INT IND	GPM ORG
890,000	0	922,170.29	2			86,589.00		0.00	0	0

ASSUM-DT	KFER-DEED	PHA-SEC/NUM	LIE PAYOFF	PC-TRK-SW	YE-ACQ-RPT/DATE	SALE-ID	EXEMPT	PLGO-LM	PMT-OPT	CALC-METH	ELOC	BNKRPCY	CH/DT

PMT PERIOD	1098-DST-HIST	POINTS-PAID/RPTG	YR	SUPPR-MICR-SMT	DI-NOX-RPT-YR	REAS CAUS	RI-HDR-SW	1ST-DUE-DT	REO STAT/COMPL	DT
12		.00						10-06		

108 CREDIT YTD/W-H	SW/W-H BALANCE	1098 CREDIT YTD/W-H	SW/W-H BALANCE	CONSTA CD	NO PURGE FLAG/YR	BNKRPT STAT	LAST DEF DUE
.00	.00	.00	.00				09-38

REC CORP ADV BAL	3RD REC CORP ADV BAL	FORECL WKST CODE/REINSTATE DATE	INIT ESC	STMT CODE / DATE	LOSS MIT STATUS/COMPL DATE
.00	.00		9	08-23-06	

DUE PROC TP	EQ	AMOUNT	PRINCIPAL	PRINCIPAL	INTEREST	ESCROW	ESCROW	ADVANCE	STATUS	STATUS	UNPAID	OTHER	CFD
DATE DATE	TR NO	RECEIVED	PAID	BALANCE	PAID	PAID	BALANCE	BALANCE	AMOUNT	BALANCE	INT-BAL.	AMOUNTS	DCT
BAL-FWD -15 4 93 2				322170.29			1598.67	.00	.00	.00	.00		
01-08 01-14 1 71 1		3638.67	3082.09-	925252.38	6234.64	506.12	2104.79	.00	.00	.00	.00		1

01-14-08 L
3082.09-AB
3082.09-AC
3082.09-AE
3082.09-AF

BATCH 6X EDIT-SEQ 110122

IR EFF	02-08	OLD	.0811300	NEW	.0798700	PRIN BAL	925,252.38
PI EFF <td>02-08</td> <td>OLD</td> <td>3,152.55</td> <td>NEW</td> <td>3,152.55</td> <td>PRIN BAL</td> <td>925,252.38</td>	02-08	OLD	3,152.55	NEW	3,152.55	PRIN BAL	925,252.38
02-08 02-19 1 52 1		.00	.00	925252.38	.00	.00	.00
02-08 02-25 1 72 1		3816.30	3005.70-	928258.16	8158.33	523.06	2627.83

MPL-ID A201

02-23-08 L
3005.70-AB
3005.70-AC
3005.70-AE
3005.70-AF

BATCH 6S EDIT-SEQ 130892

IR EFF	03-08	OLD	.0798700	NEW	.0784700	PRIN BAL	926,258.16
PI EFF <td>03-08</td> <td>OLD</td> <td>3,152.55</td> <td>NEW</td> <td>3,152.55</td> <td>PRIN BAL</td> <td>926,258.16</td>	03-08	OLD	3,152.55	NEW	3,152.55	PRIN BAL	926,258.16
03-08 03-17 1 52 1		.00	.00	928258.16	.00	.00	2627.83
03-08 03-29 1 72 1		3890.18	2917.49-	931175.65	6070.04	523.08	3150.91

MPL-ID A201

03-28-08 L
2917.49-AB
2917.49-AC
2917.49-AE
2917.49-AF

CONFIDENTIAL

JPMC000737

(3246)



BONUS: EXPIRES:

Pay \$50.00 Title Curative Fee to Fidelity Title or Titor Title (Charge to the seller only if an invoice is attached). Collect the recording fee for the POA when applicable. Collect a Wire Fee. The Referral Fee is deducted from the listing side of the commission. The Referral Fee and Management Fee are Payable to NRT REOExperts, LLC and the sum of both Fees must be on line number 704 of the HUD described as "Commission".

The checks are to be mailed to my attention at:

NRT REOExperts, LLC
7100 Commercial Blvd., Suite 101, Ft Lauderdale, FL 33319

THE SELLER'S PROCEEDS MUST BE WIRED WITHIN 24 HRS AFTER CLOSING AS FOLLOWS:

To: JPMorgan Chase
400 East Main St, Stockton CA 95290

Account Title: Washington Mutual Bank in Trust for the REO proceeds
in Trust for various Investors and Mortgagees

ACCOUNT / CL#: 765912803

ABA / ROUTINE#: 021000021

BENEFICIARY PARTY
INFORMATION: Lisa A. Shepherd, NATIONAL, REO, JPMorgan Chase

REO LOAN ID#: [REDACTED]

ALL WIRES MUST BE RECEIVED WITHIN 24 HRS OF CLOSING.

Late wires will be subject to penalty interest and your Company will responsible to pay the Fee.

PLEASE EMAIL ME THE SIGNED HUD BY THE BUYER AND THE WIRE CONFIRMATION WITHIN 24HRS OF CLOSING.
If you have any questions, please contact me at Lisa.hamlett@reoxperts.net.

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Page 2 of 2

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Mr. Paatalo's Executed Declaration & Forensic Report & Exhibits

1
2 **DISTRICT COURT**
3 **CLARK COUNTY, NEVADA**
4
5

6 Leo Kramer and Audrey Kramer,

7
8 Plaintiffs,

Case No. 18-CV-00663

9 v.

10 **DECLARATION OF PRIVATE**
11 **INVESTIGATOR WILLIAM J.**
12 **PAATALO**

13 National Default Servicing Corp.,
14 et al.,

15 Defendants.

16 I, William J. Paatalo, hereby declares as follows:

17 1. I am an Oregon licensed private investigator under ORS 703.430, and
18 have met the necessary requirements under ORS 703.415. My Oregon PSID
19 number is 49411.

20 2. I am over the age of eighteen years, am of sound mind, having never
21 been convicted of a felony or a crime or moral turpitude. I am competent in all
22 respects to make this Declaration. I have personal knowledge of the matters
23 declared herein, and if called to testify, I could and would competently testify
24 thereto.

25 3. I have 17 years combined experience in law enforcement and private
26 investigation with concentration on the mortgage lending industry and enforcement

27 1. Declaration of Private Investigator – William J. Paatalo

1 actions seeking foreclosure of title or enforcement of possession. My Resume
2 ("CV") is attached as "Exhibit 1."

3 4. I have worked exclusively over the last 8 – years and more than
4 15,000 hours conducting investigatory research and interviews related to mortgage
5 securitization and chain of title analyses. Typically my investigations are at the
6 request of a homeowners or their counsel with the objective of determining
7 whether there are facts that corroborate both the actual assertions and implied
8 statements contained in various documents that purport to transfer, deliver or
9 otherwise imply possession or ownership of a debt, note or mortgage (deed of trust
10 in nonjudicial states).

11 5. I have performed such analyses for residential real estate located in
12 many states, including, but not limited to Washington, Oregon, California,
13 Arizona, Nevada, Florida, Ohio, Montana, New Jersey, Illinois, and numerous
14 other states.

15 6. As of this date, I have conducted more than 1,200 investigations.

16 7. Because of my education and experience I am familiar with and have
17 sufficient training and expertise to qualify as an expert, and I have testified as an
18 expert in state and federal judicial proceedings in various jurisdictions throughout
19 the United States.

20 8. Most recently, I testified at trial as an expert witness on August 6,
21 2018 in Re: PennyMac Holdings, LLC v. Mario Carini, et. al., California Superior
22 Court, County of San Diego, Case No. 37-2017-00039675-CL-UD-CTL.

23 9. My specific areas of expertise that have been deemed qualified by the
24 courts are as follows:

25
26
27 2. Declaration of Private Investigator – William J. Paatalo

1 • Knowledge of the "Pooling & Servicing Agreements" and various
2 Securities & Exchange Commission (SEC) filings associated with mortgage-
3 backed securitized trusts.

4 • Specific language in the PSA's and Prospectus / Prospectus
5 Supplements involving securitization participants, key dates, "Servicer Advances,"
6 sources of third-party payments, and transfer and conveyancing requirements to
7 name a few.

8 • Knowledge and use of ABSNet / MBSData and the interpretation of
9 its internal accounting data showing "advance payments" made to the certificate
10 holders / investors, as well as other information specific to accounting, chain of
11 title, and other aspects of securitization.

12 • Chain of Title analyses based upon publicly recorded documents,
13 documents produced in discovery, and documents attached as exhibits to
14 foreclosure complaints. Documents typically included mortgages, deeds of trust,
15 assignment, notes, and allonges; in addition to documents filed under penalty of
16 perjury with the SEC.

17 11. I was retained by the Plaintiff to review the chain of title for the Deed
18 of Trust (DOT) originated by Washington Mutual Bank, F.A. on or about April 4,
19 2008, as well as the Substitution of Trustee (SOT) recorded on 12/05/2013 which
20 are the subject of this action, and to render any opinions as to defects, deficiencies,
21 or fraud should they exist.

22 12. The following documents were inspected and marked as exhibits:

23 **Exhibit 2** – Amended Complaint & Exhibits

24 **Exhibit 3** – Dayen Article

25 **Exhibit 4** – Testimony Transcript – Robert Schoppe - FDIC

26 **Exhibit 5** – Declaration of Neil Garfield, Esq.

27 **Exhibit 6** – Chase letter to FDIC September 12, 2014

Exhibit 7 – Chase Emergency Motion – Proodian – FL - 2018

Exhibit 8 – Chase Supplemental Responses – Dace – TN – 3/30/15

 3. Declaration of Private Investigator – William J. Paatalo

1 **Exhibit 9 – Chase Supplemental Responses – Daee – 11/25/15**
2 **Exhibit 10 –Memorandum – Daee – TN**
3 **Exhibit 11 – Purchase & Assumption Agreement**
4 **Exhibit 12 – JPMorgan Chase Stipulation of Fact**
5 **Exhibit 13 – Hearing Transcript – Schiefer v. Wells Fargo**
6 **Exhibit 14 – FOIA Response**
7 **Exhibit 15 - Chase Collateral File Screenshots – Comparable Case #1**
8 **Exhibit 16 – Chase Collateral File Screenshots – Comparable Case #2**
9 **Exhibit 17 - Chase Consent Judgment – National Settlement**
10 **Exhibit 18 - Order – FL – Wells Fargo as Trustee v. Riley**
11 **Exhibit 19 - Chase “Investor” disclosure letters**
12 **Exhibit 20 - Affidavit of Marilyn Lea**
13 **Exhibit 21 – Kelley Case – LNTH Screenshot**
14 **Exhibit 22 – LNTH Inv Codes – 3 comparable cases**
15 **Exhibit 23 - Deposition Transcript – Peter Katsikas – JPMorgan Chase**
16 **Exhibit 24 - Peter Katsikas testimony – Proodian**
17 **Exhibit 25 – Deposition Transcript – Matthew Dudas - JPMC**

18 13. Having reviewed the above documents, and having conducted well
19 over 300 investigations of WaMu mortgage loans involving the FDIC and Chase,
20 my professional opinions are as follows:

21 a. The chain of title to the Kramer DOT is clouded and cannot be verified.
22 JPMorgan Chase did not acquire, nor can it prove, ownership of any WaMu loan
23 via the “Purchase & Assumption Agreement” (PAA) with the FDIC, including the
24 Kramer DOT, and it remains an issue of fact as to whether it even acquired the
25 servicing rights to any WaMu loan, including the Kramer loan, that was securitized
26 and sold prior to the FDIC Receivership on September 25, 2008.

27 b. Washington Mutual Bank (WMB) tacitly admitted in “Securities &
Exchange Commission” (SEC) filings that no endorsements would be placed upon

4. Declaration of Private Investigator – William J. Paatalo

1 the notes it was selling and securitizing, and no assignments of the mortgages
2 would be prepared or recorded to document the securitization and sales of the loans
3 by Washington Mutual, Inc.'s subsidiaries. With full knowledge of these pre-
4 receivership securitization and sales transactions, including the sale of the Kramer
5 DOT, JPMorgan Chase (JPMC) has falsely asserted ownership to these loans using
6 a generic and nondescript Purchase & Assumption Agreement (PAA) with the
7 FDIC, and in turn, has executed self-serving assignments that contain material
8 misrepresentations of beneficial ownership in order to create the illusion of
9 standing and clean chains of title in thousands of foreclosure related cases. Such is
10 the case here. My opinions, having previously been challenged as just theories, are
11 now supported by JPMC's own admissions under oath in various court proceedings
12 across the United States. These admissions show (1) JPMC knows of no employees
13 or agents, currently or previously, who have any personal knowledge of any of the
14 facts of the underlying transactions which they represent in their self-authored
15 documents, and (2) in spite of these facts, JPMC admits that its employees forge
16 and fabricate the necessary documents, (assignments, note endorsements, allonges,
17 and affidavits) as needed for litigation; precisely the type of behavior discovered
18 and forbidden in the billion-dollar consent judgments issued in the past decade.
19 These behaviors continue unabated per my years of ongoing investigative research.
20 And,

21 c. The assignment of beneficial ownership of the Kramer DOT to JPMC,
22 which is fraudulent for the reasons set forth below, is executed and recorded more
23 than four-years after JPMC asserted itself as beneficiary and substituted "National
24 Default Servicing Corporation" (NDS) as Trustee in the recorded Substitution of
25 Trustee (SOT) on 12/05/2013. As such, and for reasons set forth in this

26
27 5. Declaration of Private Investigator – William J. Paatalo

1 Declaration, the SOT appears invalid, as JPMC had no authority to substitute
2 trustees.

3 EVIDENCE IN SUPPORT OF OPINIONS

4 I. Background - WaMu's "Off-Balance Sheet Activities"

6
7 14. On April 13, 2011, the U.S. Senate's "Permanent Subcommittee On
8 Investigations" published an investigative report that includes a detailed analysis of
9 WaMu's securitization activities leading up to the financial collapse in 2008. The
10 report can found be found at the following government website address:

11 [https://www.hsgac.senate.gov/subcommittees/investigations/media/senate-](https://www.hsgac.senate.gov/subcommittees/investigations/media/senate-investigations-subcommittee-releases-levin-coburn-report-on-the-financial-crisis)
12 [investigations-subcommittee-releases-levin-coburn-report-on-the-financial-](https://www.hsgac.senate.gov/subcommittees/investigations/media/senate-investigations-subcommittee-releases-levin-coburn-report-on-the-financial-crisis)
13 [crisis](https://www.hsgac.senate.gov/subcommittees/investigations/media/senate-investigations-subcommittee-releases-levin-coburn-report-on-the-financial-crisis)

14 15. Key excerpts from the report are as follows:

15 Pg.116 –

16 E. Polluting the Financial System

17 Washington Mutual, as the nation's largest thrift, was a leading issuer of home
18 loans. When many of those loans began to go bad, they caused significant damage
19 to the financial system.

20 According to a 2007 WaMu presentation, by 2006, Washington Mutual was the
21 second largest non agency issuer of mortgage backed securities in the United
22 States, behind Countrywide.

23 By securitizing billions of dollars in poor quality loans, WaMu and Long Beach
24 were able to decrease their risk exposure while passing along risk to others in the
25 financial system. They polluted the financial system with mortgage backed
26 securities which later incurred high rates of delinquency and loss. At times, WaMu
27 securitized loans that it had identified as likely to go delinquent, without disclosing
its analysis to investors to whom it sold the securities, and also securitized loans
tainted by fraudulent information, without notifying purchasers of the fraud that
was discovered and known to the bank.

28 Pg. 119 –

29 "WaMu Capital Corp. acted as an underwriter of securitization transactions
30 generally involving Washington Mutual Mortgage Securities Corp. or WaMu

31 6. Declaration of Private Investigator – William J. Paatalo

1 Asset Acceptance Corp. Generally, one of the two entities would sell loans into a
2 securitization trust in exchange for securities backed by the loans in question, and
3 WaMu Capital Corp. would then underwrite the securities consistent with industry
4 standards. As an underwriter, WaMu Capital Corp. sold mortgage-backed
5 securities to a wide variety of institutional investors. WCC sold WaMu and Long
6 Beach loans and RMBS securities to insurance companies, pension funds, hedge
7 funds, other banks, and investment banks. It also sold WaMu loans to Fannie Mae
8 and Freddie Mac. WCC personnel marketed WaMu and Long Beach loans both in
9 the United States and abroad.

10 Before WCC was able to act as a sole underwriter, WaMu and Long Beach worked
11 with a variety of investment banks to arrange, underwrite, and sell its RMBS
12 securitizations, including Bank of America, Credit Suisse, Deutsche Bank,
13 Goldman Sachs, Lehman Brothers, Merrill Lynch, Royal Bank of Scotland, and
14 UBS. To securitize its loans, WaMu typically assembled and sold a pool of loans
15 to a qualifying special-purpose entity (QSPE) that it established for that purpose,
16 typically a trust.

17 The QSPE then issued RMBS securities secured by future cash flows from the loan
18 pool. Next, the QSPE – working with WCC and usually an investment bank – sold
19 the RMBS securities to investors, and used the sale proceeds to repay WaMu for
20 the cost of the loan pool. Washington Mutual Inc. generally retained the right to
21 service the loans.

22 16. These findings are also supported by Washington Mutual, Inc.'s 10-Q
23 filing with the U.S. Securities and Exchange Commission (SEC) on June 30, 2008,
24 which states on (p.60),

25 Off-Balance Sheet Activities

26 The Company transforms loans into securities through a process known as
27 securitization. When the Company securitizes loans, the loans are usually sold to a
qualifying special-purpose entity ("QSPE"), typically a trust. The QSPE, in turn,
issues securities, commonly referred to as asset-backed securities, which are
secured by future cash flows on the sold loans. The QSPE sells the securities to
investors, which entitle the investors to receive specified cash flows during the
term of the security. The QSPE uses the proceeds from the sale of these securities
to pay the Company for the loans sold to the QSPE. These QSPEs are not
consolidated within the financial statements since they satisfy the criteria
established by Statement No. 140, *Accounting for Transfers and Servicing of
Financial Assets and Extinguishments of Liabilities*. In general, these criteria
require the QSPE to be legally isolated from the transferor (the Company), be
limited to permitted activities, and have defined limits on the types of assets it can
hold and the permitted sales, exchanges or distributions of its assets.

17. It is my opinion that the Kramer DOT was securitized and sold into
the secondary market through one of WaMu's subsidiaries and its "off-balance
sheet activities. As will be explained in-depth below, JPMC has specific "MSP"

7. Declaration of Private Investigator – William J. Paatalo

1 (Mortgage Servicing Platform) screenshots within its custody and control that will
2 show and prove (1) the sale prior to the FDIC Receivership, and (2) the investor
3 codes for each sale and transfer.

4 **II. JPMC did not acquire the assets of WaMu's subsidiaries**

5 17. Attached as Exhibit 11 is the widely publicized copy of the PAA
6 dated September 25, 2008 between the FDIC and JPMorgan Chase. Page 2 of the
7 PAA states,
8

9 "Assets" means all assets of the Failed Bank purchased pursuant to Section 3.1.
10 Assets owned by Subsidiaries of the Failed Bank are not 'Assets' within the
11 meaning of this definition."

12 18. The relevance to this will be explained further below.
13

14 **III. No schedule or inventory of assets listing any specific WaMu**
15 **mortgage loan acquired by JPMC exists. This includes servicing rights.**

16 19. One fact is now well established – no schedule or inventory of assets
17 listing any specific WMB mortgage loan acquired by JPMC, including the Kramer
18 DOT, exists or has ever been produced or disclosed. The reason for this fact is
19 most, if not all, residential mortgage loans originated by WMB were sold and
20 securitized through WaMu's "Off-Balance Sheet Activities."
21

22 20. The testimony of Lawrence Nardi, the operations unit manager and
23 mortgage officer of JPMC, who previously worked with WAMU and was picked
24 up by JPMC after WMB failed confirmed that no schedule of assets exists. (see:
25 Deposition of Lawrence Nardi in the matter of *JPMorgan Chase Bank, N.A., as*
26 *successor in interest to Washington Mutual Bank v. Waisome*, Florida 5th Judicial
27

8. Declaration of Private Investigator – William J. Paatalo

1 Circuit Case No. 2009CA005717.

2 <http://www.scrib.com/doc/102949976/120509JPMCvWaisomeFLLawrenceNardiD>
3 eposition)

4
5 Here are the relevant questions and answers:

6 Q: (p.57, beginning at line 19) "Okay The are you aware of any type of
7 schedule of loans that would have been created to represent the -- either the loans
8 that were assets, loans or loans that were serviced by WAMU? Are you -- was the -
- do you know if there is a schedule or database of loans like that?"

9 A: (p.58, beginning at line 1) "I know that there was a schedule
10 contemplated in certain documents related to the purchase. That schedule has never
11 materialized in any form. We've looked for it in countless other cases. We've
12 never been able to produce it in any previous cases. It certainly be a wonderful
thing to have, but it's as far as I know, it doesn't exist, although it was it was
contemplated in the documents.

