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Jun 18 2025
SC Court of Appeals

THE STATE OF SOUTH CAROLINA

In the Court of Appeals

APPEAL FROM DORCHESTER COUNTY
Court of Common Pleas

James E. Chellis, Master in Equity

Appellate Case No. 2024-000122

U.S. Bank Trust NA, as Trustee for Waterfall Victoria Grantor Trust II, Series G, Appellant,

v.

Jamie Singleton and Indigo Pointe Homeowners' Association, Defendants,
of which Jamie Singleton is the Respondent.

RECORD ON APPEAL

Volume 5 of 6

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from page 1 to page 9, and the older payment history is on page 9, and then it moves forward to page 1, Your Honor.

A: They do have page numbers on the top right-hand corner.

MR. HAYES: Yeah, and there are page numbers on this one, Your Honor.

Q: Mr. Amaya, can -- can you identify Plaintiff's Number 17?

A: Yes. This is a payment history from a prior servicer.

Q: Okay. Which prior servicer?

A: Shellpoint.

Q: Okay. When you receive these, if -- if you receive more than -- if you receive information from -- let's say a loan has been serviced by six prior servicers, does the information all come from one place to SLS, or -- you don't receive it -- let's say you don't receive it from GMAC, and then Shellpoint, and then you receive it from the latest servicer, is that -- do you ---

A: Yes, that is correct.

Q: Okay. Okay. I just wanted clarification of that. And, Number 17, it -- you said it was a

-- a -- did you say it was a payment history from ---

A: Yeah.

Q: Okay. And what period does this loan history or payment history go from and until?

A: I'm seeing this is from February 2015 through March of 2018.

Q: Okay. And what is the -- can you tell me what the principal balance is at the -- the start of the period and what it is at the end of the period?

A: $208,601 -- 601 dollars is the beginning balance, and the end balance is $207,389.66.

Q: Okay. Are there any payments shown on this loan history?

A: There is a unapplied amount that is distributed and a com- -- accredited towards the account of 19,333 -- oh, sorry -- $19,330.30.

Q: Okay. And is this Plaintiff's Number 17, is it a -- a document received from a prior servicer in SLS' regular course of business?

A: Yes.

Q: Is it received by someone at SLS and entered at or near the time it's received?

A: Yes.

Q: Okay. Is it received by someone with knowledge of receiving the information and inputting the information?
A: Yes.
Q: Okay. And is this -- is this information, did -- did it appear to be accurate?
A: Yes.
Q: Okay. Did -- did you incorporate this into your -- into SLS' records?
A: Yes, we did.
Q: Okay. Do you rely on this information in servicing the loan?
A: Yes, we do.
Q: Okay.
MR. HAYES: Your Honor, I move that Plaintiff's Number 17 be admitted into evidence.
(Plaintiff's Exhibit Number 17 was offered into evidence.)
MR. BARNES: No objection.
THE COURT: 17 -- Exhibit 17 is admitted without objection.
(Plaintiff's Exhibit Number 17 was admitted into evidence.)
MR. HAYES: Okay. And ---
THE COURT: Business record, correct?

MR. HAYES: Business records, yes, sir. 803(6), Your Honor.

Q: And I think you said -- what was the balance at the end of the time period?

A: The end of the balance for the principal balance and only the principal balance is $207,389.66.

Q: Okay.

MR. HAYES: Beg the Court's indulgence. Ms. Taylor is numbering the next exhibit.

THE COURT: While she does that, I have a question.

MR. HAYES: Yes, sir.

THE COURT: How do you match the -- you're going back in time, correct? These exhibits go back in time?

MR. HAYES: Yes, sir.

THE COURT: All right. So, how do you match the 20-- the ending balance in Shellpoint Mortgage Servicing Exhibit 17, 207,389.66 to the beginning balance on Exhibit 16? Where does that match?

MR. HAYES: That's a question for Mr. Amaya.

THE COURT: So, that's who I was asking.

MR. HAYES: I'm sorry?

THE COURT: I was asking him.

MR. HAYES: (Laughter.) Okay. I thought you were looking at me. My apologies, Your Honor.

A: The ending balance back in the -- 2010, was $208,818.11. At -- when it was received by Shellpoint in 2015, it's $208,601.00, meaning that a transaction was made that lowered the principal balance, reducing the amounts that were due and owing.