13 Q: (p.260 beginning at line 18) "Have you ever in your duties of being a
14 loan analyst loan operations specialist, have you ever seen a FDIC bill of sale or a
receiver's deed or an assignment of mortgage or an allonge?"

15 A: (p.260, beginning at line 23) "For loans, I'm assuming you're talking
16 about the WAMU loan that was subject to the purchase here"

17 Q. (p.261, line 1) "Right."

18 A. (p.261, beginning at line 2) "No there is no assignments of mortgage.
19 There's no allonges. There's no in the thousands of loans that I have come in
20 contact with that were a part of this purchase, I've never once seen an assignment
of mortgage. There is simply not they don't exist. Or allonges or anything
21 transferring ownership from WAMU to Chase, in other words. Specifically,
endorsements and things like that."

22
23 21. Attached as **Exhibit 5** is the Declaration of Neil F. Garfield, Esq.
24 submitted in Re: Mario Polychronas, Debtor - US BK CD-CA Case No. 1:11-bk-
25 18306-vk retrieved from the Federal Court's PACER System. Per Garfield's sworn
26 testimony, Mr. Schoppe stated "that there never was any instrument prepared or

27 9. Declaration of Private Investigator – William J. Paatalo

1 *executed between JPMorgan Chase and either the FDIC or the bankruptcy trustee*
2 *in which Chase acquired the loans. Specifically, he stated, 'if you are looking for*
3 *an assignment of loans, you won't find it because it does not exist.'* (Exhibit 5,
4 ¶7).

5 22. This is supported by Robert Schoppe's own testimony provided as
6 Exhibit 4 whereby Schoppe testified,

7
8 "Q. Are there any provisions in the Purchase and Assumption Agreement that
9 talks to who's going to keep all the records, who's going to maintain the records if
they're needed down the road?

10 A. Yes, there is.

11 Q. Okay. Explain that to us.

12 A. There is a continuing cooperation clause in there which basically says, in
layman's terms, whoever has the records, if the other party needs them, we can get
them.

13 Q. And so in this case, who maintains the records for all of the WAMU-
14 originated loans?

15 A. JPMorgan Chase holds all those records.

16
17 Q. Under the Purchase and Assumption Agreement, did it provide that y'all
18 were going to get like a list of all the loans or anything like that? Is there some
kind of list that y'all have at FDIC, as receiver?

19 A. The agreement does call for us to get a list of the loans. We agreed that we
20 would not get them. There were tens of hundreds of thousands of loans. We had no
21 way of actually getting and -- we usually -- every other bank, we will get a
download of all the loans. They number in the thousands. Here, they were
22 numbering in the millions, I believe, tens of millions, and we simply didn't have
capacity to download that information, store it someplace where we could get it. So
23 we agreed with JPMorgan that we would not take a download. If we needed the
information, we would just get it from them.

24 (Note) Schoppe also testified to the following:

25
26
27 10. Declaration of Private Investigator -- William J. Paatalo

1 Q. So when JPMorgan Chase took over or bought these purchases, do they
2 pay something for this Purchase and Assumption agreement?

3 A. Again, I think -- I tried to explain it. Perhaps I didn't do a very good job,
4 so let me do that again. They assumed all of the assets, and they also assumed
5 which assets were -- round numbers, please don't quote me on that -- I think it was
6 about \$330 billion. They also assumed; I believe it was about \$300 billion worth of
7 liabilities.

8 23. No schedule or inventory of any specific asset is also supported by an
9 FOIA response letter from the FDIC on March 30, 2017 whereby the FDIC could
10 find no responsive documents regarding any schedule of assets on the books of
11 WMB. This FOIA letter was provided to me by a client as part of an investigation.
12 (Exhibit 14).

13 24. For years now, JPMC has been getting away with a massive
14 presumption that it acquired multi-billions of dollars' worth of loans created by
15 "Washington Mutual" via the "Purchase & Assumption Agreement" (PAA), yet
16 the mortgage loans they claim to have acquired, specifically the Kramer DOT, was
17 not "on the books" of "Washington Mutual Bank" at the time the "Office of Thrift
18 Supervision" (OTS) took control of WMB.

19 **IV. Washington Mutual Bank routinely disclosed in SEC Prospectus**
20 **filings for public trusts that the notes it was selling were not going to be**
21 **endorsed "or otherwise marked to reflect the transfer" to the trusts, and no**
22 **assignments would be prepared, which resulted in the intentional clouding of**
23 **titles.**

24 25. The following admissions / "Risk Factors" were made by WMB to the
25 investors in the WMABS 2007-HE2 Trust's 424(B) Prospectus Supplement on P.
26 21 (SEC link -<http://www.secinfo.com/d16VAy.u48.htm#1stPage>)

27 **For transactions in which WMB fsb holds some or all of the mortgage
notes and mortgages as custodian on behalf of the trust, investors should
consider the following:**

11. Declaration of Private Investigator -- William J. Paatalo

1 The trustee will not physically possess some or all of the mortgage notes
2 and mortgages related to the mortgage loans owned by the Trust. Instead, WMB
3 fsb will hold some or all of the mortgage notes and mortgages as custodian on
4 behalf of the trust. **The mortgage notes and mortgages held by WMB fsb will**
5 **not be endorsed or otherwise marked to reflect the transfer to the trust, and**
6 **assignments of the mortgages to the trust will not be prepared or recorded.**

7 As a result, if a third party were to obtain physical possession of those mortgage
8 notes or mortgages without actual knowledge of the prior transfer to the trust, the
9 trust's interest in those mortgage notes and mortgages could be defeated, thereby
10 likely resulting in delays or reductions in distributions on the certificates.

11 For transactions in which WMB fsb holds some or all of the mortgage
12 notes and mortgages as custodian on behalf of the trust, investors should
13 consider the following:

14 With respect to each mortgage held by WMB fsb as custodian on behalf of
15 the trust, an assignment of the mortgage transferring the beneficial interest under
16 the mortgage to the trustee or the trust will not be prepared or recorded. In
17 addition, an assignment of the mortgage will not be prepared or recorded in
18 connection with the sale of the mortgage loan from the mortgage loan seller to
19 the depositor.

20 26. These same admissions / disclosures were made by WMB in
21 many of their public securitization transactions filed with the SEC, and it is my
22 opinion that this was WMB's common business practice with its private
23 placement transactions and GSE sales to Fannie Mae and Freddie Mac as well.
24 This is supported by the Nardi testimony as will be explained further below.

25 V. **Evidence shows a pattern and practice of fabricating**
26 **endorsements and allonges upon notes, as the MSP System show notes are**
27 **endorsed with WaMu signatures after 9/25/2008.**

28 27. Though no copy of the original Kramer Note was provided for

29 12. Declaration of Private Investigator – William J. Paatalo

1 inspection, the following information is relevant for purposes of understanding
2 the overall conduct and widespread practice of forging and fabricating
3 documents beyond just the assignments.

4 28. Attached as **Exhibits 15 & 16** are collateral file servicing system
5 screenshots produced in discovery in other cases which I was involved. Both of
6 these comparable cases involve loans originated by WMB with the notes bearing
7 endorsements "in blank" by a WaMu officer.

8 29. The screenshots in **Exhibit 15** show that the Note was taken into
9 Chase custody on "Jul 18, 2009 5:49.59" and that the Note was subsequently
10 endorsed "WaMu to Blank" on "Feb 24, 2012 12:14:51," with another
11 "facsimile" endorsement of "WaMu to Blank" being created on "Oct 28, 2014
12 4:08:57" (**Exhibit 15, P. 3**, and "Exception Add Date & Time" **P.4**).

13 30. Attached as **Exhibit 16** are discovery documents provided by JPMC
14 in "comparable case #2." The screenshots in this exhibit shows "NEN1 - Note
15 Endorsement 1 - WAMU to Blank - Sep 24, 2013, 12:00:00 AM" (**Exhibit 16,**
16 **P.2**).

17 31. My opinion in these comparable cases is that the notes were
18 endorsed after the FDIC's takeover of WaMu on September 25, 2008, as there is
19 an abundance of information now in the public domain, as well as within the
20 realm of my personal investigative experiences, to universally suggest that the
21 largest servicers create note endorsements and/or allonges when missing, or
22 when needed in litigation to prove-up "standing." These are commonly referred
23 to in foreclosure proceedings as "ta-dah" endorsements, which are never dated or
24 witnessed by anyone having personal knowledge as to any underlying
25 transactions.

26 32. On September 25, 2015, a hearing was held in Schiefer v. Wells

27 13. Declaration of Private Investigator – William J. Paatalo

1 Fargo Bank, USBK – WD – ARK, 5:14-AP-0706. I retrieved a copy of the
2 hearing transcript from the Federal Court's PACER System and I have attached
3 as **Exhibit 13**. From my review of the testimony provided, Wells Fargo's
4 witness, Robert Bateman, provided incriminating testimony as follows That
5 JPMC applied the WaMu officer's endorsement upon the note in 2013:

6 **P.35, L15-25 & 36, L1-5:**

7
8 Question: "With respect to your prior answers as defined above, you
9 indicated that the promissory note has never been aggregated into a larger of
10 mortgage notes. Please explain the legal nature of the transfer in which you
11 acquired this individual promissory note."

12 Response: "Wells Fargo Bank, N.A. purchased the promissory note on
13 February 1, 2007 from JPMorgan Chase Bank National Association as successor
14 in interest from the FDIC as receiver of Washington Mutual Bank."

15 **(NOTE: This statement is an impossibility since WaMu had not failed
16 until 9/25/2008).**

17 **P.44, L13-25 & P. 45, L1-11:**

18 Q So, from your -- from your review before today and -- and going through
19 this a little bit today, other than the endorsements, is this the same note -- or does
20 it appear to be the same note as what we've been talking about on the proof of
21 claim and on the other exhibit?

22 A This copy of the note has a second endorsement on it that we have not
23 previously discussed or -- or looked at, as far as I remember. I have seen a -- the
24 original note, and I have seen a copy of the original note, which is the same as
25 this copy. I have seen this copy before with the two endorsements on it that are in
26 our electronic scanning system. Our system doesn't have a copy that has -- that
27 has the redaction, but I have looked at a copy of this note with both endorsements
on it. And when I say both endorsements, the second endorsement is a blank
endorsement that is signed by Washington Mutual Bank, N.A.

14. Declaration of Private Investigator – William J. Paatalo

1 Q Okay. And could you just read that whole endorsement to me, please,
2 for the record?

3 A "Pay to the order of blank without recourse Washington Mutual Bank,
4 F.A. by" -- and then there's a signature, and the name under it -- "Leta
5 Hutchinson, Assistant Vice President."

6 Q Mr. Bateman, have you seen these -- these discovery responses before?

7 A No, I don't think I have.

8 **P.46, L1-25 & P.47 thru 48:**

9 Q Okay. Well, what I'd ask you to do for the Court is read the
10 Request to Admit Number 3, which appears at the top of page 6, and then the
11 answer. If you'll just wait a second so everyone in the courtroom can get there.
12 All right. Please.

13 A "That at the time you acquired physical possession of the original note,
14 it bore both the endorsements shown on the copy of the last page of the
15 promissory note attached hereto as Exhibit A."

16 Answer to Request for Admission Number 3: "Denied. The note bore the
17 endorsement from First Western Mortgage to Washington Mutual Bank, N.A.
18 when received on February 14th, 2007. The endorsement in blank from
19 Washington Mutual Bank, N.A. was completed in February 2013 pursuant to a
20 limited power of attorney appointing -- appointing Wells Fargo Bank, N.A. as the
21 lawful attorney in fact for JPMorgan Chase Bank National Association as
22 successor in interest from the FDIC as receiver of Washington Mutual Bank. A
23 copy of the limited power of attorney is attached as Exhibit A."

24 Q Okay. Based upon your reading of that response, when was that second
25 endorsement added?

26 A I'll read again what it says: "The endorsement in blank from Washington
27 Mutual Bank, N.A. was completed in February of 2013."

Q And in -- in everyday laymen's terms, what would that mean to you?

15. Declaration of Private Investigator -- William J. Paatalo

1 A It means what it says.

2 Q Which is?

3 A On February '13, there was an endorsement in blank on the note.

4 Q Well, it says "completed." Who -- who completed?

5 A From Washington Mutual Bank, N.A.

6 Q Who would have completed the endorsement?

7 A I just read what this says. It says this was -- this was completed by
8 Washington Mutual Bank. Well, in reading further -- let me continue to read
9 after that. Excuse me. Reading further:

10 "Pursuant to a limited power of attorney appointing Wells Fargo Bank,
11 N.A. as the attorney in fact for JPMorgan Chase Bank National Association as
12 successor in interest from the FDIC as receiver of Washington Mutual Bank."
13

14 Q So, reading further, what do you think?

15 A That the endorsement was by JPMorgan Chase Bank.

16 Q I'm sorry?

17 A That the endorsement was done by JPMorgan Chase Bank.

18
19
20 33. Attached as **Exhibits 8 & 9** are Supplemental Responses
21 produced by JPMC and a Memorandum **Exhibit 10** in the case captioned *Dae v.*
22 *JPMorgan Chase USDC, MD TN Case No. 3:13-cv-1332* which I retrieved from
23 the Federal Court's *PACER* System. In *Dae*, two allonges were created on the
24 subject Note by JPMC employees as needed to prove up the standing issues in
25 the litigation. The chronological sequence for the creation of these allonges is
26 outlined in JPMC's Supplemental Response (**Exhibit 8**).

27 16. Declaration of Private Investigator -- William J. Paatalo

1 34. Attached as **Exhibit 9** is JPMC's Supplemental Responses dated
2 3/30/2015 which admit the following:

3 4. *State the dates JP Morgan Chase Bank, N.A. executed the allonges and*
4 *state the basis for this knowledge.*

5 *RESPONSE: (Objections Omitted) Chase's internal records indicate that*
6 *the allonges were executed shortly before the foreclosure proceedings at issue in*
7 *this case began.*

8 1. *Identify the employees, supervisors or agents of JP Morgan Chase*
9 *Bank, N.A. who has personal knowledge of the assignments and endorsements*
10 *that occurred on December 17, 1998 and the allonges.*

11 *RESPONSE: (Objections Omitted) [d]espite a diligent search, at this time*
12 *Chase is not aware of any employees, supervisors, or agents that have*
13 *independent personal knowledge or recollection of the assignments,*
14 *endorsements or allonge, apart from knowledge gained from a review of relevant*
15 *business records.*

16 2. *Identify every person known to JP Morgan Chase Bank, N.A. who has,*
17 *or who claims or purports to have, knowledge of facts which you contend support*
18 *the allegations contained in your Answer and Motion for Summary Judgment.*

19 *RESPONSE: (Objections Omitted) Chase states that the documents Chase*
20 *relied on speak for themselves. Chase's position in this case is based on its*
21 *review of business records, and despite a diligent search, at this time Chase is*
22 *not aware of any employees, supervisors, or agents that have independent*
23 *personal knowledge of the facts at issue.*

24 35. JPMC admits that its employees created the assignment and note
25 allonges despite having no personal knowledge of the underlying transactions
26 and could produce no witnesses past or present with any knowledge of the facts
27 surrounding the case. JPMC's position was that the self-serving documents they
produced simply "spoke for themselves." This is a tacit admission of non-

17. Declaration of Private Investigator -- William J. Paatalo

1 compliance with the National Settlement and Consent Judgment attached as
2 **Exhibit 17.**

3 36. In sanctioning Chase for its discovery abuses and delay tactics, the
4 Court's analysis concluded in its memorandum (**Exhibit 10**),
5

6 *"After the court's October 10, 2014 Memorandum pointed out multiple*
7 *missing steps and unsupported assumptions inherent in Chase's representations*
8 *to the court, Chase conducted further investigation and has now reversed course,*
9 *contending that those transactions are irrelevant. Chase now essentially takes*
10 *the position that the documents it recorded with the Sumner County Register of*
11 *Deeds were (and remain) legally irrelevant and should be ignored in the court's*
12 *analysis. After months of delay, Chase now claims that no depositions are*
13 *warranted because, according to Chase, none of the employees or former*
14 *employees have any personal knowledge of the underlying transaction[s,]"*

15 *"Chase seems to believe that it can operate on its own schedule, that it can*
16 *selectively produce records that favor its position (whatever that position may be*
17 *at a certain point in time), and that it can prevent reasonable inquiry into the*
18 *veracity of its (shifting) representations and the import of underlying records."*
19

20 37. The *Dae* and *Schiefer* cases represent a common theme in the
21 hundreds of cases I have investigated involving alleged securitization of loans
22 with WMB / JPMC involvement. I believe it is likely that the same holds true in
23 all cases.
24

25 38. JPMC appears to have taken the position that it acquired beneficial
26 interest in the Kramer DOT and loan via the PAA and the FDIC Receivership of
27 WMB. But this is not what the publicly recorded assignment reflects. Attached as
an exhibit to the complaint (**Exhibit 2**) is the only recorded assignment per my
research which purports the following:

18. Declaration of Private Investigator – William J. Paatalo

1 **DOC #: 578946**

2 **Recorded: 04/10/2018**

3 **Executed: 04/4/2018**

4 **Assignor: Washington Mutual Bank, a Federal Association**

5 **Assignee: JPMorgan Chase Bank, N.A.**

6 39. The assignment is executed by "Debbie A. Swayzer – Vice President
7 – JPMorgan Chase Bank, N.A., as Attorney In Fact for the Federal Deposit
8 Insurance Corporation as Receiver of Washington Mutual Bank F/K/A
9 Washington Mutual Bank, FA." First, the FDIC is not named as the assignee, as
10 this was WaMu who ceased to exist as of 9/25/2008. Second, the assignment is a
11 self-to-self transfer with JPMC playing both sides of the transaction even though
12 JPMC names the defunct WaMu as the assignee. And third, there is no reference
13 to any power of attorney document recorded in conjunction with this assignment
14 showing the FDIC's involvement, as well as JPMC's authority to act on its
15 behalf as an agent. This document is clearly fraudulent on its face, and this is
16 quite common per my experience. It should be noted that I was personally
17 solicited by a document fabrication mill in Idaho to forge and back-date an
18 assignment in 2015 for a WaMu loan with a defective chain of title. (See:
19 **Exhibit 3**).

20 40. Also attached to the complaint is the Substitution of Trustee (SOT)
21 recorded on 12/05/2013 whereby JPMC substitutes NDS as Trustee in place of
22 "California Reconveyance Company", the original Trustee named on the DOT.
23 The recorded documents show that JPMC did not become beneficiary until more
24 than four-years later. Though the assignment somehow implies that JPMC was
25 acting as agent for the FDIC, there is no such authority implied in the SOT.

26
27 19. Declaration of Private Investigator – William J. Paatalo

1 There simply is no evidence to show JPMC having any authority as a beneficiary
2 when it executed the SOT in 2013, and as such, the SOT appears to be invalid.

3
4 **VI. JPMorgan Chase admits to destroying WaMu records and**
5 **executing assignments and endorsements for loans "not reflected on the**
6 **books and records of WMB as of September 25, 2008.**

7 41. In addition to the tacit admissions in SEC filings outlined above,
8 attached as **Exhibit 6** is a letter from JPMorgan Chase's counsel to the FDIC
9 dated "September 12, 2014." This exhibit was taken directly from the FDIC's
10 governmental website located at: <https://www.fdic.gov>.

11 42. This letter is a notice to the FDIC that JPMC sought
12 reimbursement for expenses related to correcting defective chains of title on
13 various loans that "were not reflected on the books and records of Washington
14 Mutual Bank" at the time WMB failed on September 25, 2008.

15 43. JPMC makes the following tacit admissions in the letter:

16 *The additional matters giving rise to JPMC's indemnity rights relate to costs*
17 *incurred in connection with mortgages held by WMB prior to September*
18 *25, 2008. These costs have resulted from aspects of and circumstances related to-*
19 *WMB mortgages that were not reflected on the books and records of WMB as of*
September 25, 2008, and include:

20 *Costs incurred by JPMC to expunge records associated with WMB mortgages as*
21 *a result of errors in mortgage documentation occurring prior to September 25,*
22 *2008, including erroneously recorded satisfactions of mortgages and associated*
23 *legal fees and disbursements.*

24 *Costs incurred by JPMC to correct various defects in the chains of title for WMB*
25 *mortgages occurring prior to September 25, 2008, including recording and legal*
26 *services fees.*

27 20. Declaration of Private Investigator – William J. Paatalo

1 At the time of WMB's closure, the above liabilities were not reflected on its
2 books and records.

3 44. Again, it is my opinion that due to the defective and non-existent
4 chain of title for the Kramer DOT, JPMC has taken advantage by assigning and
5 transferring the DOT and Note unto itself. But again, no Note has been presented
6 for my inspection.