THE COURT: GMAC -- so, this is February 6th, 2015. It was a principal balance of 2- -- $208,601?

A: Yes.

THE COURT: And on March the 15th of 2018, this principal balance is $207,389.66?

A: Yes, Your Honor. If you -- if you want to see the transaction with the credits being applied ---

THE COURT: Where is that?

A: That is page number 8. There is -- starting on 8/17/16, all these transactions took place the same date. You'll see that there's a unapplied payment amount of $19,330.30, it is applied towards the loan, and crediting the loan for payments through -- let's see, these are payments through 3/1/09 -- due for 3/1/09 up to December 1, of 2009.

THE COURT: So ---

A: Talking about six months worth of payments. Let me see. One, two, three -- ten -- ten payments, Your Honor.

THE COURT: So, there's a total of $19,330.30 in principal?

A: It's being applied as principal and interest. It's being applied as regular payments.

THE COURT: Of which ...

A: Would you like me to show you the breakdown how it works?

THE COURT: I'd like you to just describe it.

A: Yes. So, if you look on the -- let's look at the second from the bottom of page 1716, you'll see where it shows regular payment. And, if you go over, the transaction amount for that one is $1933.03.

THE COURT: Okay.

A: The principal amount is being reduced by 116.46. The interest amount is being reduced by $1816.57. And as you work your way up, you'll see all the different -- the ten different payments being applied, lowering the principal that started at $208,601, getting lowered down to $207,389.66.

THE COURT: I see it now. So, now, where do I pick that up in Exhibit 16, that 207 -- there it is right there.

Go ahead.

MR. HAYES: Thank you, Your Honor.

Q: Mr. Amaya, it showed on the -- page 8 of Plaintiff's Number 17, it shows a lot of things on August the 17th, 2016. Can you explain that?

A: Yes. Payments were being applied to the loan. To the best of my recollection, I believe that had to do with some insurance premiums that were to be applied to the loan.

Q: Would you elaborate on that?

A: Well, to the best of my recollection reviewing the loan, there was a -- some kind of an insurance incident, and something around $19,000.00 were paid out to the borrower. And, if I'm not mistaken, I believe during the case, they had asked for the monies to be applied towards the loan.

Q: Okay. Okay. Thank you.

MR. HAYES: You done with this one? Yeah, yeah.

(Plaintiff's Exhibit Number 18 was marked for identification purposes.)

Q: Mr. Amaya, you have in your hands what has been marked as Plaintiff's Exhibit 18. Can you identify that document?
A: Yes. This is payment history from the prior servicer.
Q: Okay. Which prior servicer is it?
A: This would be Statebridge, the one that serviced right before Specialized Loan Servicing.
Q: Okay. And was this information for this document, was it received by SLS in its regular course of business?
A: Yes.
Q: Was it -- was the information input or received and input by someone with knowledge of the transaction?
A: Yes.
Q: Is it -- is it -- d- -- do you make the -- the information received on this document, is that incorporated into the records of SLS?
A: Yes, it is.
Q: Okay. Do these records for Plaintiff's Number 18 appear to be accurate?
A: Yes.
Q: Okay. Does SLS rely on these records when

servicing the -- servicing the loan?

A: Yes.

Q: Okay. And I think -- is it SLS' regular practice to receive and input this information into its system to service the loan?

A: Yes.

Q: Okay.

MR. HAYES: Your Honor, I move that this Plaintiff's Number 18 be admitted into evidence.

(Plaintiff's Exhibit Number 18 was offered into evidence.)

THE COURT: Objection?

OBJECTION:

MR. BARNES: I have a hearsay objection on this one, Your Honor, because the other ones, 16 and 17, identify the servicer, 16 -- 17 identify Shellpoint. 16 identifies GMAC. We don't know who these are from. There's no indication on here as to what servicer these are from at all on any of these 120 pages, which Ms. Tay- -- Taylor, I believe, handwrote on here in ink 1 to 120. I mean, the witness testified that they got the Shellpoint records from Shellpoint, they got GMAC records from GMAC. Whose are these?

THE COURT: Okay.

MR. HAYES: He testified it was Statebridge.

MR. BARNES: These? This 120 pages?

Q: Mr. Amaya, would you -- where -- Plaintiff's Number 18, where did this information come from?

A: From the prior servicer, Statebridge.

Q: Okay. But as far as which, which prior servicer?

THE COURT: He said Statebridge.