7 45. I am not an expert in the law. However, I am informed by various
8 counsel in similar foreclosure related cases that the original note must be present
9 or re-established for enforcement to occur and that I should presume that the
10 language of the Uniform Commercial Code applies in all states when enforcing a
11 mortgage or deed of trust, to wit:

12
13 "9-203 - Attachment and enforceability of security interest; proceeds; supporting
14 obligations; formal requisites. (a) A security interest attaches to collateral when
15 it becomes enforceable against the debtor with respect to the collateral, unless an
16 agreement expressly postpones the time of attachment.

17 (b) Except as otherwise provided in subsections (c) through (i), a security
18 interest is enforceable against the debtor and third parties with respect to the
19 collateral only if:

20 (1) Value has been given;"

21 46. Given the absence of corroboration of the implied assertion of a
22 transaction in which the debt was purchased for value, it appears that these
23 preconditions are not satisfied in this case. As an investigator I take the absence
24 of any attempt to re-establish the note to mean that the current parties do not
25 have any evidence of having purchased the debt for value, to which my
26 investigation has found no such evidence.

27 **VII. JMorgan Chase admits that mortgage assignments are**

21. Declaration of Private Investigator – William J. Paatalo

1 "materially false," were not assigned by the FDIC as they state, and do not
2 transfer ownership, but only servicing rights.

3 47. From: Wells Fargo Bank, N.A. as Trustee for WaMu Mortgage
4 Pass Through Certificates, Series 2005-PR4 Trust v. Riley, Circuit Court
5 Fifteenth Judicial Dist., Palm Beach County, FL, Case No.: 50-2016-CA-010759-
6 XXXX-MB:

7 (Order attached as Exhibit 18.)

8 ***Plaintiff Engaged in Unclean Hands Trying to Prove Standing to***
9 ***Foreclose***

10 ***Unclean Hands, Generally***

- 11
- 12 1. "One who comes into equity must come with clean hands else all relief
13 will be denied him regardless of merit of his claim, and it is not essential
14 that act be a crime; it is enough that it be condemned by honest and
15 reasonable men." Roberts v. Roberts, 84 So.2d 717 (Fla.1956)(emphasis
16 added).
 - 17 2. Therefore, even if Plaintiff had standing to foreclose (a meritorious claim),
18 Plaintiff would be denied the equitable relief of foreclosure upon a finding
19 that Plaintiff took actions in pursuing this foreclosure that reasonable and
20 honest men would condemn.
 - 21 3. The Florida Supreme Court noted "the principle or policy of the law in
22 withholding relief from a complainant because of 'unclean hands' is
23 punitive in its nature." Busch v. Baker, 83 So. 704 (Fla. 1920). As U. S.
24 Supreme Court Justice Black wrote:

25 "[T]ampering with the administration of justice in the manner
26 indisputably shown here involves far more than an injury to a single litigant. It is
27 a wrong against the institutions set up to protect and safeguard the public,
institutions in which fraud cannot complacently be tolerated consistently with the
good order of society." Hazel-Atlas Glass Co. v. Hartford-Empire Co., 322 U.S.
238, 246, 64 S. Ct. 997, 88 L. Ed. 1250 (1944).

28 48. Also, in the Order,

29 22. Declaration of Private Investigator – William J. Paatalo

21. At trial, Ms. Marcott admitted that any claim JP Morgan Chase ever owned or sold Defendant's note and mortgage was false. She testified that Defendant's note and mortgage were not assets of Washington Mutual after 2005. As such, the 2010 assignment could not truthfully document a transaction that JPMorgan Chase obtained Defendant's note and mortgage from Washington Mutual and sold it to the Plaintiff Trust. This transaction never happened.

22. Moreover, the 2015 assignment contains a materially false statement that JP Morgan purchased Defendant's note and mortgage from the Federal Deposit Insurance Corporation ("FDIC") as Receiver for Washington Mutual.

23. The note and mortgage were not assets of Washington Mutual to be sold by the FDIC Receiver to JP Morgan Chase and or to be sold by JP Morgan Chase to the Plaintiff Trust. Plaintiff's Trial Witness admitted the statement that the FDIC sold this loan as Receiver to Washington Mutual to JP Morgan Chase who sold it to the Plaintiff is materially false.

49. In the case Proodian v Washington Mutual Bank, F.A., JPMorgan Chase Bank, N.A. et. al., JPMC employee “Matthew Dudas – Legal Specialist III” is asked about the assignment of Proodian’s WaMu Mortgage from the FDIC to Chase (**Exhibit 25**). The assignment, and thousands of others like it, state that the FDIC is assigning the mortgage to JPMorgan Chase, and that JPMC is executing as attorney in fact for the FDIC. However, when Dudas is asked point blank whether the FDIC assigned the mortgage, here was his response:

Q Was the mortgage assigned from FDIC to Chase?

MS. GABSI: Objection to form.

A No.

50. Dudas testified that this assignment does not transfer any

23. Declaration of Private Investigator – William J. Paatalo

1 "ownership" rights in the mortgage, but rather ONLY transfers the "servicing
2 rights."

3
4 Q Let me get this clear what this
5 document means and says to me, that this
6 document represents an assignment of servicing
7 right, is that correct?

8 A Yes.

9
10 Q That this document does not reflect
11 an Assignment of Mortgage, is that correct?

12 MS. GABSI: Objector to form.

13 A It's not an assignment ownership.
14

15 51. Nowhere in any of these assignments does it specifically disclose
16 that it is only servicing rights that are being assigned. JPMC clearly states in its
17 self-authored Kramer assignment that it is transferring beneficial interest in the
18 DOT and Note unto itself.
19

20 **VIII. Chase admits the loans were sold and securitized, then denies.**
21

22 52. In cases I have reviewed across the country, borrowers have made
23 and continue to make, inquiries to "Chase" seeking the identity of the investor(s)
24 of their WMB loan(s) only to be told,

25 "Your loan was sold into a public security managed by JPMorgan
26 Chase Bank, N.A. and may include a number of investors. As the

27 24. Declaration of Private Investigator – William J. Paatalo

servicer of your loan, Chase is authorized by the security to handle any related concerns on their behalf."

53. Attached as **Exhibit 19** are two letters provided by JPMC to other borrower clients of mine with this exact language. In both cases, after having made these disclosures to the borrowers, JPMC took the position in court that it was the sole owner of the loans by the authority granted in the PAA, and there were no investors associated with these loans because, "WaMu never sold or securitized the loans."

54. This same situation occurred in a case I was involved in Ontario, Canada. Attached as **Exhibit 20** is an affidavit of JPMC's Marilyn Lea in the Canada case. Per the Lea Affidavit ¶20 & 21, she states that the letters sent from Chase stating that the subject loan had been "sold into a public security managed by [Chase]" were "sent in error."

55. "Exhibit V" to the Affidavit shows an MSP Servicing System screenshot of the "Loan Transfer History." (LNTH). Per the Affidavit ¶23 (a)(b), Lea states that in November 2009 the loan "was transferred to Investor ID A11" and that "Investor A11 was Chase owned." She also attests that "Investor A70" was also Chase owned. In cases I have been involved investigating Chase and these investor codes involving loans that were owned or serviced by WaMu and its subsidiaries, almost all codes coming into question are attested to as "bank owned" / "Chase Owned," even when codes exist in the loan transfer history screenshots moving from "OLD/INV" to "NEW/INV" (Old Investor to New Investor). This is highly unlikely, unusual, and is indicia of a "cover-up."

56. Attached as **Exhibit 21** is a screenshot taken from JPMC's MSP System regarding a WaMu loan originated on 08/07/2007 in a case I was involved. Two of the codes in this screenshot are "AO1" and "A11." The "A11"

25. Declaration of Private Investigator – William J. Paatalo

1 code existed in WaMu's system on 12/17/07 and was not a code created by
2 Chase as attested to in the Lea Affidavit. As explained further below, the "AO1"
3 code belonged to the WaMu subsidiary "Washington Mutual Asset Acceptance
4 Corporation," and I believe investor code "A11" was a private investor and not
5 "bank owned;" likely "Washington Mutual Mortgage Securities Corporation"
6 (WMMSC).

7 57. Attached as **Exhibits 22** are Pre-Receivership MSP screenshots in
8 two other cases I am involved. Each of these screenshots show investor code
9 "AO1" and in each case, Chase claims the loans were never sold or securitized,
10 and were "bank owned" and acquired through the PAA. This is false.

11 58. Like these cases, it is my opinion that the Kramer "Loan Transfer
12 History" screenshot within JPMC's MSP System, if produced, will very likely
13 show the investor code(s) "AO1" and/or "A11" signifying the securitization and
14 sale of the Kramer DOT and Note through WaMu's subsidiaries.

15
16 **IX. JPMC's "AO1 Stipulation" is an admission against its own**
17 **interests.**

18 59. Attached as **Exhibit 12** is a "Joint Trial Stipulation Re Issues Of
19 Facts" signed by JPMorgan Chase Bank on June 7, 2017 in the matter of Harry
20 M. Fox v. JPMorgan Chase Bank, N.A. et. al., CA SC LA, Case No. BC602491.
I was personally retained as an expert witness in the *Fox* case.

21 60. The following facts were admitted and stipulated to by
22 JPMorgan Chase Bank on P.2,

23 /
24 /
25 /

26
27 26. Declaration of Private Investigator – William J. Paatalo

¶8-10:

"8. Investor Code AO1 in the Loan Transfer History File represents WaMu Asset Acceptance Corporation."

"9. Investor Code 369 in the Loan Transfer History File represents Washington Mutual Mortgage Securities Corporation."

"10. JPMorgan Chase Bank, N.A. did not purchase the loan from the Federal Deposit Insurance Corporation."

61. JPMC has contested my opinion in similar cases prior to their stipulation that the "AO1" code belonged to one of the WaMu subsidiaries WMAAC or WMMSC. Numerous witnesses for JPMC have testified in depositions and trials that my theory is incorrect because (1) the investor code "AO1" was assigned to WMB (2) the code signified "bank owned," and (3) that the loans were never sold or securitized.

62. Attached as **Exhibit 23** is the deposition transcript of JPMC witness Peter Katsikas who contradicts JPMC's own stipulation regarding Investor Code AO1. Per P. 45-46,

Q. So what three characters -- well, let's put it another way. What characters would indicate a Chase-owned asset -- a WaMu-owned asset? Excuse me.

A. For these two loans?

Q. Yes.

A. AO1.

Q. AO1?

A. Yeah.

Q. And that AO1 stands for what?

A. That's just the three digit code, which is bank-owned.

Q. AO1?

27. Declaration of Private Investigator -- William J. Paatalo

1 A. Uh-huh.

2 63. Peter Katsikas is the same witness used by JPMC in many cases,
3 and he takes the same position in the court transcript marked as **Exhibit 24, P.**
4 **81,**

5 *THE COURT: Okay. And then A01 was an ID used specifically for loans that*
6 *came from WaMu?*

7 *THE WITNESS: As being bank-owned.*

8 *THE COURT: So bank-owned loans from Washington Mutual?*

9 *THE WITNESS: Correct. Yes, that's correct.*

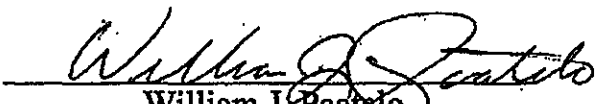
10 64. In the *Fox* case, a public trust was identified in the chain of title,
11 and the trust was declared the beneficiary of the *Fox* Deed of Trust. To sustain its
12 argument that the loan was properly securitized and sold to the trust, JPMC and
13 U.S. Bank, N.A. as Trustee both stipulated that the Depositor entity WMAAC
14 purchased and then sold the loan to the trust prior to the Receivership, and as
15 such, the loan was not a part of the purchase with the FDIC.

16
17 65. Strictly from a title perspective, the above evidence clearly shows
18 that WMB purposefully and intentionally chose not to document any chain of title
19 to the mortgages and deeds of trust and note(s) upon selling the loans prior to its
20 failure on September 25, 2008, and that JPMC has taken it upon itself to not only
21 "expunge records associated with WMB mortgages as a result of errors in
22 mortgage documentation occurring prior t[o, "] but also to "correct various
23 defects in the chains of title for WMB mortgages occurring prior t[o. "]" This means
24 there is no chain of title that can be determined outside of fabricated paperwork. In
25 other words, the chain of title to tens of thousands of WaMu loans, including the
26

27 28. Declaration of Private Investigator – William J. Paatalo

1 Kramer DOT, are "clouded" and fatally defective due to WaMu no longer being in
2 existence. Yet in this case, the fatal defects did not impede the defunct WaMu from
3 assigning the Kramer DOT and Note ten years after its demise.

4
5 I declare under penalty of perjury, under the laws of the United State and Nevada
6 that the above is true and correct, and that this declaration was executed this 8th
7 day of June 2019.

8 
9 William J. Paatalo
Private Investigator - Oregon PSID# 49411

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27 29. Declaration of Private Investigator - William J. Paatalo

RJN-3

The United States Department of Justice-- News Release

The United States Department of Justice



<https://www.justice.gov/opa/pr/us-trustee-program-reaches-50-million-settlement-jpmorgan-chase-protect-homeowners-bankruptcy>

Department of Justice

Office of Public Affairs

FOR IMMEDIATE RELEASE

Tuesday, March 3, 2015

U.S. Trustee Program Reaches \$50 Million Settlement with JPMorgan Chase to Protect Homeowners in Bankruptcy

Settlement Addresses Robo-Signing and Other Improper Practices in Bankruptcy Cases

The Department of Justice's U.S. Trustee Program (USTP) has entered into a national settlement agreement with JPMorgan Chase Bank N.A. (Chase) requiring Chase to pay more than \$50 million, including cash payments, mortgage loan credits and loan forgiveness, to over 25,000 homeowners who are or were in bankruptcy. Chase will also change internal operations and submit to oversight by an independent compliance reviewer. The proposed settlement has been filed in the U.S. Bankruptcy Court for the Eastern District of Michigan, where it is subject to court approval.

In the proposed settlement, Chase acknowledges that it filed in bankruptcy courts around the country more than 50,000 payment change notices that were improperly signed, under penalty of perjury, by persons who had not reviewed the accuracy of the notices. More than 25,000 notices were signed in the names of former employees or of employees who had nothing to do with reviewing the accuracy of the filings. The rest of the notices were signed by individuals employed by a third party vendor on matters unrelated to checking the accuracy of the filings.

Chase also acknowledges that it failed to file timely, accurate notices of mortgage payment changes and failed to provide timely, accurate escrow statements.

"It is shocking that the conduct admitted to by Chase in this settlement, including the filing of tens of thousands of documents in court that never had been reviewed by the people who attested to their accuracy, continued as long as it did," said Acting Associate Attorney General Stuart F. Delery. "Such unlawful and abusive banking practices can deprive American homeowners of a fair chance in the bankruptcy system, and we will not tolerate them."

"This settlement should signal once again to banks and mortgage servicers that they cannot continue to flout legal requirements, compromise the integrity of the bankruptcy system and abuse their customers

in financial distress," said Director Cliff White of the U.S. Trustee Program. "It should be acknowledged that Chase responded to the U.S. Trustee's court actions by conducting an internal investigation and taking steps to mitigate harm to homeowners. But years after uncovering improper mortgage servicing practices and entering into court-ordered settlements to fix flawed systems, it is deeply disturbing that a major bank would still make improper court filings and fail to provide adequate and timely notices to homeowners about payments due. Other servicers should take note that the U.S. Trustee Program will continue to police their practices and will work to ensure that those who do not comply with bankruptcy law protections for homeowners will pay a price, just as Chase has done in this matter."

Payments, Credits and Contributions of More Than \$50 Million:

In the proposed settlement, Chase agrees to provide payments, credits and contributions totaling more than \$50 million:

Chase will provide \$22.4 million in credits and second lien forgiveness to about 400 homeowners who received inaccurate payment increase notices during their bankruptcy cases.

Chase will pay \$10.8 million to more than 12,000 homeowners in bankruptcy through credits or refunds for payment increases or decreases that were not timely filed in bankruptcy court and noticed to the homeowners.

Chase will pay \$4.8 million to more than 18,000 homeowners who did not receive accurate and timely escrow statements. This includes credits for taxes and insurance owed by the homeowners and paid by Chase during periods covered by escrow statements that were not timely filed and transmitted to homeowners.

Chase will pay \$4.9 million, through payment of approximately \$600 per loan, to more than 8,000 homeowners whose escrow payments Chase may have applied in a manner inconsistent with escrow statements it provided to the homeowners.

Chase will contribute \$7.5 million to the American Bankruptcy Institute's endowment for financial education and support for the Credit Abuse Resistance Education Program.

Changes to Internal Operations: In the proposed settlement Chase also agrees to make necessary changes to its technology, policies, procedures, internal controls and other oversight systems to ensure that the problems identified in the settlement do not recur.

Oversight by Independent Reviewer: Amy Walsh, a partner with the law firm Morvillo LLP, has been selected to serve as independent reviewer to verify that Chase complies with the settlement order. The independent reviewer will file public reports with the bankruptcy court.

No Effect on Additional Relief by Homeowners: This settlement does not affect the rights of any homeowners to seek any relief against Chase that they may deem appropriate.

Chase Contact Information: Homeowners with questions about the settlement may contact Chase at 866-451-2327.

RJN-4

WIDELY PUBLICIZED ARTICLE TITLED: “JP MORGAN CHASE BANK FINED \$48
MILLION FOR FAILING TO COMPLY WITH ROBOSIGNING SETTLEMENT”:

JPMorgan Chase Fined \$48 Million For Failing To Comply With Robosigning Settlement



Years after being hit with billions in penalties, and after being told by federal regulators to stop screwing up the foreclosure and mortgage adjustment process by providing borrowers and courts with inaccurate and unchecked information, some banks continue to pay for the fact that they didn't quite learn their lesson.

Back in 2010, regulators learned that the nation's largest mortgage servicers — including JPMorgan Chase, Bank of America, and Wells Fargo — were using so-called "robosigners" to expedite foreclosures on the growing number of houses with delinquent mortgages. These untrained employees had no understanding of the documents they were supposed to be reviewing, and merely rubber-stamped them regardless of their accuracy.

As a result, both homeowners and courts received information that banks swore was true, but which didn't always stand up to scrutiny.

In 2011, the Office of the Comptroller of the Currency brought enforcement actions against several of these servicers, including Chase [\[PDF\]](#), directing them to put an end to these practices and to bolster protections for borrowers.

Two years later, the OCC reached a deal with these banks [PDF] that resulted in a settlement worth a total of \$9.3 billion (\$3.6 billion in cash payments, plus \$5.7 billion in other assistance — loan modifications and forgiveness of deficiency judgments — to borrowers).

Yet this wasn't enough for Chase to hit the brakes on its bad behavior.

In a consent order [PDF] released this morning, the OCC alleges that, between Dec. 2011 and Nov. 2013, Chase filed thousands of problematic documents with bankruptcy courts.

These include:

- 460 inaccurate Payment Change Notices (PCNs) that did not provide the borrower with the correct payment change amount or the correct date that the new payment change would go into effect;
- 4,380 PCNs bearing the signature of bank employees who no longer worked for Chase at the time the PCNs were filed;
- 2,285 PCNs signed by Chase employees who no longer worked in the bank's bankruptcy department at the time they were filed.

The OCC says that such practices are unsafe and unsound, and violate the earlier agreements made by Chase, which now must fork over \$48 million, even though it neither admits nor denies the allegations made by the government.

DOCUMENT – (A)

Supported by Official Government Document from

***‘UNITED STATES OF AMERICA DEPARTMENT OF THE TREASURY
COMPTROLLER OF THE CURRENCY’ (“OCC”)***

Titled: In the Matter of: JPMorgan Chase Bank, N.A., New York, NY—

AA-EC-11-15 CONCENT ORDER

**UNITED STATES OF AMERICA
DEPARTMENT OF THE TREASURY
COMPTROLLER OF THE CURRENCY**

In the Matter of:

JPMorgan Chase Bank, N.A.
New York, NY

AA-EC-11-15

CONSENT ORDER

The Comptroller of the Currency of the United States of America ("Comptroller"), through his national bank examiners and other staff of the Office of the Comptroller of the Currency ("OCC"), as part of an interagency horizontal review of major residential mortgage servicers, has conducted an examination of the residential real estate mortgage foreclosure processes of JPMorgan Chase Bank, N.A., New York, New York ("Bank"). The OCC has identified certain deficiencies and unsafe or unsound practices in residential mortgage servicing and in the Bank's initiation and handling of foreclosure proceedings. The OCC has informed the Bank of the findings resulting from the examination.

The Bank, by and through its duly elected and acting Board of Directors ("Board"), has executed a "Stipulation and Consent to the Issuance of a Consent Order," dated April 13, 2011 ("Stipulation and Consent"), that is accepted by the Comptroller. By this Stipulation and Consent, which is incorporated by reference, the Bank has consented to the issuance of this Consent Cease and Desist Order ("Order") by the Comptroller. The Bank has committed to taking all necessary and appropriate steps to remedy the deficiencies and unsafe or unsound practices identified by the OCC, and to enhance the Bank's residential mortgage servicing and

foreclosure processes. The Bank has begun implementing procedures to remediate the practices addressed in this Order.

ARTICLE I

COMPTROLLER'S FINDINGS

The Comptroller finds, and the Bank neither admits nor denies, the following:

(1) The Bank is among the largest servicers of residential mortgages in the United States, and services a portfolio of 6,300,000 residential mortgage loans. During the recent housing crisis, a substantially large number of residential mortgage loans serviced by the Bank became delinquent and resulted in foreclosure actions. The Bank's foreclosure inventory grew substantially from 2008 through 2010.

(2) In connection with certain foreclosures of loans in its residential mortgage servicing portfolio, the Bank:

(a) filed or caused to be filed in state and federal courts affidavits executed by its employees or employees of third-party service providers making various assertions, such as ownership of the mortgage note and mortgage, the amount of the principal and interest due, and the fees and expenses chargeable to the borrower, in which the affiant represented that the assertions in the affidavit were made based on personal knowledge or based on a review by the affiant of the relevant books and records, when, in many cases, they were not based on such personal knowledge or review of the relevant books and records;

(b) filed or caused to be filed in state and federal courts, or in local land records offices, numerous affidavits or other mortgage-related documents that were not properly notarized, including those not signed or affirmed in the presence of a notary;

(c) litigated foreclosure proceedings and initiated non-judicial foreclosure proceedings without always ensuring that either the promissory note or the mortgage document were properly endorsed or assigned and, if necessary, in the possession of the appropriate party at the appropriate time;

(d) failed to devote sufficient financial, staffing and managerial resources to ensure proper administration of its foreclosure processes;

(e) failed to devote to its foreclosure processes adequate oversight, internal controls, policies, and procedures, compliance risk management, internal audit, third party management, and training; and

(f) failed to sufficiently oversee outside counsel and other third-party providers handling foreclosure-related services.

(3) By reason of the conduct set forth above, the Bank engaged in unsafe or unsound banking practices.

Pursuant to the authority vested in him by the Federal Deposit Insurance Act, as amended, 12 U.S.C. §1818(b), the Comptroller hereby ORDERS that:

ARTICLE II

COMPLIANCE COMMITTEE

(1) The Board shall maintain a Compliance Committee of at least three (3) directors, of which at least two (2) may not be employees or officers of the Bank or any of its subsidiaries or affiliates. In the event of a change of the membership, the name of any new member shall be submitted to the Examiner-in-Charge for Large Bank Supervision at the Bank ("Examiner-in-Charge"). The Compliance Committee shall be responsible for monitoring and coordinating the

Bank's compliance with the provisions of this Order. The Compliance Committee shall meet at least monthly and maintain minutes of its meetings.

(2) Within ninety (90) days of this Order, and within thirty (30) days after the end of each quarter thereafter, the Compliance Committee shall submit a written progress report to the Board setting forth in detail actions taken to comply with each Article of this order, and the results and status of those actions.

(3) The Board shall forward a copy of the Compliance Committee's report, with any additional comments by the Board, to the Deputy Comptroller for Large Bank Supervision ("Deputy Comptroller") and the Examiner-in-Charge within ten (10) days of receiving such report.

ARTICLE III

COMPREHENSIVE ACTION PLAN

(1) Within sixty (60) days of this Order, the Bank shall submit to the Deputy Comptroller and the Examiner-in-Charge an acceptable plan containing a complete description of the actions that are necessary and appropriate to achieve compliance with Articles IV through XII of this Order ("Action Plan"). In the event the Deputy Comptroller asks the Bank to revise the Action Plan, the Bank shall promptly make the requested revisions and resubmit the Action Plan to the Deputy Comptroller and the Examiner-in-Charge. Following acceptance of the Action Plan by the Deputy Comptroller, the Bank shall not take any action that would constitute a significant deviation from, or material change to, the requirements of the Action Plan or this Order, unless and until the Bank has received a prior written determination of no supervisory objection from the Deputy Comptroller.

(2) The Board shall ensure that the Bank achieves and thereafter maintains compliance with this Order, including, without limitation, successful implementation of the Action Plan. The Board shall further ensure that, upon implementation of the Action Plan, the Bank achieves and maintains effective mortgage servicing, foreclosure, and loss mitigation activities (as used herein, the phrase "loss mitigation" shall include, but not be limited to, activities related to special forbearances, modifications, short refinances, short sales, cash-for-keys, and deeds-in-lieu of foreclosure and be referred to as either "Loss Mitigation" or "Loss Mitigation Activities"), as well as associated risk management, compliance, quality control, audit, training, staffing, and related functions. In order to comply with these requirements, the Board shall:

(a) require the timely reporting by Bank management of such actions directed by the Board to be taken under this Order;

(b) follow-up on any non-compliance with such actions in a timely and appropriate manner; and

(c) require corrective action be taken in a timely manner for any non-compliance with such actions.

(3) The Action Plan shall address, at a minimum:

(a) financial resources to develop and implement an adequate infrastructure to support existing and/or future Loss Mitigation and foreclosure activities and ensure compliance with this Order;

(b) organizational structure, managerial resources, and staffing to support existing and/or future Loss Mitigation and foreclosure activities and ensure compliance with this Order;

(c) metrics to measure and ensure the adequacy of staffing levels relative to existing and/or future Loss Mitigation and foreclosure activities, such as limits for the number of loans assigned to a Loss Mitigation employee, including the single point of contact as hereinafter defined, and deadlines to review loan modification documentation, make loan modification decisions, and provide responses to borrowers;

(d) governance and controls to ensure compliance with all applicable federal and state laws (including the U.S. Bankruptcy Code and the Servicemembers Civil Relief Act ("SCRA")), rules, regulations, and court orders and requirements, as well as the Membership Rules of MERSCORP, servicing guides of the Government Sponsored Enterprises ("GSEs") or investors, including those with the Federal Housing Administration and those required by the Home Affordable Modification Program ("HAMP"), and loss share agreements with the Federal Deposit Insurance Corporation (collectively "Legal Requirements"), and the requirements of this Order.

(4) The Action Plan shall specify timelines for completion of each of the requirements of Articles IV through XII of this Order. The timelines in the Action Plan shall be consistent with any deadlines set forth in this Order.

ARTICLE IV

COMPLIANCE PROGRAM

(1) Within sixty (60) days of this Order, the Bank shall submit to the Deputy Comptroller and the Examiner-in-Charge an acceptable compliance program to ensure that the mortgage servicing and foreclosure operations, including Loss Mitigation and loan modification, comply with all applicable Legal Requirements, OCC supervisory guidance, and the

requirements of this Order and are conducted in a safe and sound manner ("Compliance Program"). The Compliance Program shall be implemented within one hundred twenty (120) days of this Order. Any corrective action timeframe in the Compliance Program that is in excess of one hundred twenty (120) days must be approved by the Examiner-in-Charge. The Compliance Program shall include, at a minimum:

- (a) appropriate written policies and procedures to conduct, oversee, and monitor mortgage servicing, Loss Mitigation, and foreclosure operations;
- (b) processes to ensure that all factual assertions made in pleadings, declarations, affidavits, or other sworn statements filed by or on behalf of the Bank are accurate, complete, and reliable; and that affidavits and declarations are based on personal knowledge or a review of the Bank's books and records when the affidavit or declaration so states;
- (c) processes to ensure that affidavits filed in foreclosure proceedings are executed and notarized in accordance with state legal requirements and applicable guidelines, including jurat requirements;
- (d) processes to review and approve standardized affidavits and declarations for each jurisdiction in which the Bank files foreclosure actions to ensure compliance with applicable laws, rules and court procedures;
- (e) processes to ensure that the Bank has properly documented ownership of the promissory note and mortgage (or deed of trust) under applicable state law, or is otherwise a proper party to the action (as a result of agency or other similar status) at all stages of foreclosure and bankruptcy litigation, including appropriate transfer and delivery of endorsed notes and assigned mortgages or deeds of trust at the formation of a residential mortgage-backed security,

and lawful and verifiable endorsement and successive assignment of the note and mortgage or deed of trust to reflect all changes of ownership;

(f) processes to ensure that a clear and auditable trail exists for all factual information contained in each affidavit or declaration, in support of each of the charges that are listed, including whether the amount is chargeable to the borrower and/or claimable by the investor;

(g) processes to ensure that foreclosure sales (including the calculation of the default period, the amounts due, and compliance with notice requirements) and post-sale confirmations are in accordance with the terms of the mortgage loan and applicable state and federal law requirements;

(h) processes to ensure that all fees, expenses, and other charges imposed on the borrower are assessed in accordance with the terms of the underlying mortgage note, mortgage, or other customer authorization with respect to the imposition of fees, charges, and expenses, and in compliance with all applicable Legal Requirements and OCC supervisory guidance;

(i) processes to ensure that the Bank has the ability to locate and secure all documents, including the original promissory notes if required, necessary to perform mortgage servicing, foreclosure and Loss Mitigation, or loan modification functions;

(j) ongoing testing for compliance with applicable Legal Requirements and OCC supervisory guidance that is completed by qualified persons with requisite knowledge and ability (which may include internal audit) who are independent of the Bank's business lines;

(k) measures to ensure that policies, procedures, and processes are updated on an ongoing basis as necessary to incorporate any changes in applicable Legal Requirements and OCC supervisory guidance;

(l) processes to ensure the qualifications of current management and supervisory personnel responsible for mortgage servicing and foreclosure processes and operations, including collections, Loss Mitigation and loan modification, are appropriate and a determination of whether any staffing changes or additions are needed;

(m) processes to ensure that staffing levels devoted to mortgage servicing and foreclosure processes and operations, including collections, Loss Mitigation, and loan modification, are adequate to meet current and expected workload demands;

(n) processes to ensure that workloads of mortgage servicing, foreclosure and Loss Mitigation, and loan modification personnel, including single point of contact personnel as hereinafter defined, are reviewed and managed. Such processes, at a minimum, shall assess whether the workload levels are appropriate to ensure compliance with the requirements of Article IX of this Order, and necessary adjustments to workloads shall promptly follow the completion of the reviews. An initial review shall be completed within ninety (90) days of this Order, and subsequent reviews shall be conducted semi-annually;

(o) processes to ensure that the risk management, quality control, audit, and compliance programs have the requisite authority and status within the organization so that appropriate reviews of the Bank's mortgage servicing, Loss Mitigation, and foreclosure activities and operations may occur and deficiencies are identified and promptly remedied;

(p) appropriate training programs for personnel involved in mortgage servicing and foreclosure processes and operations, including collections, Loss Mitigation, and loan modification, to ensure compliance with applicable Legal Requirements and supervisory guidance; and

(q) appropriate procedures for customers in bankruptcy, including a prohibition on collection of fees in violation of bankruptcy's automatic stay (11 U.S.C. § 362), the discharge injunction (11 U.S.C. § 524), or any applicable court order.

ARTICLE V

THIRD PARTY MANAGEMENT

(1) Within sixty (60) days of this Order, the Bank shall submit to the Deputy Comptroller and the Examiner-in-Charge acceptable policies and procedures for outsourcing foreclosure or related functions, including Loss Mitigation and loan modification, and property management functions for residential real estate acquired through or in lieu of foreclosure, to any agent, independent contractor, consulting firm, law firm (including local counsel in foreclosure or bankruptcy proceedings retained to represent the interests of the owners of mortgages), property management firm, or other third-party (including any affiliate of the Bank) ("Third-Party Providers"). Third-party management policies and procedures shall be implemented within one hundred twenty (120) days of this Order. Any corrective action timetable that is in excess of one hundred twenty (120) days must be approved by the Examiner-in-Charge. The policies and procedures shall include, at a minimum:

(a) appropriate oversight to ensure that Third-Party Providers comply with all applicable Legal Requirements, OCC supervisory guidance (including applicable portions of OCC Bulletin 2001-47), and the Bank's policies and procedures;

(b) measures to ensure that all original records transferred from the Bank to Third-Party Providers (including the originals of promissory notes and mortgage documents) remain within the custody and control of the Third-Party Provider (unless filed with the

appropriate court or the loan is otherwise transferred to another party), and are returned to the Bank or designated custodians at the conclusion of the performed service, along with all other documents necessary for the Bank's files, and that the Bank retains imaged copies of significant documents sent to Third-Party Providers;

(c) measures to ensure the accuracy of all documents filed or otherwise utilized on behalf of the Bank or the owners of mortgages in any judicial or non-judicial foreclosure proceeding, related bankruptcy proceeding, or in other foreclosure-related litigation, including, but not limited to, documentation sufficient to establish ownership of the promissory note and/or right to foreclose at the time the foreclosure action is commenced;

(d) processes to perform appropriate due diligence on potential and current Third-Party Provider qualifications, expertise, capacity, reputation, complaints, information security, document custody practices, business continuity, and financial viability, and to ensure adequacy of Third-Party Provider staffing levels, training, work quality, and workload balance;

(e) processes to ensure that contracts provide for adequate oversight, including requiring Third-Party Provider adherence to Bank foreclosure processing standards, measures to enforce Third-Party Provider contractual obligations, and processes to ensure timely action with respect to Third-Party Provider performance failures;

(f) processes to ensure periodic reviews of Third-Party Provider work for timeliness, competence, completeness, and compliance with all applicable Legal Requirements and supervisory guidance, and to ensure that foreclosures are conducted in a safe and sound manner;

(g) processes to review customer complaints about Third-Party Provider services;

(h) processes to prepare contingency and business continuity plans that ensure the continuing availability of critical third-party services and business continuity of the Bank, consistent with federal banking agency guidance, both to address short-term and long-term service disruptions and to ensure an orderly transition to new service providers should that become necessary;

(i) a review of fee structures for Third-Party Providers to ensure that the method of compensation considers the accuracy, completeness, and legal compliance of foreclosure filings and is not based solely on increased foreclosure volume and/or meeting processing timelines; and

(j) a certification process for law firms (and recertification of existing law firm providers) that provide residential mortgage foreclosure and bankruptcy services for the Bank, on a periodic basis, as qualified to serve as Third-Party Providers to the Bank including that attorneys are licensed to practice in the relevant jurisdiction and have the experience and competence necessary to perform the services requested.

ARTICLE VI

MORTGAGE ELECTRONIC REGISTRATION SYSTEM

(1) Within sixty (60) days of this Order, the Bank shall submit to the Deputy Comptroller and the Examiner-in-Charge an acceptable plan to ensure appropriate controls and oversight of the Bank's activities with respect to the Mortgage Electronic Registration System ("MERS") and compliance with MERSCORP's membership rules, terms, and conditions ("MERS Requirements") ("MERS Plan"). The MERS Plan shall be implemented within one hundred twenty (120) days of this Order. Any corrective action timetable that is in excess of one

hundred twenty (120) days must be approved by the Examiner-in-Charge. The MERS Plan shall include, at a minimum:

(a) processes to ensure that all mortgage assignments and endorsements with respect to mortgage loans serviced or owned by the Bank out of MERS' name are executed only by a certifying officer authorized by MERS and approved by the Bank;

(b) processes to ensure that all other actions that may be taken by MERS certifying officers (with respect to mortgage loans serviced or owned by the Bank) are executed by a certifying officer authorized by MERS and approved by the Bank;

(c) processes to ensure that the Bank maintains up-to-date corporate resolutions from MERS for all Bank employees and third-parties who are certifying officers authorized by MERS, and up-to-date lists of MERS certifying officers;

(d) processes to ensure compliance with all MERS Requirements and with the requirements of the MERS Corporate Resolution Management System ("CRMS");

(e) processes to ensure the accuracy and reliability of data reported to MERSCORP, including monthly system-to-system reconciliations for all MERS mandatory reporting fields, and daily capture of all rejects/warnings reports associated with registrations, transfers, and status updates on open-item aging reports. Unresolved items must be maintained on open-item aging reports and tracked until resolution. The Bank shall determine and report whether the foreclosures for loans serviced by the Bank that are currently pending in MERS' name are accurate and how many are listed in error, and describe how and by when the data on the MERSCORP system will be corrected; and

(f) an appropriate MERS quality assurance workplan, which clearly describes all tests, test frequency, sampling methods, responsible parties, and the expected process for open-

item follow-up, and includes an annual independent test of the control structure of the system-to-system reconciliation process, the reject/warning error correction process, and adherence to the Bank's MERS Plan.

(2) The Bank shall include MERS and MERSCORP in its third-party vendor management process, which shall include a detailed analysis of potential vulnerabilities, including information security, business continuity, and vendor viability assessments.

ARTICLE VII

FORECLOSURE REVIEW

(1) Within forty-five (45) days of this Order, the Bank shall retain an independent consultant acceptable to the Deputy Comptroller and the Examiner-in-Charge to conduct an independent review of certain residential foreclosure actions regarding individual borrowers with respect to the Bank's mortgage servicing portfolio. The review shall include residential foreclosure actions or proceedings (including foreclosures that were in process or completed) for loans serviced by the Bank, whether brought in the name of the Bank, the investor, the mortgage note holder, or any agent for the mortgage note holder (including MERS), that have been pending at any time from January 1, 2009 to December 31, 2010, as well as residential foreclosure sales that occurred during this time period ("Foreclosure Review").

(2) Within fifteen (15) days of the engagement of the independent consultant described in this Article, but prior to the commencement of the Foreclosure Review, the Bank shall submit to the Deputy Comptroller and the Examiner-in-Charge for approval an engagement letter that sets forth:

(a) the methodology for conducting the Foreclosure Review, including: (i) a description of the information systems and documents to be reviewed, including the selection of criteria for cases to be reviewed; (ii) the criteria for evaluating the reasonableness of fees and penalties; (iii) other procedures necessary to make the required determinations (such as through interviews of employees and third parties and a process for submission and review of borrower claims and complaints); and (iv) any proposed sampling techniques. In setting the scope and review methodology under clause (i) of this sub-paragraph, the independent consultant may consider any work already done by the Bank or other third-parties on behalf of the Bank. The engagement letter shall contain a full description of the statistical basis for the sampling methods chosen, as well as procedures to increase the size of the sample depending on results of the initial sampling;

(b) expertise and resources to be dedicated to the Foreclosure Review;

(c) completion of the Foreclosure Review within one hundred twenty (120) days from approval of the engagement letter; and

(d) a written commitment that any workpapers associated with the Foreclosure Review shall be made available to the OCC immediately upon request.

(3) The purpose of the Foreclosure Review shall be to determine, at a minimum:

(a) whether at the time the foreclosure action was initiated or the pleading or affidavit filed (including in bankruptcy proceedings and in defending suits brought by borrowers), the foreclosing party or agent of the party had properly documented ownership of the promissory note and mortgage (or deed of trust) under relevant state law, or was otherwise a proper party to the action as a result of agency or similar status;

(b) whether the foreclosure was in accordance with applicable state and federal law, including but not limited to the SCRA and the U.S. Bankruptcy Code;

(c) whether a foreclosure sale occurred when an application for a loan modification or other Loss Mitigation was under consideration; when the loan was performing in accordance with a trial or permanent loan modification; or when the loan had not been in default for a sufficient period of time to authorize foreclosure pursuant to the terms of the mortgage loan documents and related agreements;

(d) whether, with respect to non-judicial foreclosures, the procedures followed with respect to the foreclosure sale (including the calculation of the default period, the amounts due, and compliance with notice periods) and post-sale confirmations were in accordance with the terms of the mortgage loan and state law requirements;

(e) whether a delinquent borrower's account was only charged fees and/or penalties that were permissible under the terms of the borrower's loan documents, applicable state and federal law, and were reasonable and customary;

(f) whether the frequency that fees were assessed to any delinquent borrower's account (including broker price opinions) was excessive under the terms of the borrower's loan documents, and applicable state and federal law;

(g) whether Loss Mitigation Activities with respect to foreclosed loans were handled in accordance with the requirements of the HAMP, and consistent with the policies and procedures applicable to the Bank's proprietary loan modifications or other loss mitigation programs, such that each borrower had an adequate opportunity to apply for a Loss Mitigation option or program, any such application was handled properly, a final decision was made on a reasonable basis, and was communicated to the borrower before the foreclosure sale; and

(h) whether any errors, misrepresentations, or other deficiencies identified in the Foreclosure Review resulted in financial injury to the borrower or the mortgagee.

(4) The independent consultant shall prepare a written report detailing the findings of the Foreclosure Review ("Foreclosure Report"), which shall be completed within thirty (30) days of completion of the Foreclosure Review. Immediately upon completion, the Foreclosure Report shall be submitted to the Deputy Comptroller, Examiner-in-Charge, and the Board.

(5) Within forty-five (45) days of submission of the Foreclosure Report to the Deputy Comptroller, Examiner-in-Charge, and the Board, the Bank shall submit to the Deputy Comptroller and the Examiner-in-Charge a plan, acceptable to the OCC, to remediate all financial injury to borrowers caused by any errors, misrepresentations, or other deficiencies identified in the Foreclosure Report, by:

(a) reimbursing or otherwise appropriately remediating borrowers for impermissible or excessive penalties, fees, or expenses, or for other financial injury identified in accordance with this Article; and

(b) taking appropriate steps to remediate any foreclosure sale where the foreclosure was not authorized as described in this Article.

(6) Within sixty (60) days after the OCC provides supervisory non-objection to the plan set forth in paragraph (5) above, the Bank shall make all reimbursement and remediation payments and provide all credits required by such plan, and provide the OCC with a report detailing such payments and credits.

ARTICLE VIII

MANAGEMENT INFORMATION SYSTEMS

(1) Within sixty (60) days of this Order, the Bank shall submit to the Deputy Comptroller and the Examiner-in-Charge an acceptable plan for operation of its management information systems ("MIS") for foreclosure and Loss Mitigation or loan modification activities to ensure the timely delivery of complete and accurate information to permit effective decision-making. The MIS plan shall be implemented within one hundred twenty (120) days of this Order. Any corrective action timeframe that is in excess of one hundred twenty (120) days must be approved by the Examiner-in-Charge. The plan shall include, at a minimum:

(a) a description of the various components of MIS used by the Bank for foreclosure and Loss Mitigation or loan modification activities;

(b) a description of and timetable for any needed changes or upgrades to:

(i) monitor compliance with all applicable Legal Requirements and supervisory guidance, and the requirements of this Order;

(ii) ensure the ongoing accuracy of records for all serviced mortgages, including, but not limited to, records necessary to establish ownership and the right to foreclose by the appropriate party for all serviced mortgages, outstanding balances, and fees assessed to the borrower; and

(iii) measures to ensure that Loss Mitigation, loan foreclosure, and modification staffs have sufficient and timely access to information provided by the borrower regarding loan foreclosure and modification activities;

(c) testing the integrity and accuracy of the new or enhanced MIS to ensure that reports generated by the system provide necessary information for adequate monitoring and quality controls.

ARTICLE IX

MORTGAGE SERVICING

(1) Within sixty (60) days of this Order, the Bank shall submit to the Deputy Comptroller and the Examiner-in-Charge an acceptable plan, along with a timeline for ensuring effective coordination of communications with borrowers, both oral and written, related to Loss Mitigation or loan modification and foreclosure activities: (i) to ensure that communications are timely and effective and are designed to avoid confusion to borrowers; (ii) to ensure continuity in the handling of borrowers' loan files during the Loss Mitigation, loan modification, and foreclosure process by personnel knowledgeable about a specific borrower's situation; (iii) to ensure reasonable and good faith efforts, consistent with applicable Legal Requirements, are engaged in Loss Mitigation and foreclosure prevention for delinquent loans, where appropriate; and (iv) to ensure that decisions concerning Loss Mitigation or loan modifications continue to be made and communicated in a timely fashion. Prior to submitting the plan, the Bank shall conduct a review to determine whether processes involving past due mortgage loans or foreclosures overlap in such a way that they may impair or impede a borrower's efforts to effectively pursue a loan modification, and whether Bank employee compensation practices discourage Loss Mitigation or loan modifications. The plan shall be implemented within one hundred twenty (120) days of this Order. Any corrective action timeframe that is in excess of

one hundred twenty (120) days must be approved by the Examiner-in-Charge. The plan shall include, at a minimum:

(a) measures to ensure that staff handling Loss Mitigation and loan modification requests routinely communicate and coordinate with staff processing the foreclosure on the borrower's property;

(b) appropriate deadlines for responses to borrower communications and requests for consideration of Loss Mitigation, including deadlines for decision-making on Loss Mitigation Activities, with the metrics established not being less responsive than the timelines in the HAMP program;

(c) establishment of an easily accessible and reliable single point of contact for each borrower so that the borrower has access to an employee of the Bank to obtain information throughout the Loss Mitigation, loan modification, and foreclosure processes;

(d) a requirement that written communications with the borrower identify such single point of contact along with one or more direct means of communication with the contact;

(e) measures to ensure that the single point of contact has access to current information and personnel (in-house or third-party) sufficient to timely, accurately, and adequately inform the borrower of the current status of the Loss Mitigation, loan modification, and foreclosure activities;

(f) measures to ensure that staff are trained specifically in handling mortgage delinquencies, Loss Mitigation, and loan modifications;

(g) procedures and controls to ensure that a final decision regarding a borrower's loan modification request (whether on a trial or permanent basis) is made and communicated to the borrower in writing, including the reason(s) why the borrower did not qualify for the trial or

permanent modification (including the net present value calculations utilized by the Bank, if applicable) by the single point of contact within a reasonable period of time before any foreclosure sale occurs;

(h) procedures and controls to ensure that when the borrower's loan has been approved for modification on a trial or permanent basis that: (i) no foreclosure or further legal action predicate to foreclosure occurs, unless the borrower is deemed in default on the terms of the trial or permanent modification; and (ii) the single point of contact remains available to the borrower and continues to be referenced on all written communications with the borrower;

(i) policies and procedures to enable borrowers to make complaints regarding the Loss Mitigation or modification process, denial of modification requests, the foreclosure process, or foreclosure activities which prevent a borrower from pursuing Loss Mitigation or modification options, and a process for making borrowers aware of the complaint procedures;

(j) procedures for the prompt review, escalation, and resolution of borrower complaints, including a process to communicate the results of the review to the borrower on a timely basis;

(k) policies and procedures to ensure that payments are credited in a prompt and timely manner; that payments, including partial payments to the extent permissible under the terms of applicable legal instruments, are applied to scheduled principal, interest, and/or escrow before fees, and that any misapplication of borrower funds is corrected in a prompt and timely manner;

(l) policies and procedures to ensure that timely information about Loss Mitigation options is sent to the borrower in the event of a delinquency or default, including plain language notices about loan modification and the pendency of foreclosure proceedings;

(m) policies and procedures to ensure that foreclosure, Loss Mitigation, and loan modification documents provided to borrowers and third parties are appropriately maintained and tracked, and that borrowers generally will not be required to resubmit the same documented information that has already been provided, and that borrowers are notified promptly of the need for additional information; and

(n) policies and procedures to consider loan modifications or other Loss Mitigation Activities with respect to junior lien loans owned by the Bank, and to factor the risks associated with such junior lien loans into loan loss reserving practices, where the Bank services the associated first lien mortgage and becomes aware that such first lien mortgage is delinquent or has been modified. Such policies and procedures shall require the ongoing maintenance of appropriate loss reserves for junior lien mortgages owned by the Bank and the charge-off of such junior lien loans in accordance with FFIEC retail credit classification guidelines.

ARTICLE X

RISK ASSESSMENT AND RISK MANAGEMENT PLAN

(1) Within ninety (90) days of this Order, the Bank shall conduct a written, comprehensive assessment of the Bank's risks in mortgage servicing operations, particularly in the areas of Loss Mitigation, foreclosure, and the administration and disposition of other real estate owned, including, but not limited to, operational, compliance, transaction, legal, and reputational risks.

(2) The Bank shall develop an acceptable plan to effectively manage or mitigate identified risks on an ongoing basis, with oversight by the Bank's senior risk managers, senior

management, and the Board. The assessment and plan shall be provided to the Deputy Comptroller and the Examiner-in-Charge within one hundred twenty (120) days of this Order.

ARTICLE XI

APPROVAL, IMPLEMENTATION AND REPORTS

(1) The Bank shall submit the written plans, programs, policies, and procedures required by this Order for review and determination of no supervisory objection to the Deputy Comptroller and the Examiner-in-Charge within the applicable time periods set forth in Articles II through X. The Bank shall adopt the plans, programs, policies, and procedures required by this Order upon submission to the OCC, and shall immediately make any revisions requested by the Deputy Comptroller or the Examiner-in-Charge. Upon adoption, the Bank shall immediately implement the plans, programs, policies, and procedures required by this Order and thereafter fully comply with them.

(2) During the term of this Order, the required plans, programs, policies, and procedures shall not be amended or rescinded in any material respect without the prior written approval of the Deputy Comptroller or the Examiner-in-Charge (except as otherwise provided in this Order).

(3) During the term of this Order, the Bank shall revise the required plans, programs, policies, and procedures as necessary to incorporate new or changes to applicable Legal Requirements and supervisory guidelines.

(4) The Board shall ensure that the Bank has processes, personnel, and control systems to ensure implementation of and adherence to the plans, programs, policies, and procedures required by this Order.

(5) Within thirty (30) days after the end of each calendar quarter following the date of this Order, the Bank shall submit to the OCC a written progress report detailing the form and manner of all actions taken to secure compliance with the provisions of this Order and the results thereof. The progress report shall include information sufficient to validate compliance with this Order, based on a testing program acceptable to the OCC that includes, if required by the OCC, validation by third-party independent consultants acceptable to the OCC. The OCC may, in writing, discontinue the requirement for progress reports or modify the reporting schedule.

(6) All communication regarding this Order shall be sent to:

(a) Sally G. Belshaw
Deputy Comptroller
Large Bank Supervision
Office of the Comptroller of the Currency
250 E Street, SW
Washington, DC 20219

(b) Scott N. Waterhouse
Examiner-in-Charge
National Bank Examiners
1166 Avenue of the Americas, 21st Floor
New York, NY 10036

ARTICLE XII

COMPLIANCE AND EXTENSIONS OF TIME

(1) If the Bank contends that compliance with any provision of this Order would not be feasible or legally permissible for the Bank, or requires an extension of any timeframe within this Order, the Board shall submit a written request to the Deputy Comptroller asking for relief. Any written requests submitted pursuant to this Article shall include a statement setting forth in detail the special circumstances that prevent the Bank from complying with a provision, that require

the Deputy Comptroller to exempt the Bank from a provision, or that require an extension of a timeframe within this Order.

(2) All such requests shall be accompanied by relevant supporting documentation, and to the extent requested by the Deputy Comptroller, a sworn affidavit or affidavits setting forth any other facts upon which the Bank relies. The Deputy Comptroller's decision concerning a request is final and not subject to further review.

ARTICLE XIII

OTHER PROVISIONS

(1) Although this Order requires the Bank to submit certain actions, plans, programs, policies, and procedures for the review or prior written determination of no supervisory objection by the Deputy Comptroller or the Examiner-in-Charge, the Board has the ultimate responsibility for proper and sound management of the Bank.

(2) In each instance in this Order in which the Board is required to ensure adherence to, and undertake to perform certain obligations of the Bank, it is intended to mean that the Board shall:

(a) authorize and adopt such actions on behalf of the Bank as may be necessary for the Bank to perform its obligations and undertakings under the terms of this Order;

(b) require the timely reporting by Bank management of such actions directed by the Board to be taken under the terms of this Order;

(c) follow-up on any material non-compliance with such actions in a timely and appropriate manner; and

(d) require corrective action be taken in a timely manner of any material non-compliance with such actions.

(3) If, at any time, the Comptroller deems it appropriate in fulfilling the responsibilities placed upon him by the several laws of the United States to undertake any action affecting the Bank, nothing in this Order shall in any way inhibit, estop, bar, or otherwise prevent the Comptroller from so doing.

(4) This Order constitutes a settlement of the cease and desist proceeding against the Bank contemplated by the Comptroller, based on the unsafe or unsound practices described in the Comptroller's Findings set forth in Article I of this Order. Provided, however, that nothing in this Order shall prevent the Comptroller from instituting other enforcement actions against the Bank or any of its institution-affiliated parties, including, without limitation, assessment of civil money penalties, based on the findings set forth in this Order, or any other findings.

(5) This Order is and shall become effective upon its execution by the Comptroller, through his authorized representative whose hand appears below. The Order shall remain effective and enforceable, except to the extent that, and until such time as, any provision of this Order shall be amended, suspended, waived, or terminated in writing by the Comptroller.

(6) Any time limitations imposed by this Order shall begin to run from the effective date of this Order, as shown below, unless the Order specifies otherwise.

(7) The terms and provisions of this Order apply to the Bank and its subsidiaries, even though those subsidiaries are not named as parties to this Order. The Bank shall integrate any foreclosure or mortgage servicing activities done by a subsidiary into its plans, policies, programs, and processes required by this Order. The Bank shall ensure that its subsidiaries comply with all terms and provisions of this Order.

(8) This Order is intended to be, and shall be construed to be, a final order issued pursuant to 12 U.S.C. § 1818(b), and expressly does not form, and may not be construed to form, a contract binding the Comptroller or the United States. Nothing in this Order shall affect any action against the Bank or its institution-affiliated parties by a bank regulatory agency, the United States Department of Justice, or any other law enforcement agency, to the extent permitted under applicable law.

(9) The terms of this Order, including this paragraph, are not subject to amendment or modification by any extraneous expression, prior agreements, or prior arrangements between the parties, whether oral or written.

(10) Nothing in the Stipulation and Consent or this Order, express or implied, shall give to any person or entity, other than the parties hereto, and their successors hereunder, any benefit or any legal or equitable right, remedy or claim under the Stipulation and Consent or this Order.

(11) The Bank consents to the issuance of this Order before the filing of any notices, or taking of any testimony or adjudication, and solely for the purpose of settling this matter without a formal proceeding being filed.

IT IS SO ORDERED, this 13th day of April, 2011.

/s/
Sally G. Belshaw
Deputy Comptroller
Large Bank Supervision

UNITED STATES OF AMERICA
DEPARTMENT OF THE TREASURY
COMPTROLLER OF THE CURRENCY

In the Matter of:

JPMorgan Chase Bank, National Association
New York, NY

)
)
) AA-EC-11-15
)
)

**STIPULATION AND CONSENT TO THE ISSUANCE
OF A CONSENT ORDER**

The Comptroller of the Currency of the United States of America ("Comptroller") intends to impose a cease and desist order on JPMorgan Chase Bank, National Association ("Bank") pursuant to 12 U.S.C. § 1818(b), for unsafe or unsound banking practices relating to mortgage servicing and the initiation and handling of foreclosure proceedings.

The Bank, in the interest of compliance and cooperation, enters into this Stipulation and Consent to the Issuance of a Consent Order ("Stipulation") and consents to the issuance of a Consent Order, dated April 13, 2011 ("Consent Order");

In consideration of the above premises, the Comptroller, through his authorized representative, and the Bank, through its duly elected and acting Board of Directors, stipulate and agree to the following:

**ARTICLE I
JURISDICTION**

(1) The Bank is a national banking association chartered and examined by the Comptroller pursuant to the National Bank Act of 1864, as amended, 12 U.S.C. § 1 *et seq.*

(2) The Comptroller is "the appropriate Federal banking agency" regarding the Bank pursuant to 12 U.S.C. §§ 1813(q) and 1818(b).

(3) The Bank is an "insured depository institution" within the meaning of 12 U.S.C. § 1818(b)(1).

(4) For the purposes of, and within the meaning of 12 C.F.R. §§ 5.3(g)(4), 5.51(c)(6), and 24.2(e)(4), this Consent Order shall not be construed to be a "cease and desist order" or "consent order", unless the OCC informs the Bank otherwise.

ARTICLE II AGREEMENT

(1) The Bank, without admitting or denying any wrongdoing, consents and agrees to issuance of the Consent Order by the Comptroller.

(2) The Bank consents and agrees that the Consent Order shall (a) be deemed an "order issued with the consent of the depository institution" pursuant to 12 U.S.C. § 1818(h)(2), (b) become effective upon its execution by the Comptroller through his authorized representative, and (c) be fully enforceable by the Comptroller pursuant to 12 U.S.C. § 1818(i).

(3) Notwithstanding the absence of mutuality of obligation, or of consideration, or of a contract, the Comptroller may enforce any of the commitments or obligations herein undertaken by the Bank under his supervisory powers, including 12 U.S.C. § 1818(i), and not as a matter of contract law. The Bank expressly acknowledges that neither the Bank nor the Comptroller has any intention to enter into a contract.

(4) The Bank declares that no separate promise or inducement of any kind has been made by the Comptroller, or by his agents or employees, to cause or induce the Bank to consent to the issuance of the Consent Order and/or execute the Consent Order.

(5) The Bank expressly acknowledges that no officer or employee of the Comptroller has statutory or other authority to bind the United States, the United States Treasury Department, the Comptroller, or any other federal bank regulatory agency or entity, or any officer or employee of any of those entities to a contract affecting the Comptroller's exercise of his supervisory responsibilities.

(6) The OCC releases and discharges the Bank from all potential liability for a cease and desist order that has been or might have been asserted by the OCC based on the banking practices described in the Comptroller's Findings set forth in Article I of the Consent Order, to the extent known to the OCC as of the effective date of the Consent Order. However, the banking practices alleged in Article I of the Consent Order may be utilized by the OCC in other future enforcement actions against the Bank or its institution-affiliated parties, including, without limitation, to assess civil money penalties or to establish a pattern or practice of violations or the continuation of a pattern or practice of violations. This release shall not preclude or affect any right of the OCC to determine and ensure compliance with the terms and provisions of this Stipulation or the Consent Order.

(7) The terms and provisions of the Stipulation and the Consent Order shall be binding upon, and inure to the benefit of, the parties hereto and their successors in interest. Nothing in this Stipulation or the Consent Order, express or implied, shall give to any person or entity, other than the parties hereto, and their successors hereunder, any

benefit or any legal or equitable right, remedy or claim under this Stipulation or the Consent Order.

ARTICLE III WAIVERS

(1) The Bank, by consenting to this Stipulation, waives:

(a) the issuance of a Notice of Charges pursuant to 12 U.S.C.

§ 1818(b);

(b) any and all procedural rights available in connection with the issuance of the Consent Order;

(c) all rights to a hearing and a final agency decision pursuant to 12 U.S.C. §§ 1818(b) and (h), 12 C.F.R. Part 19;

(d) all rights to seek any type of administrative or judicial review of the Consent Order;

(e) any and all claims for fees, costs or expenses against the Comptroller, or any of his agents or employees, related in any way to this enforcement matter or this Consent Order, whether arising under common law or under the terms of any statute, including, but not limited to, the Equal Access to Justice Act, 5 U.S.C. § 504 and 28 U.S.C. § 2412; and

(f) any and all rights to challenge or contest the validity of the Consent Order.

ARTICLE IV
OTHER PROVISIONS

(1) The provisions of this Stipulation shall not inhibit, estop, bar, or otherwise prevent the Comptroller from taking any other action affecting the Bank if, at any time, it deems it appropriate to do so to fulfill the responsibilities placed upon it by the several laws of the United States of America.

(2) Nothing in this Stipulation shall preclude any proceedings brought by the Comptroller to enforce the terms of this Consent Order, and nothing in this Stipulation constitutes, nor shall the Bank contend that it constitutes, a waiver of any right, power, or authority of any other representative of the United States or an agency thereof, including, without limitation, the United States Department of Justice, to bring other actions deemed appropriate.

(3) The terms of the Stipulation and the Consent Order are not subject to amendment or modification by any extraneous expression, prior agreements or prior arrangements between the parties, whether oral or written.

IN TESTIMONY WHEREOF, the undersigned, authorized by the Comptroller as his representative, has hereunto set her hand on behalf of the Comptroller.

/s/

Sally G. Belshaw
Deputy Comptroller
Large Bank Supervision

April 13, 2011

Date

IN TESTIMONY WHEREOF, the undersigned, as the duly elected and acting
Board of Directors of the Bank, have hereunto set their hands on behalf of the Bank.

/s/
James Dimon

3/30/2011
Date

/s/
Douglas Braunstein

4/4/2011
Date

/s/
Barry Zubrow

3/30/2011
Date

/s/
Frank Bisignano

3/30/2011
Date

/s/
Laban Jackson

3/30/2011
Date

/s/
James Crown

3/31/2011
Date

DOCUMENT – (B)

Supported by Official Government Document from

***‘UNITED STATES OF AMERICA DEPARTMENT OF THE TREASURY
COMPTROLLER OF THE CURRENCY’***

Titled: In the Matter of: JPMorgan Chase Bank, N.A., New York, NY—

#2013-129 AMENDS AA-EC-11-15 #2011-050

AMENDMENT TO APRIL 13, 2011 CONSENT ORDER.....

#2013-129
Amends #2011-050

**UNITED STATES OF AMERICA
DEPARTMENT OF THE TREASURY
COMPTROLLER OF THE CURRENCY**

In the Matter of:

JP Morgan Chase Bank, N.A.
Columbus, Ohio

**AMENDS AA-EC-11-15
#2011-050**

AMENDMENT TO APRIL 13, 2011 CONSENT ORDER

The Comptroller of the Currency of the United States of America ("Comptroller") and JP Morgan Chase Bank, N.A., Columbus, Ohio ("Bank") hereby agree to the following modifications to Consent Order AA-EC-11-15 dated April 13, 2011 ("2011 Consent Order"). The Bank, by and through its duly elected and acting Board of Directors ("Board"), has executed a Stipulation and Consent to the Issuance of an Amendment to 2011 Consent Order ("Amendment to the Consent Order"), dated February 28, 2013 ("Stipulation"), which is accepted by the Comptroller and incorporated by reference herein. Article VII of the 2011 Consent Order is hereby superseded by this Amendment to the Consent Order. This Amendment to the Consent Order, however, does not replace the other remaining Articles of the 2011 Consent Order or the agreement by and between the Bank and the Office of the Comptroller of the Currency ("OCC") dated February 27, 2012, both of which shall remain in effect without modification.

WHEREAS, Article VII of the 2011 Consent Order required the Bank, among other things, to retain an independent consultant (the "IC") to conduct an independent review of certain residential mortgage loan foreclosure actions or proceedings for borrowers who had a

pending or completed foreclosure on their primary residence any time from January 1, 2009 to December 31, 2010 (the "In-Scope Borrower Population"), the purposes of which were set forth in paragraph 3 of Article VII of the 2011 Consent Order (the "Independent Foreclosure Review");

WHEREAS, the Bank has taken steps to comply with its obligations under Article VII of the 2011 Consent Order;

WHEREAS, in the interest of providing the greatest benefit to borrowers potentially affected by the practices at the Bank addressed in the 2011 Consent Order in a more timely manner than would have occurred under the Independent Foreclosure Review, the Office of the Comptroller of the Currency (the "OCC"), the Board of Governors of the Federal Reserve System (the "Board of Governors"), the Bank, and several other financial institutions with mortgage loan servicing operations (collectively referred to as the "Participating Servicers") have agreed to amend their respective 2011 Consent Orders;

WHEREAS, the OCC and the Bank intend that the Bank's obligations under Article VII of the 2011 Consent Order be replaced with the obligations specified in this Amendment to the Consent Order, and ordered pursuant to 12 U.S.C. § 1818(b), which include the Bank: (i) making a cash payment in the amount specified herein to a Qualified Settlement Fund for distribution to the In-Scope Borrower Population in accordance with a distribution plan developed by the OCC and Board of Governors in their discretion; and (ii) taking other loss mitigation or other foreclosure prevention actions in the amount specified herein;

WHEREAS, the amount of any payments to borrowers made pursuant to this Amendment to the Consent Order do not in any manner reflect specific financial injury or harm that may have been suffered by borrowers receiving payments, except as expressly provided for

in this Amendment to the Consent Order, nor do the payments constitute either an admission or a denial by the Bank of wrongdoing or a civil money penalty under 12 U.S.C. § 1818(i);

Pursuant to the authority vested in him by the Federal Deposit Insurance Act, as amended, 12 U.S.C. §1818(b), the Comptroller hereby ORDERS that:

ARTICLE I

QUALIFIED SETTLEMENT FUND AND PAYING AGENT

(1) Within (15) days of this Amendment to the Consent Order, the Bank (and/or its parent, affiliate, or subsidiary subject to an Amendment to the April 13, 2011 Consent Order of the Board of Governors) will make a cash payment of \$753,250,131.00 into a Qualified Settlement Fund (the "Fund") from which payments to the In-Scope Borrower Population, which are borrowers who had a pending or completed foreclosure on their primary residence any time from January 1, 2009 to December 31, 2010, will be made pursuant to a distribution plan developed by the OCC and the Board of Governors (collectively the "Regulators") in their discretion.

(2) Prior to the Bank's cash payment into the Fund required under Paragraph (1) above, the Bank, in coordination with the other Participating Servicers, shall ensure that the Fund is established. The Fund shall be established and is intended to be treated at all times as a Qualified Settlement Fund within the meaning of Treas. Reg. § 1.468B-1, 26 C.F.R. § 1.468B-1. Rust Consulting, Inc. (the "Paying Agent") has been retained by the Participating Servicers for the purpose of distributing payments as directed by the Regulators from the Fund to the Participating Servicers' In-Scope Borrower Population and shall serve as the "administrator" at the direction of the Regulators within the meaning of Treas. Reg. § 1.468B-2(k)(3), 26 C.F.R. § 1.468B-2(k)(3). The agreements pursuant to which the Participating Servicers retain the Paying

Agent shall be subject to prior no objection from the Regulators, and the agreements shall not be amended or modified without obtaining a prior no objection from the Regulators. The Bank will be responsible for its proportionate share, amongst the Participating Servicers, of all administrative costs related to the Fund and the Paying Agent. The Bank may not use any funds from its payment into the Fund or interest accrued on amounts in the Fund for such costs.

ARTICLE II

BORROWER WATERFALL, REGULATOR VERIFICATION AND DISTRUBUTION PLAN

(1) Pursuant to this Amendment to the Consent Order, the Bank shall promptly place the In-Scope Borrower Population into categories based upon loan file characteristics as determined by the Regulators (the "Borrower Waterfall").

(2) The OCC will review and validate the Bank's placement of its In-Scope Borrower Population into the Borrower Waterfall. Upon verification by the OCC, the OCC will instruct the Bank to provide the Paying Agent with the Bank's placement of its In-Scope Borrower Population within the Borrower Waterfall, and at that time the Bank's placement of its In-Scope Borrower Population within the Borrower Waterfall shall be deemed final.

(3) The Regulators will determine the specific payment amounts applicable to each category of borrower within the Borrower Waterfall in their sole discretion (the "Distribution Plan") and will direct the Paying Agent to distribute payments from the Fund to the In-Scope Borrower Population in accordance with the Distribution Plan established by the Regulators.

(4) With respect to reviews involving borrowers in the In-Scope Borrower Population who may have been entitled to protection under Sections 521 or 533 of the Servicemembers' Civil Relief Act, (the "SCRA"), 50 U.S.C. App. §§ 521 or 533, and borrowers who may not have been in default during the foreclosure process, the Bank shall either: (a) place the borrower into

the applicable category within the Borrower Waterfall, which will result in the borrower automatically receiving payments made from the Fund in accordance with the Distribution Plan for such category; or (b) instruct the Bank's IC to complete file reviews for such borrowers to determine financial injury related to Sections 521 or 533 or to not being in default. For files reviewed under (b), the borrower will receive payments from the Fund in amounts specified in the June 21, 2012 Financial Remediation Framework where the IC makes a determination of "harm." For files reviewed under (b) where the IC makes a determination of "no harm," the Bank will place the borrower into the next highest Borrower Waterfall category for which such borrower is eligible, which will result in the borrower receiving payment from the Fund in accordance with the Distribution Plan for such category.

(5) With respect to the borrowers in the In-Scope Borrower Population who may have been subject to interest rate protections under Section 527 of the SCRA, 50 U.S.C. App. § 527, as part of the Borrower Waterfall placement, the Bank shall either: (a) place the borrower into the highest category within the Borrower Waterfall for which the borrower is eligible, which will result in the borrower automatically receiving payments made from the Fund in accordance with the Distribution Plan for such category; or (b) instruct the IC to complete file reviews for such borrowers to determine financial injury related Section 527. For files reviewed under (b), the borrower will receive payments from the Fund, as calculated pursuant to the methodology outlined in Department of Justice ("DOJ")/Department of Housing and Urban Development ("HUD") National Mortgage Settlement ("NMS") Exhibit H (Consent Judgment entered April 4, 2012), where the IC makes a determination of "harm." For files reviewed under (b) where the IC makes a determination of "no harm," the Bank will place the borrower into the next highest Borrower Waterfall category for which such borrower is eligible, which will result in the

borrower receiving payment from the Fund in accordance with the Distribution Plan for such category.

(6) If the Bank elects to have the IC continue file review work as described in Paragraphs (4) or (5) above, the IC review work for such files must be completed prior to the OCC's verification of the Borrower Waterfall. If the IC review work is not complete by such time, the OCC may direct payments from the Fund to such borrowers in accordance with the Distribution Plan for the highest category for which such borrower is eligible.

ARTICLE III

IC REPORTS AND OCC ACCESS TO IFR INFORMATION

(1) Within three (3) days of the effective date of this Amendment to the Consent Order, the Bank shall confirm that its IC has provided the OCC with the most recent data report(s) previously provided to the Bank's board or appropriate board committee(s). Within three (3) days of the effective date of this Amendment to the Consent Order, the Bank shall confirm that its IC has completed and provided to the OCC the additional reporting as specified by the OCC with information as of December 31, 2012. The Bank shall also take all reasonable steps to cause its IC to provide any existing information, as requested by the OCC, to assist the OCC in its analysis and public reporting of Independent Foreclosure Review related activities.

(2) Consistent with existing examination authority under 12 U.S.C. § 481, the OCC maintains the right to obtain and access all existing material, information, records and/or files used or generated by the Bank, the Bank's IC, and Independent Counsel for the IC, in connection with the 2011 Consent Order Article VII work and this Amendment to the Consent Order.

ARTICLE IV

FORECLOSURE PREVENTION

(1) By no later than January 7, 2015, the Bank shall provide loss mitigation or other foreclosure prevention actions ("Foreclosure Prevention") in the amount of \$1,205,200,210.00. The Bank's Foreclosure Prevention actions shall be in addition to, and shall not be used to fulfill, the Bank's consumer relief obligations under the NMS.

(2) Well structured loss mitigation actions should focus on foreclosure prevention, which should typically result in benefitting the borrower. While the Bank's actions may be affected by existing investor requirements, the Bank's foreclosure prevention actions should reflect the following guiding principles:

- (a) preference should be given to activities designed to keep the borrower in the home;
- (b) foreclosure prevention actions should emphasize affordable, sustainable, and meaningful home preservation actions for qualified borrowers;
- (c) foreclosure prevention actions should otherwise provide significant and meaningful relief or assistance to qualified borrowers; and
- (d) foreclosure prevention actions should not disfavor a specific geography within or among states, nor disfavor low and/or moderate income borrowers, and not discriminate against any protected class of borrowers.

(3) The Bank shall receive credit for the following Foreclosure Prevention actions set forth in the NMS: (a) first lien modifications; (b) second lien modifications; and (c) short sales/deeds-in-lieu of foreclosure, using the types of creditable activity set forth in the NMS, provided that crediting for purposes of this Amendment to the Consent Order will be based on

the unpaid principal balance of the loan. For purposes of this Amendment to the Consent Order, there are no maximum or minimum restrictions on the amount of any particular activity that is creditable.

(4) The Bank may also receive credit for other Foreclosure Prevention actions, subject to no objection from the OCC, including:

- (a) interest rate modifications;
- (b) deficiency waivers (measured by the amount of deficiency judgment credited at \$.10 for every dollar);
- (c) other Foreclosure Prevention activities (measured by amounts incurred as owing to investors for such activities and including credit on the Bank's or its affiliates' loans held-for-investment calculated using the note rate methodology as used by the Government-Sponsored Enterprises);
- (d) additional Foreclosure Prevention actions that are not expressly specified in this Article;
- (e) the provision of additional cash payments to the Fund (measured as \$7 to \$10 of credit for each \$1 cash commitment); and
- (f) the provision of cash or other resource commitments to borrower counseling or education (measured as \$7 to \$10 of credit for each \$1 cash commitment).

(5) To the extent practicable, and without prejudice to overall portfolio management, the Bank will attempt to prioritize Foreclosure Prevention actions for the benefit of the In-Scope Borrower Population. However, all creditable actions benefiting borrowers in the portfolio of the Bank or its affiliates, whether or not in the In-Scope Borrower Population and whether held-

for-investment or serviced-for-others, will be eligible for credit towards the Bank's Foreclosure Prevention actions; provided, that the creditable activity occurs on or after January 7, 2013. Additionally, creditable Foreclosure Prevention actions undertaken by the Bank's parent, affiliate, or subsidiary also subject to an Amendment to the April 13, 2011 Consent Order of the Board Governors shall operate to satisfy the requirements under this Article.

(6) By May 15, 2013, the Bank shall submit to the OCC a report, in a form and manner acceptable to the OCC, that details the Foreclosure Prevention actions taken by the Bank through April 30, 2013 to fulfill its obligations under this Article and the amount of credit sought towards fulfilling those obligations. Thereafter, the Bank shall submit such report every forty-five (45) days. Nothing herein shall require the Bank to report Foreclosure Prevention Actions taken during a particular prior period for which the Bank may in the future seek credit or prohibit the Bank from seeking credit for the Foreclosure Prevention actions taken by the bank during a later reporting period. Additionally, the Bank shall document its efforts to prioritize the In-Scope Borrower Population when considering creditable Foreclosure Prevention actions.

ARTICLE V

RELEASES

(1) In recognition of the Bank's cash payments of \$753,250,131.00 to the Fund and Foreclosure Prevention commitments made pursuant to this Amendment to the Consent Order, under 12 U.S.C. § 1818(b), the Comptroller will not assess a civil money penalty, under 12 U.S.C. § 1818(i), or initiate any further enforcement actions against the Bank or its subsidiaries or affiliates, including for remedies available pursuant to 12 U.S.C. § 1818(b), with respect to:

(a) the findings contained in Article I of the 2011 Consent Order; (b) the matters addressed in Article VII of the 2011 Consent Order (including matters relating to the work or findings of the

IC or IC counsel under the IFR); and (c) any other past mortgage servicing and foreclosure-related practices that are addressed by the 2011 Consent Order through the execution date of this Amendment to the Consent Order, provided that the terms of this Amendment to the Consent Order are satisfied.

(2) Notwithstanding any other terms of this Amendment to the Consent Order, the Comptroller specifically reserves and does not release the following:

- (a) any right to institute an enforcement action for violations of the Articles contained in the 2011 Consent Order, outside of Article VII of the 2011 Consent Order;
- (b) any and all claims based upon acts or omissions subsequent to the effective date of this Amendment to the Consent Order;
- (c) any and all claims based upon the origination of a residential mortgage loan, or the sale or transfer of a mortgage, security, or whole loan, whether legal or equitable, to, into, or for the benefit of a mortgage-backed security, trust, or special interest entity, including but not limited to mortgage loan securitizations and whole loan sales to such entities, except for any and all claims addressed in Paragraph (1) above;
- (d) any liability arising under the Fair Housing Act, 42 U.S.C. §§ 3601, *et seq.*, or any other statute or law that prohibits discrimination of persons based on race, color, national origin, gender, disability, or any other protected status, including the non-discrimination provisions of the Equal Credit Opportunity Act, 15 U.S.C. §§ 1691, *et seq.*, or under the Federal Trade Commission Act, 15

U.S.C. §§ 41, *et seq.*, or any other statute or law that prohibits unfair or deceptive practices;

- (e) any and all claims against individuals, including current and former employees, agents, officers, directors, or contractors of the Bank; and
- (f) any and all actions to enforce the terms and conditions of this Amendment to the Consent Order.

(3) In no event shall the Bank request or require any borrower to execute a waiver of any claims against the Bank (including any agent of the Bank) in connection with any payment or Foreclosure Prevention assistance pursuant to this Amendment to the Consent Order. However, nothing herein shall operate to bar the Bank from asserting in the future in any separate litigation, or as part of a settlement related to the Bank's foreclosure and servicing practices, any right that may exist under applicable law to offset the amounts received by a borrower through the distribution process set forth above. Nothing herein shall operate to amend or modify in any respect any preexisting settlement between the Bank or an affiliate thereof and a borrower in the In-Scope Borrower Population.

ARTICLE VI

EXTENSIONS AND COMMUNICATIONS

(1) If the Bank contends that compliance with any provision of this Amendment to the Consent Order requires an exemption or any extension of any timeframe stated within this Amendment to the Consent Order, the Board shall submit a written request to the Deputy Comptroller asking for relief. Any written requests submitted pursuant to this Article shall include a statement setting forth in detail the special circumstances that prevent the Bank from complying with a provision of this Amendment to the Consent Order, that require the Deputy

Comptroller to exempt the Bank from a provision of this Amendment to the Consent Order, or that require an extension of a timeframe within this Amendment to the Consent Order. The Deputy Comptroller's decision concerning a request is final and not subject to further review.

(2) All communication regarding this Amendment to the Consent Order shall be sent to:

- (a) Deputy Comptroller for Large Bank Supervision
Office of the Comptroller of the Currency
400 7th Street, SW
Washington, DC 20219
- (b) Examiner-in-Charge
National Bank Examiners
1166 Avenue of the Americas, 21st Floor
New York, NY 10036

ARTICLE VII

OTHER PROVISIONS

(1) Notwithstanding the execution of this Amendment to the Consent Order, the remaining Articles of the 2011 Consent Order aside from Article VII of the 2011 Consent Order and the agreement by and between the Bank and the OCC dated February 27, 2012 remain in full force and effect.

(2) If, at any time, the Comptroller deems it appropriate in fulfilling the responsibilities placed upon him by the several laws of the United States to undertake any action affecting the Bank, nothing in this Amendment to the Consent Order shall in any way inhibit, estop, bar, or otherwise prevent the Comptroller from so doing.

(3) This Amendment to the Consent Order is and shall become effective upon its execution by the Comptroller, through his authorized representative whose hand appears below. This Amendment to the Consent Order shall remain effective and enforceable, except to the

extent that, and until such time as, any provision of this Amendment to the Consent Order shall be amended, suspended, waived, or terminated in writing by the Comptroller.

(4) Any time limitations imposed by this Amendment to the Consent Order shall begin to run from the effective date of this Amendment to the Consent Order, as shown below, unless the Amendment to the Consent Order specifies otherwise.

(5) The terms and provisions of this Amendment to the Consent Order apply to the Bank and its subsidiaries, even though those subsidiaries are not named parties to this Amendment to the Consent Order. The Bank shall ensure that its subsidiaries comply with all terms and provisions of this Amendment to the Consent Order.

(6) This Amendment to the Consent Order is intended to be, and shall be construed to be, a final order issued pursuant to 12 U.S.C. § 1818(b), and expressly does not form, and may not be construed to form, a contract binding the Comptroller or the United States. Nothing in this Amendment to the Consent Order shall affect any action against the Bank or its institution-affiliated parties by another bank regulatory agency, the United States Department of Justice, or any other law enforcement agency, to the extent permitted under applicable law.

(7) The terms of this Amendment to the Consent Order, including this paragraph, are not subject to amendment or modification by any extraneous expression, prior agreements, or prior arrangements between the parties, whether oral or written.

(8) Nothing in the Stipulation or this Amendment to the Consent Order, express or implied, shall give to any person or entity, other than the parties hereto, and their successors hereunder, any benefit or any legal or equitable right, remedy or claim under the Stipulation or this Amendment to the Consent Order.

IT IS SO ORDERED, this 28 day of February, 2013.

/s/Morris R. Morgan

Morris R. Morgan
Deputy Comptroller
Large Bank Supervision

**UNITED STATES OF AMERICA
DEPARTMENT OF THE TREASURY
COMPTROLLER OF THE CURRENCY**

In the Matter of:

JP Morgan Chase Bank, N.A.
Columbus, Ohio

**AMENDS AA-EC-11-15
#2011-050**

**STIPULATION AND CONSENT TO THE ISSUANCE OF AN
AMENDMENT TO APRIL 13, 2011 CONSENT ORDER**

The Comptroller of the Currency of the United States of America ("Comptroller") intends to amend the existing Consent Order, AA-EC-11-15, that was entered into between the Comptroller and JP Morgan Chase Bank, N.A., Columbus, Ohio ("Bank") on April 13, 2011 ("2011 Consent Order"), pursuant to 12 U.S.C. § 1818(b).

The Bank, in the interest of compliance and cooperation, enters into this Stipulation and Consent to the Issuance of an Amendment to the 2011 Consent Order ("Amendment to the Consent Order"), dated February 28, 2013 ("Stipulation").

In consideration of the above premises, the Comptroller, through his authorized representative, and the Bank, through its duly elected and acting Board of Directors, stipulate and agree to the following:

ARTICLE I
JURISDICTION

(1) The Bank is a national banking association chartered and examined by the Comptroller pursuant to the National Bank Act of 1864, as amended, 12 U.S.C. § 1 *et seq.*

(2) The Comptroller is "the appropriate Federal banking agency" regarding the Bank pursuant to 12 U.S.C. §§ 1813(q) and 1818(b).

(3) The Bank is an "insured depository institution" within the meaning of 12 U.S.C. § 1818(b)(1).

(4) For the purposes of, and within the meaning of 12 C.F.R. §§ 5.3(g)(4), 5.51(c)(6), and 24.2(e)(4), the Amendment to the Consent Order shall not be construed to be a "cease and desist order" or "consent order," unless the OCC informs the Bank otherwise.

ARTICLE II
AGREEMENT

(1) The Bank, without admitting or denying any wrongdoing, consents and agrees to issuance of the Amendment to the Consent Order by the Comptroller.

(2) The Bank consents and agrees that the Amendment to the Consent Order shall: (a) be deemed an "order issued with the consent of the depository institution" pursuant to 12 U.S.C. § 1818(h)(2); (b) become effective upon its execution by the Comptroller through his authorized representative; and (c) be fully enforceable by the Comptroller pursuant to 12 U.S.C. § 1818(i).

(3) Notwithstanding the absence of mutuality of obligation, or of consideration, or of a contract, the Comptroller may enforce any of the commitments or obligations herein undertaken by the Bank under his supervisory powers, including 12 U.S.C. § 1818(i), and not as a matter of contract law. The Bank expressly acknowledges that neither the Bank nor the Comptroller has any intention to enter into a contract.

(4) The Bank declares that no separate promise or inducement of any kind has been made by the Comptroller, or by his agents or employees, to cause or induce the Bank to consent to the issuance of the Amendment to the Consent Order and/or execute the Amendment to the Consent Order.

(5) The Bank expressly acknowledges that no officer or employee of the Comptroller has statutory or other authority to bind the United States, the United States Treasury Department, the Comptroller, or any other federal bank regulatory agency or entity, or any officer or employee of any of those entities to a contract affecting the Comptroller's exercise of his supervisory responsibilities.

(6) The terms and provisions of this Stipulation and the Amendment to the Consent Order shall be binding upon, and inure to the benefit of, the parties hereto and their successors in interest. Nothing in this Stipulation or the Amendment to the Consent Order, express or implied, shall give to any person or entity, other than the parties hereto, and their successors hereunder, any benefit or any legal or equitable right, remedy or claim under this Stipulation or the Amendment to the Consent Order.

ARTICLE III

WAIVERS

- (1) The Bank, by consenting to this Stipulation, waives:
 - (a) any and all procedural rights available in connection with the issuance of the Amendment to the Consent Order;
 - (b) all rights to a hearing and a final agency decision pursuant to 12 U.S.C. §§ 1818(b) and (h), 12 C.F.R. Part 19;
 - (c) all rights to seek any type of administrative or judicial review of the Amendment to the Consent Order;
 - (d) any and all claims for fees, costs or expenses against the Comptroller, or any of his agents or employees, related in any way to this enforcement matter or the Amendment to the Consent Order, whether arising under common law or under the terms of any statute, including, but not limited to, the Equal Access to Justice Act, 5 U.S.C. § 504 and 28 U.S.C. § 2412; and
 - (e) any and all rights to challenge or contest the validity of the Amendment to the Consent Order.

ARTICLE IV

OTHER PROVISIONS

- (1) The provisions of this Stipulation shall not inhibit, estop, bar, or otherwise prevent the Comptroller from taking any other action affecting the Bank if, at any time, it deems it appropriate to do so to fulfill the responsibilities placed upon it by the several laws of the United States of America.

(2) Nothing in this Stipulation shall preclude any proceedings brought by the Comptroller to enforce the terms of the Amendment to the Consent Order, and nothing in this Stipulation constitutes, nor shall the Bank contend that it constitutes, a waiver of any right, power, or authority of any other representative of the United States or an agency thereof, including, without limitation, the United States Department of Justice, to bring other actions deemed appropriate.

(3) The terms of this Stipulation and the Amendment to the Consent Order are not subject to amendment or modification by any extraneous expression, prior agreements or prior arrangements between the parties, whether oral or written.

IN TESTIMONY WHEREOF, the undersigned, authorized by the Comptroller as his representative, has hereunto set his hand on behalf of the Comptroller.

/s/Morris R. Morgan

February 28, 2013

Morris R. Morgan
Deputy Comptroller
Large Bank Supervision

Date

IN TESTIMONY WHEREOF, the undersigned, as the duly elected and acting
Board of Directors of the Bank, have hereunto set their hands on behalf of the Bank.

/s/

2/25/13

Laban Jackson, Jr.

Date

/s/

2/25/13

James Crown

Date

/s/

2/25/13

James Dimon

Date

/s/

2/25/13

Frank J. Bisignano

Date

/s/

2/25/13

Marianne Lake

Date

DOCUMENT – (C)

Supported by Official Government Document from

***‘UNITED STATES OF AMERICA DEPARTMENT OF THE TREASURY
COMPTROLLER OF THE CURRENCY’***

Titled: In the Matter of: JPMorgan Chase Bank, N.A., New York, NY—

#2016-004 AA-EC-2015-105

‘CONSENT ORDER FOR A CIVIL MONEY PENALTY’

#2016-004

UNITED STATES OF AMERICA
DEPARTMENT OF THE TREASURY
OFFICE OF THE COMPTROLLER OF THE CURRENCY

In the Matter of:

JPMorgan Chase Bank, N.A.
Columbus, Ohio

AA-EC-2015-105

CONSENT ORDER FOR A CIVIL MONEY PENALTY

The Comptroller of the Currency of the United States of America ("Comptroller"), through his national bank examiners and other staff of the Office of the Comptroller of the Currency ("OCC"), conducted an examination of JPMorgan Chase Bank, N.A., Columbus, Ohio ("Bank"). The OCC identified deficiencies in the Bank's practices that resulted in a violation of Consent Order, AA-EC-11-15, dated April 13, 2011 ("2011 Consent Order"), between the Comptroller and the Bank and has informed the Bank of the findings resulting from the examination.

The Bank, by and through its duly elected and acting Boards of Directors (collectively referred to as "Board"), has executed a Stipulation and Consent to the Issuance of an Order for a Civil Money Penalty, dated January 4, 2016, that is accepted by the Comptroller ("Stipulation"). By this Stipulation, which is incorporated herein by reference, the Bank has consented to the issuance of this Consent Order for a Civil Money Penalty ("Order") by the Comptroller.

ARTICLE I

COMPTROLLER'S FINDINGS

The Comptroller finds, and the Bank neither admits nor denies, the following:

(1) The Bank violated the 2011 Consent Order from October 1, 2014 through June 30, 2015 by failing to achieve compliance in a timely manner with Articles II, III, IV, VIII and IX as detailed in the June 16, 2015 Amended Consent Order ("2015 ACO").

(2) On January 4, 2016, the Comptroller terminated the 2011 Consent Order, the Amendment to the Consent Order dated February 28, 2013, and 2015 ACO, having found that the Bank had satisfied all requirements of the 2015 ACO as of June 30, 2015.

(3) Between December 1, 2011, and November 19, 2013, the Bank filed in United States Bankruptcy Courts:

(a) approximately 460 inaccurate Payment Change Notices ("PCNs") that did not provide the borrower with the correct payment change amount or the correct date that the new payment change would go into effect;

(b) approximately 2,500 PCNs that were untimely under the Bankruptcy Rules;

(c) approximately 4,380 PCNs using the signature and Bankruptcy Court's Case Management/Electronic Case Filing credentials ("ECF Credentials") of an individual who no longer worked for the Bank at the time the PCNs were filed; and

(d) approximately 2,285 PCNs using the signature and ECF Credentials of a Bank employee who no longer worked in the Bank's bankruptcy department at the time the PCNs were filed.

(4) The Bank's PCN filing practices described in Paragraph (3) of this Article did not comply with Bankruptcy Rules, required the Bank to undertake operational enhancements to achieve compliance, and were unsafe and unsound practices. These practices also resulted in a settlement with the United States Trustee Program in the case *In re David S. Belzak and Lynda J. Belzak*, Case No. 10-23963 (Bankr. E.D. Mich.) on March 3, 2015.

ARTICLE II

ORDER FOR A CIVIL MONEY PENALTY

Pursuant to the authority vested in him by the Federal Deposit Insurance Act, 12 U.S.C. § 1818(i), the Comptroller orders, and the Bank consents to the following:

- (1) The Bank shall make payment of a civil money penalty in the total amount of forty-eight million dollars (\$48,000,000), which shall be paid upon the execution of this Order:
 - (a) If a check is the selected method of payment, the check shall be made payable to the Treasurer of the United States and shall be delivered to:
Comptroller of the Currency, P.O. Box 979012, St. Louis, Missouri 63197-9000.
 - (b) If a wire transfer is the selected method of payment, it shall be sent in accordance with instructions provided by the Comptroller.
 - (c) The docket number of this case (AA-EC-2015-105) shall be entered on the payment document or wire confirmation and a photocopy of the payment document or confirmation of the wire transfer shall be sent immediately, by overnight delivery, to the Director of Enforcement and Compliance, Office of the Comptroller of the Currency, 400 7th Street, S.W., Washington, D.C. 20219.

(2) This Order shall be enforceable to the same extent and in the same manner as an effective and outstanding order that has been issued and has become final pursuant to 12 U.S.C. § 1818(h) and (i).

ARTICLE III

OTHER PROVISIONS

(1) This Order is intended to be, and shall be construed to be, a final order issued pursuant to 12 U.S.C. § 1818(i)(2), and expressly does not form, and may not be construed to form, a contract binding on the Comptroller or the United States.

(2) This Order constitutes a settlement of the civil money penalty proceeding against the Bank contemplated by the Comptroller, based on the practices and violations of law described in the Comptroller's Findings set forth in Article I of this Order. The Comptroller releases and discharges the Bank and its subsidiaries from all potential liability for a civil money penalty that has been or might have been asserted by the Comptroller based on the practices and violations described in Article I of this Order, to the extent known to the Comptroller as of the effective date of this Order. Nothing in the Stipulation or this Order, however, shall prevent the Comptroller from:

- (a) instituting enforcement actions other than a civil money penalty against the Bank based on the findings set forth in Article I of this Order;
- (b) instituting enforcement actions against the Bank based on any other findings;
- (c) instituting enforcement actions against the Bank's institution-affiliated parties based on the findings set forth in Article I of this Order, or any other findings; or

- (d) utilizing the findings set forth in Article I of this Order in future enforcement actions against the Bank or its institution-affiliated parties to establish a pattern or the continuation of a pattern.

Further, nothing in the Stipulation or this Order shall affect any right of the Comptroller to determine and ensure compliance with the terms and provisions of the Stipulation or this Order.

(3) The terms of this Order, including this paragraph, are not subject to amendment or modification by any extraneous expression, prior agreements, or prior arrangements between the parties, whether oral or written.

IT IS SO ORDERED, this 4th day of January, 2016.

/s/
Maryann H. Kennedy
Deputy Comptroller
Large Bank Supervision

**UNITED STATES OF AMERICA
DEPARTMENT OF THE TREASURY
COMPTROLLER OF THE CURRENCY**

In the Matter of:

JPMorgan Chase Bank, N.A.
Columbus, Ohio

AA-EC-2015-105

**STIPULATION AND CONSENT TO THE ISSUANCE OF A
CONSENT ORDER FOR A CIVIL MONEY PENALTY**

WHEREAS, the Comptroller of the Currency of the United States of America (“Comptroller”), based upon information derived from the exercise of his regulatory and supervisory responsibilities, intends to initiate a civil money penalty proceeding against JPMorgan Chase Bank, N.A., Columbus, Ohio (“Bank”), pursuant to 12 U.S.C. § 1818(i), for the Bank’s violation of Consent Order, AA-EC-11-15, dated April 13, 2011 (“2011 Consent Order”), between the Comptroller and the Bank.

WHEREAS, in the interest of cooperation and to avoid additional costs associated with administrative and judicial proceedings with respect to the above matter, the Bank, through its duly elected and acting Boards of Directors (collectively referred to as the “Board”), has agreed to execute this Stipulation and Consent to the Issuance of a Consent Order for a Civil Money Penalty (“Stipulation”), that is accepted by the Comptroller, through his duly authorized representative;

NOW, THEREFORE, in consideration of the above premises, it is stipulated by the Bank that:

ARTICLE I

JURISDICTION

- (1) The Bank is a national banking association chartered and examined by the Comptroller pursuant to the National Bank Act of 1864, as amended, 12 U.S.C. § 1 *et seq.*
- (2) The Comptroller is “the appropriate Federal banking agency” regarding the Bank pursuant to 12 U.S.C. §§ 1813(q) and 1818(b).
- (3) The Bank is an “insured depository institution” within the meaning of 12 U.S.C. §§ 1813(c) and 1818(b)(1).

ARTICLE II

CONSENT

- (1) The Bank, without admitting or denying any wrongdoing, consents and agrees to issuance of the accompanying Consent Order for a Civil Money Penalty (“Consent Order”) by the Comptroller.
- (2) The terms and provisions of the Consent Order apply to the Bank and all of its subsidiaries, even though those subsidiaries are not named as parties to the Consent Order.
- (3) The Bank consents and agrees that the Consent Order shall be deemed an “order issued with the consent of the depository institution” pursuant to 12 U.S.C. § 1818(h)(2), and consents and agrees that the Consent Order shall become effective upon its execution by the Comptroller through his authorized representative, and shall be fully enforceable by the Comptroller pursuant to 12 U.S.C. § 1818(i).
- (4) Notwithstanding the absence of mutuality of obligation, or of consideration, or of a contract, the Comptroller may enforce any of the commitments or obligations herein undertaken by the Bank under his supervisory powers, including 12 U.S.C. § 1818(i), and not as

a matter of contract law. The Bank expressly acknowledges that neither the Bank nor the Comptroller has any intention to enter into a contract.

(5) The Bank declares that no separate promise or inducement of any kind has been made by the Comptroller, or by his agents or employees, to cause or induce the Bank to consent to the issuance of the Consent Order and/or execute this Stipulation.

(6) The Bank expressly acknowledges that no officer or employee of the Comptroller has statutory or other authority to bind the United States, the United States Treasury Department, the Comptroller, or any other federal bank regulatory agency or entity, or any officer or employee of any of those entities to a contract affecting the Comptroller's exercise of his supervisory responsibilities.

(7) The Consent Order constitutes a settlement of the civil money penalty proceeding against the Bank and its subsidiaries contemplated by the Comptroller, based on the practices and violations of law described in the Comptroller's Findings set forth in Article I of the Consent Order. The Comptroller releases and discharges the Bank from all potential liability for a civil money penalty that has been or might have been asserted by the Comptroller based on the practices and violations described in Article I of the Consent Order, to the extent known to the Comptroller as of the effective date of the Consent Order. Nothing in this Stipulation or the Consent Order, however, shall prevent the Comptroller from:

- (a) instituting enforcement actions other than a civil money penalty against the Bank based on the findings set forth in Article I of the Consent Order;
- (b) instituting enforcement actions against the Bank based on any other findings;

- (c) instituting enforcement actions against the Bank's institution-affiliated parties based on the findings set forth in Article I of the Consent Order, or any other findings; or
- (d) utilizing the findings set forth in Article I of the Consent Order in future enforcement actions against the Bank or its institution-affiliated parties to establish a pattern or the continuation of a pattern.

Further, nothing in this Stipulation or the Consent Order shall affect any right of the Comptroller to determine and ensure compliance with the terms and provisions of this Stipulation or the Consent Order.

ARTICLE III

WAIVERS

- (1) The Bank, by executing this Stipulation and consenting to the Consent Order, waives:
 - (a) Any and all rights to the issuance of a Notice of Charges pursuant to 12 U.S.C. § 1818(i);
 - (b) Any and all procedural rights available in connection with the issuance of the Consent Order;
 - (c) Any and all rights to a hearing and a final agency decision pursuant to 12 U.S.C. § 1818(i), 12 C.F.R. Part 19;
 - (d) Any and all rights to seek any type of administrative or judicial review of the Consent Order;
 - (e) Any and all claims for fees, costs or expenses against the Comptroller, or any of his agents or employees, related in any way to this enforcement matter or

the Consent Order, whether arising under common law or under the terms of any statute, including, but not limited to, the Equal Access to Justice Act, 5 U.S.C. § 504 and 28 U.S.C. § 2412;

- (f) Any and all rights to assert this proceeding, this Stipulation, consent to the issuance of the Consent Order, and/or the issuance of the Consent Order, as the basis for a claim of double jeopardy in any pending or future proceeding brought by the United States Department of Justice or any other governmental entity; and
- (g) Any and all rights to challenge or contest the validity of the Consent Order.

ARTICLE IV

CLOSING

(1) The provisions of this Stipulation and the Consent Order shall not inhibit, estop, bar, or otherwise prevent the Comptroller from taking any other action affecting the Bank if, at any time, he deems it appropriate to do so to fulfill the responsibilities placed upon him by the several laws of the United States of America.

(2) Nothing in this Stipulation or the Consent Order shall preclude any proceedings brought by the Comptroller to enforce the terms of the Consent Order, and nothing in this Stipulation or the Consent Order constitutes, nor shall the Bank contend that it constitutes, a release, discharge, compromise, settlement, dismissal, or resolution of any actions, or in any way affects any actions that may be or have been brought by any other representative of the United States or an agency thereof, including, without limitation, the United States Department of Justice.

(3) The terms of this Stipulation, including this paragraph, and of the Consent Order are not subject to amendment or modification by any extraneous expression, prior agreements or prior arrangements between the parties, whether oral or written.

IN TESTIMONY WHEREOF, the undersigned, as the duly elected and acting Board of Directors of JPMorgan Chase Bank, N.A., Columbus, Ohio, have hereunto set their hands on behalf of the Bank.

/s/
James S. Crown

December 21, 2015
Date

/s/
Laban P. Jackson, Jr.

December 21, 2015
Date

/s/
Marianne Lake

December 23, 2015
Date

/s/
William C. Weldon

December 21, 2015
Date

/s/
Matthew E. Zames

December 21, 2015
Date

Accepted by:

THE COMPTROLLER OF THE CURRENCY

/s/
Maryann H. Kennedy
Deputy Comptroller
Large Bank Supervision

January 4, 2016
Date

FILED

2020 JAN -9 AM 11:12

TANYA SCIRING
COURT ADMINISTRATOR
THIRD JUDICIAL DISTRICT

Tanya Sciring

1 LEO KRAMER
2 AUDREY KRAMER
3 2364 REDWOOD ROAD
4 HERCULES, CA 94547
5
6 PLAINTIFFS IN PRO PER

7 THIRD JUDICIAL DISTRICT COURT
8 LYON COUNTY, NEVADA

9
10 LEO KRAMER, PRO PER
11 AUDREY KRAMER, PRO PER

12 Plaintiffs,

13 vs.

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15 NATIONAL DEFAULT SERVICING
16 CORPORATION, BRECKENRIDGE
17 PROPERTY FUND 2016 LLC, and DOES 1
18 THROUGH 50 INCLUSIVE,

19 Defendants.

) Case No.: 18-CV-00663

) PLAINTIFFS' NOTICE OF MOTION AND
) MOTION FOR LEAVE TO AMEND
) COMPLAINT TO INCLUDE FRAUD
) CAUSE OF ACTION DUE TO NEWLY
) DISCOVERED MATERIAL EVIDENCE;

) PLAINTIFFS RESPECTFULLY REQUEST
) AN EVIDENTIARY HEARING IN
) SUPPORT OF ASSERTION OF FRAUD;

) DECLARATION OF AUDREY KRAMER
) FILED CONCURRENT HERewith;
) MEMORANDUM OF POINTS AND
) AUTHORITIES IN SUPPORT THEREOF

) Date: TBA
) Time: TBA
) Dept: I

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22 **TO DEFENDANTS AND THEIR COUNSELS OF RECORD:**

23 **NOTICE IS HEREBY GIVEN** that on _____ 2020, at 10 a.m., or as
24 soon thereafter as the matter can be heard in Department 01 of this Court, located at:
25 **911 Harvey Way, Yerington, NV 89447**, Plaintiffs will move the Court for leave to file
26 a Second Amended Complaint, pursuant to Nev. R. Civ. P 15(a)(2)¹

27
28 ¹ A copy of the Proposed Second Amended Complaint is attached herewith.

1 The motion will be made on the grounds that the Second Amended Complaint
2 is in furtherance of justice and filing of this amended complaint is necessitated primarily
3 based on the facts uncovered during the discovery process. This motion will be based
4 on this Notice of Motion and Motion, the Memorandum of Points and Authorities,
5 Declaration of Audrey Kramer as served and filed herewith, the records and file
6 herein, and on such evidence as may be presented at the hearing of the motion.

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9 Date: 1/06/2020

Date: 1/16/2020

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13 Leo Kramer

14 Leo Kramer, Pro se

Audrey Kramer

Audrey Kramer, Pro se

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1 defendant and (2) add additional causes of action for Fraud based on new facts
2 discovered through formal and information discovery after the original complaint was
3 filed.

4 On Friday, December 20, 2019, in accordance with Nev. R. Civ. P. 15 (a)(2)
5 Plaintiffs asked Defendants' counsel for their consent to amend Plaintiffs' 1st Amended
6 Complaint; however, Mr. Van Patten, counsel for NDSC, refused Plaintiffs' request.
7 **(SEE Plaintiffs' Exhibit- A - Plaintiffs' Email Thread With Mr. Van Patten)**

8 Plaintiffs now move this Honorable Court for an Order allowing Plaintiffs to
9 file a Second Amended Complaint to add additional legal theories, and facts that came
10 into light during the discovery process.

11
12 II
13 STATEMENT OF FACTS
14

15 Plaintiffs commenced this action on June 8, 2018, to seek damages for
16 Defendants' unlawful and wrongful foreclosure of Plaintiffs real property that is
17 commonly described as: 1740 Autumn Glen Street, Fernley, NV; (APN # 022-052-02)

18 Upon review of the formal and informal discovery, and the evidence
19 uncovered by William J. Paatalo, the private investigator, Plaintiffs concluded that
20 additional causes of action for Fraud should be added to the case.

21 Neither JPMorgan Chase Bank, N.A., nor National Default Servicing
22 Corporation is the Holder of Plaintiffs' Note in due course. Review of the formal and
23 informal discovery, and the evidence uncovered by William Paatalo, the private
24 investigator revealed that Washington Mutual Bank did not convey assignment of
25 interest in Plaintiffs' home to JPMorgan Chase Bank.

26 On October 6, 2017, National Default Servicing Corporation recorded a
27 purported Notice of Default. During that time JPMorgan Chase Bank had not and did
28 not acquire assignment of deed of trust from Washington Mutual Bank, as such National

1 Default Servicing Corporation had no Assignment of Deed of Trust pursuant to which
2 National Default Servicing Corporation would be a duly appointed trustee.

3 Further, newly discovered evidence demonstrates that the Assignment of
4 Deed of Trust which JPMorgan Chase Bank self-fabricated on April 04, 2018, was in
5 fact a forged Assignment of Deed of Trust.

6 Furthermore, there is no evidence to demonstrate that the original mortgage
7 lender, ("Paul Financial"), assigned Plaintiffs' Note and Mortgage to Washington
8 Mutual Bank. Additionally, there is no evidence to demonstrate that the original
9 mortgage lender assigned Plaintiffs' Note and Mortgage to JPMorgan Chase Bank, N.A.

10 III

11 ARGUMENT

12 13 **A. THE COURT SHOULD GRANT PLAINTIFFS' MOTION** 14 **BECAUSE THE EFFICIENT ADMINISTRATION OF JUSTICE** 15 **REQUIRES THAT PLAINTIFFS BE GIVEN LEAVE TO FILE AN** 16 **AMENDED COMPLAINT**

17
18 Rule 15(a) of the Nevada Rules of Civil Procedure provides that leave to amend
19 shall be freely given when justice so requires. The Supreme Court of Nevada has held
20 that the leave sought should be freely given provided that there is no undue delay, bad
21 faith, or dilatory motive on the part of the movant. *Stephens v. Southern Nevada Music*
22 *Co.*, 89 Nev. 104, 105-06 (3973) (citing *Forman v. Davis*, 371 U.S. 178 (1962)). In the
23 instant case, Plaintiffs request leave to amend because the information and findings of
24 the private investigator as wells as information Plaintiffs discovered during Discovery,
25 are newly discovered evidence that, with reasonable diligence, could not have been
26 discovered in time when Plaintiffs filed their complaint. As Plaintiffs just discovered
27 Defendants' fraud the interest of justice would be served by Amendment of Plaintiffs'
28 complaint.

1 Plaintiffs contend that, any applicable statutes of limitations have been tolled by
2 the Defendants' continuing, fraud, knowing, and active concealment of the facts alleged
3 herein. Despite exercising reasonable diligence, Plaintiffs could not have discovered,
4 and did not discover, and was prevented from discovering, the wrongdoing complained
5 of herein. Plaintiffs further contend that, despite exercising reasonable diligence,
6 Plaintiff could not have discovered, did not discover, and was prevented from
7 discovering, the fraudulent Assignment of Deed of Trust JPMorgan Chase Bank
8 fabricated on April 4, 2018 and later filed on April 10, 2018, ten (10) years after
9 Washington Mutual Bank ceased to exist when WaMu was seized by the FDIC on
10 September 25, 2008. Moreover, Defendant, National Default Servicing Corporation
11 was not a duly appointed trustee because at the time National Default Servicing
12 Corporation recorded the Notice of Default there was no legitimate Assignment of Deed
13 of trust to which National Default Servicing Corporation could lawfully rely upon.

14 While deeds of trust and mortgage notes work together in the context of mortgage
15 lending, they are distinct documents with separate functions. Leyva v. National
16 Default Servicing Corp., 127 Nev. , , 255 P.3d 1275, 470 . JPMorgan Chase Bank
17 recorded a forged Assignment of Deed of Trust. However, possessing only the deed of
18 trust does not create an entitlement to enforce the underlying note. See In re Veal, 449
19 B.R. 542, 2011 WL 2304200, at *12 (B.A.P. 9th Cir. 2011). To enforce a debt secured
20 by a deed of trust and mortgage note, a person must be entitled to enforce the note
21 pursuant to Article 3 of the Uniform Commercial Code. 449 B.R. 542, Id. at *7; see also
22 Restatement (Third) of Property: Mortgages § 5.4(c) (1997) ("A mortgage may be
23 enforced only by, or on behalf of, a person who is entitled to enforce the obligation the
24 mortgage secures."). "Article 3 is codified in NRS 104.3101-.3605." Leyva, 127 Nev.
25 at n.6, P.3d at 1280 n.6. Here, because JPMorgan Chase Bank was not entitled to
26 enforce the note, then the substitution of National Default Servicing Corporation as
27 trustee and the subsequent foreclosure notice against the Plaintiffs was in error and void
28

1 ab initio. Therefore, the fraudulent or forged Assignment of Deed of Trust by JPMorgan
2 Chase Bank has no force and effect.

3 Plaintiffs contend that, in addition to violating Nevada Revised Statute § 205.395,
4 which proscribed filing or recording false real estate documents, defendants knowingly
5 concealed their lack of an enforceable security interests in Plaintiffs' real properties by
6 fabricating and recording false documents in the Lyon County Recorder's Office.
7 Accordingly, the district court, should grant leave to amend, because the proposed
8 amendment would not be futile, and because there is no undue delay, bad faith, or
9 dilatory motive on the part of the Plaintiffs.

10
11
12 **B. DEFENDANTS WILL NOT SUFFER SUBSTANTIAL PREJUDICE,**
13 **AND THERE IS NO OTHER REASON PLAINTIFFS SHOULD**
14 **NOT BE GIVEN LEAVE TO AMEND**
15

16 The U.S. Supreme Court determined that "[i]n the absence of . . . undue delay,
17 bad faith or dilatory motive . . . undue prejudice . . . futility of amendment, etc.--the
18 leave sought should . . . be 'freely given.' " *Foman v. Davis*, 371 U.S. 178, 182 (1962).
19 The Sixth Circuit applies a balancing test of these factors, which turns on *substantial*
20 *prejudice* to the opposing party. *See, e.g., Lawson v. Truck Drivers, Chauffeurs &*
21 *Helpers, Local Union 100*, 698 F.2d 250, 256 (6th Cir. 1983); *Hageman v. Signal L.P.*
22 *Gas, Inc.*, 486 F.2d 479, 484 (6th Cir. 1973). No such prejudice exists here. The facts
23 described in the Amended Complaint are well-known to Defendants, because they filed
24 and/or recorded the fraudulent documents that touched and concern Plaintiffs' real
25 property. Defendants' fraudulent conduct were discovered during Discovery, and
26 through the painstaking investigation by Mr. William Paatalo. These newly discovered
27 evidence, with reasonable diligence, could not have been discovered in time when
28 Plaintiffs filed their complaint.

1 A court may, in the furtherance of justice, allow a party to amend any pleading on
2 any terms as may be proper. Nev. R. Civ. P 15(a)(2)³. The Court should freely give
3 leave to amend when justice so requires as here. Nev. R. Civ. P 15(a) requires that
4 leave to file an amended complaint be "freely given when justice so requires." This
5 standard is readily met here, as the more detailed description of the fraudulent
6 Assignment of Deed of Trust at issue in the Amended Complaint narrows the scope of
7 the issues presented in this litigation and will prevent the Court's time from being
8 wasted at trial.

9 Furthermore, Plaintiffs' causes of action in their First Amended Complaint are
10 directly attributed to the fact that Plaintiffs' property was unlawfully foreclosed because
11 Plaintiffs were not properly served with Notice of Default ("NOD"), making the NOD
12 defective and VOID on its face, which in turn rendered the Notice of Trustee Sale
13 (herein after the "NOTS") also VOID on its face, which further rendered the Trustee's
14 Deed upon Sale (herein after the "TDUS") of Plaintiffs' property also VOID on its face;
15 thus, supporting the fact that Defendant's Breckenridge Property Fund 2016 LLC and
16 Wedgewood Inc. can not and are not bona fide encumbrancers of Plaintiffs' subject
17 property. If the wrongfully recorded substitution of trustee (SOT), Notice of Default
18 (NOD), and Notice of trustee's sale (NTS), Trustee's Deed Upon Sale, (TDUS),
19 instruments are left outstanding, Plaintiff will continue to suffer loss and damages.
20 Plaintiffs therefore seeks cancellation of the above mentioned recorded instruments.

21 Additionally, Nevada law requires the servicer or owner of the loan to send the
22 borrower a notice that contains information about the account, including the total
23 amount needed to cure the default, and includes information about foreclosure
24 prevention alternatives, among other things. (Nev. Rev. Stat. § 107.500). Plaintiffs
25 contend that neither servicer or owner of the loan, nor Washington Mutual or JPMorgan
26 Chase, claimed to be owner of certain revolving line of credit, ever sent Plaintiffs a

27 _____
28 ³ This statutory provision giving the courts the power to permit amendments in furtherance of justice
has received a very liberal interpretation by the courts of this state

1 notice that contains information about the account, including the total amount needed to
2 cure the default, or information about foreclosure prevention alternatives, among other
3 things.

4 Plaintiffs contend that, National Default Servicing Corporation ("NDSC") failed
5 to serve Plaintiffs proper Notice of Default as required by Nevada Law. Additionally,
6 when Defendant recorded the Notice of default and subsequently conducted the
7 unlawful non-judicial foreclosure of Plaintiffs' real property, no breach of condition of
8 Mortgage Note or failure of performance under the Mortgage Note existed that would
9 have authorized such action. See, *Collins v. Union Federal Sav. & Loan Ass'n*, 662
10 P.2d 610, 623 (Nev. 1983). Furthermore, no breach of condition of the Revolving
11 Line of Credit with Washington Mutual Bank or with JPMorgan Chase Bank existed
12 that would have authorized National Default Servicing Corporation to file the Notice of
13 Default under Plaintiffs' Note and Deed of Trust.

14 Furthermore, there was NO 'recorded' Assignment of Deed of Trust that lawfully
15 substituted National Default Servicing Corporation as a duly appointed Trustee when
16 National Default Servicing Corporation recorded the Notice of Default or Notice of
17 Trustee's Sale.

18 Plaintiffs were NOT given Notice of Default in accordance with Nevada
19 foreclosure laws prior to conducting the non-judicial foreclosure of Plaintiffs' real
20 property. Further, in conducting the Sale of Plaintiffs' real property, defendant,
21 National Default Servicing Corporation failed to give Plaintiffs Notice of the Default
22 and failed to adhere to Nev. Rev. Stat. § 107.090. which requires that a copy of the
23 Notice of Default (NOD) must be sent to each person with an interest or claimed
24 interest in the property by registered or certified mail within ten days after the
25 NOD is recorded. (Nev. Rev. Stat. § 107.090). Furthermore, Plaintiffs contend that
26 the service of this Notice of Default failed to comply with the requirements of Nevada
27 law, which requires the servicer or owner of the loan to send the borrower a notice that
28 contains information about the account, including the total amount needed to cure the

1 default, and includes information about foreclosure prevention alternatives, among other
2 things. (Nev. Rev. Stat. § 107.500). As such, the alleged sale of Plaintiffs' real
3 property was unlawful and void *ab initio* and the purported sale of Plaintiffs' real
4 property has no enforceable legal status and any legal document that is taken to have
5 conveyed or assigned any interest in Plaintiffs' real property to Defendant,
6 Breckenridge Property Fund 2016 LLC is also VOID.

7
8 **C. LEAVE TO AMEND IN THE PRESENT CASE SHOULD BE GRANTED**
9

10 Under rule 15(a), the court should freely grant leave to amend a pleading where
11 justice so requires. See In re Thornburg Mortg., Inc. Sec. Litig., 265 F.R.D. 571, 579-80
12 (D.N.M. 2010)(Browning, J.); Youell v. Russell, 2007 U.S. Dist. LEXIS 17088, 2007
13 WL 709041, at *1-2 (D.N.M. 2007)(Browning, J.); Burleson v. ENMR-Plateau Tel.
14 Coop., 2005 U.S. Dist. LEXIS 39145, 2005 WL 3664299, at *1-2 (D.N.M.
15 2005)(Browning, J.). The Supreme Court has stated that, in the absence of an apparent
16 reason such as "undue delay, bad faith or dilatory motive . . . [,] repeated failure to cure
17 deficiencies by amendments previously allowed, undue prejudice to the opposing party
18 by virtue of allowance of the amendment, futility of amendment, etc.," leave to amend
19 should be freely given. Foman v. Davis, 371 U.S. 178, 182, 83 S. Ct. 227, 9 L. Ed. 2d
20 222 (1962). See Curley v. Perry, 246 F.3d 1278, 1284 (10th Cir. 2001). In re Thornburg
21 Mortg., Inc. Sec. Litig., 265 F.R.D. at 579-80.

22 Additionally, Courts in sister states have held that, the policy favoring leave to
23 amend is so strong that it is an abuse of discretion to deny an amendment unless the
24 adverse party can show meaningful prejudice, such as the running of the statute of
25 limitations, trial delay, the loss of critical evidence, or added preparation costs. See for
26 example, Atkinson v. Elk Corp. (2003) 109 Cal.App.4th 739, 761; Solit v. Taokai Bank,
27 Ltd. (1999) 68 Cal.App.4th 1435, 1448. Absent a showing of such prejudice, delay
28 alone is not grounds for denial of a motion to amend. See for example, Kittredge Sports

1 *Co. v. Superior Ct.* (1989) 213 Cal.App.3d 1045, 1048; *Higgins v. Del Faro* (1981) 123
2 Cal.App.3d 558, 563-65.

3 In the present case, Plaintiffs seek to amend the Complaint as follows: (1)
4 substitute JPMorgan Chase Bank for Does defendant and (2) add additional causes of
5 action for Fraud based on new facts discovered through formal and information
6 discovery after the original complaint was filed. These amendments are in furtherance
7 of justice and will not prejudice Defendants. This Court, therefore, should grant leave to
8 amend.

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12 IV

13 CONCLUSION
14

15 For each of the foregoing reasons, it is in the interests of justice to permit
16 Plaintiffs to amend the complaint to allege the facts and legal theories derived from the
17 evidence obtained during discovery including the evidence obtained by the Licensed
18 Private Investigator, Mr. William J. Paatalo. Plaintiffs, therefore, respectfully request
19 that the Court grant their Motion for Leave to File a Second Amended Complaint.
20

21
22 Date: 1/06/2020

Date: 1/6/2020

23
24
25 Leo Kramer

26 Leo Kramer, Pro se

27 Audrey Kramer

28 Audrey Kramer, Pro se

1 LEO KRAMER
2 AUDREY KRAMER
3 2364 REDWOOD ROAD
4 HERCULES, CA 94547

5 PLAINTIFFS IN PRO PER

6
7 THIRD JUDICIAL DISTRICT COURT
8 LYON COUNTY, NEVADA

9
10 LEO KRAMER,
11 AUDREY KRAMER,

12
13 Plaintiffs,

14 vs.

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16 NATIONAL DEFAULT SERVICING
17 CORPORATION, ALYSSA MC DERMOTT,
18 WEDGWOOD INC., BRECKENRIDGE
19 PROPERTY FUND 2016 LLC, and DOES 1
20 THROUGH 50 INCLUSIVE,

21
22 Defendants.

)
) Case No.: 18-CV-00663

)
) DECLARATION OF AUDREY KRAMER IN
) SUPPORT OF PLAINTIFFS' NOTICE OF
) MOTION AND MOTION FOR LEAVE TO
) AMEND COMPLAINT TO INCLUDE
) FRAUD CAUSE OF ACTION DUE TO
) NEWLY DISCOVERED MATERIAL
) EVIDENCE;

)
) Date: TBA
) Time: TBA
) Dept: 1

23
24
25 DECLARATION OF AUDREY KRAMER
26
27
28

1 I, **AUDREY KRAMER** declare as follows:

- 2 1. I am over the age of 18 years.
- 3 2. If called as a witness, I could and would competently testify thereto.
- 4 3. I make this declaration in support of the Plaintiffs' Notice of Motion And Motion For
- 5 Leave To Amend Complaint To Include Fraud Cause of Action Due To Newly Discovered
- 6 Material Evidence.
- 7 4. Plaintiffs hired Licensed Private Investigator, William J. Paatalo, who specializes in
- 8 Forensic Auditing, and has become a leading expert in the areas of chain of title analyses
- 9 and securitization. Mr. Paatalo has conducted more than 1,200 investigations across the
- 10 U.S. and has provided written expert testimony in the form of affidavits and declarations in
- 11 approximately 300 -350 cases nationwide. Mr. Paatalo has been qualified in both state and
- 12 federal courts as an expert, and has personally appeared and testified at trial in Federal and
- 13 State courts throughout the country.
- 14 5. On Friday, December 20, 2019, I contacted, via email, Mr. Ace Van Patten, counsel for
- 15 National Default Servicing Corporation, notifying Mr. Van Patten that based on the Fraud
- 16 discovered by Private Investigator, Mr. Paatalo, that Plaintiffs intended to Amend their
- 17 Complaint and asked Mr. Van Patten for his written consent as is required by Nevada
- 18 Statute **Nev. R. Civ. P. 15 (a)(2)**. Mr. Van Patten responded via email and said he
- 19 would not consent. **Please See Plaintiffs' Exhibit A- Plaintiffs' email thread with Mr.**
- 20 **Van Patten**

21 I declare under penalty of perjury under the laws of the United States of America and under the

22 laws of the State of Nevada that the foregoing is true and correct.

23 Executed: on 1/6/2020 at CONTRA COSTA County, State

24 of California

25 Audrey Kramer

26 AUDREY KRAMER

27

28

PROOF OF SERVICE

The UPS Store

1511 Sycamore Ave. Ste M

Hercules, CA 94547

store2796@theupsstore.com



STATE OF CALIFORNIA)

) SS:

COUNTY OF CONTRA COSTA)

I am employed in the County of Contra Costa, State of California. I am over the age of 18 and not a party to the within action; my business address is: _____

On January 7, 2020, I served the foregoing document entitled:

PLAINTIFFS' NOTICE OF MOTION AND MOTION FOR LEAVE TO AMEND COMPLAINT TO INCLUDE FRAUD CAUSE OF ACTION DUE TO NEWLY DISCOVERED MATERIAL EVIDENCE; PLAINTIFFS RESPECTFULLY REQUEST AN EVIDENTURARY HEARING IN SUPPORT OF ASSERTION OF FRAUD; DECLARATION OF AUDREY KRAMER FILED CONCURRENT HERewith; MEMORANDUM OF POINTS AND AUTHORITIES IN SUPPORT THEREOF

on all parties in this action as follows:

PLEASE SEE ATTACHED SERVICE LIST

 Mail. By placing a true copy thereof enclosed in a sealed envelope. I am "readily familiar" with the firm's practice of collection and processing for mailing. Under that practice it would be deposited with the U.S. Postal Service on that same day with first class postage thereon fully paid at Hercules, California in the ordinary course of business. I am aware that on motion of the party served, service is presumed invalid if the postal cancellation date or the postage meter is more than one day after day of deposit for mailing in this Proof of Service.

 By Telefax. I transmitted said document by telefax to the offices of the addressees at the telefax numbers on the attached Service List.

 By Personal Service. I delivered such envelope by hand to the addressee(s).

 By Overnight Courier. I caused the above-referenced document(s) to be delivered to an overnight courier service for next day delivery to the addressee(s) on the attached Service List.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on January 7, 2020 at Hercules, California.

Corina DiGrazia

Name of Declarant

Signature of Declarant

SERVICE LIST:

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Matthew K. Schriever
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Las Vegas, Nevada 89134

Attorneys for JPMORGAN CHASE BANK, N.A.

EXHIBIT LIST:

RJN-1

Updated Curriculum Vitae of Licensed Private Investigator (PSID # 4941), William J. Paatalo,
Expert Witness and Forensic Auditor

RJN-2

Mr. Paatalo's Executed Declaration & Forensic Report & Exhibits

EXHIBIT-A

Plaintiffs' email thread with Mr. Ace Van Patten

RJN-1

Updated Curriculum Vitae of Licensed Private Investigator (PSID # 4941), William J. Paatalo,
Expert Witness and Forensic Auditor

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**DISTRICT COURT
CLARK COUNTY, NEVADA**

Leo Kramer and Audrey Kramer,

Plaintiffs,

Case No. 18-CV-00663

v.

**AMENDED DECLARATION OF
PRIVATE INVESTIGATOR
WILLIAM J. PAATALO**

National Default Servicing Corp.,
et al.,

Defendants.

I, William J. Paatalo, hereby declares as follows:

1. This is an amended declaration to my previous declaration executed on June 8, 2019. I have attached as **Exhibit A** my current CV to reflect cases in which I have testified since that date.

I. Newly produced documents by JPMC proves hidden and concealed investors.

2. Attached as **Exhibit B** is an article I authored and posted on 12/5/2019 on my website www.bpinvestigativeagency.com. The article is titled, "'Smoking Gun' Proof That JPMorgan Chase Never Acquired Beneficial Interest In My WaMu Loan Through The FDIC."

3. The documents I reference in this article were produced by JPMorgan

1. Declaration of Private Investigator -- William J. Paatalo