MR. HAYES: That's what I thought. I thought he said Statebridge.

A: That's what I said.

THE COURT: How -- how does he know that though? I mean, I don't think ...

MR. HAYES: He knows that they're the prior servicer.

MR. BARNES: How does he know that?

THE COURT: I'm -- I'm going to -- you're going have to establish a better foundation than what you've got so far.

Q: Mr. Amaya, when do these records begin?

A: These records re- -- begin 4/6 of 2018 and they go through 11/30 of '22.

Q: Okay. 11/30 of 2022?

A: Yes.
Q: From what -- from what servicer did SLS receive the ser- -- the latest servicing records?
A: From Statebridge, the prior servicer.
Q: Okay. So, Statebridge was the prior servicer and the last date on here, when did you -- SLS receive the information from Statebridge?
A: Yes.
Q: Was it 11/30/2022?
OBJECTION:
MR. BARNES: Leading.
THE COURT: Sustained.
Q: Okay. When did -- when did -- approximately when did SLS receive the servicing information from the prior servicer?
A: At the end of 2022. Within November or December of 2022.
Q: Okay. And from whom did SLS receive that information?
A: From Statebridge.
Q: Okay. Because why? Was Statebridge the prior servicer?
A: Yes.
Q: Okay.
MR. HAYES: Your Honor, I, again, move that these be

admitted into evidence as Plaintiff's Number 18.

MR. BARNES: Judge, is it ---

MR. HAYES: He ---

MR. BARNES: Go ahead. I'm sorry.

MR. HAYES: He -- he has personal kn- ---

Q: Do you have personal knowledge that Statebridge was the prior servicer on this loan?

A: Yes.

Q: Okay. Is this information in Plaintiff's Number 18 for the loan at issue in this case?

A: Yes.

Q: And, you have personal knowledge that Statebridge was the prior servicer?

A: Yes.

Q: Okay. And that you received the information -- that SLS received the information from Statebridge?

A: Yes.

MR. HAYES: Your Honor, again, I -- I move that it be admitted into evidence as Plaintiff's Number 18. He's personally aware of the -- the prior servicer. It's -- they received this information from the prior servicer, and it goes to 11/30/2022, which is the date when it

-- approximately the date when it was turned over.

MR. BARNES: Your Honor, this is inference upon inference. Also known as inference stacking.

MR. HAYES: To ---

MR. BARNES: Yeah, I -- the servicer was -- the prior servicer was Statebridge. And Statebridge was the servicer from date X to date Y. There is absolutely nothing on this exhibit that identifies Statebridge at all on any of these 120 pages. We don't know who prepared these, when they were prepared, how they were prepared, nothing.

MR. HAYES: Judge, he has -- he has testified that he is personally aware that Statebridge was the prior servicer. He has personally testified that he -- I mean, he -- he has personal knowledge that this information came from Statebridge, and the information is the effective date. If you look at the dates on it, Your Honor, it goes from 2019 to -- to -- to the end of 2022. If he's personally -- has personal knowledge that Statebridge was the prior servicer, that they received this information from Statebridge, that they've

incorporated this information into their records, it is a business records exception, Your Honor. They don't have to know how Statebridge maintains their records.

MR. BARNES: I respectfully disagree and I think we're making a quantum leap here. As I said earlier, not to be redundant, on the two prior exhibits it identifies the servicer who created the records. This does not.

MR. HAYES: Your ---

MR. BARNES: At all.

MR. HAYES: --- Your Honor, he might have a better argument if Mr. Amaya didn't have personal knowledge of the identity of prior servicers.

THE COURT: But, how does he know of the prior servicers?

MR. HAYES: He knows who the -- how they received the -- who they received the information from. He -- he has personal knowledge of that information.

THE COURT: But where did he get the personal knowledge?

MR. HAYES: He -- he got the -- the -- the knowledge as custodian for SLS and working for LSS [sic]. I mean, he has personal knowledge where they

received the information from, he has -- he knows who the prior servicer was, and it was Statebridge.

THE COURT: Mr. Amaya, you say that you have personal knowledge of these records. When did you acquire the personal knowledge?

A: I personally pulled the prior servicer payment issue myself from my computer system from the prior servicer, being Statebridge.

THE COURT: And this is ---

A: I -- this is it. I personally pulled it. I did not print it in this format, but I personally went into my system, and pulled -- went through my folders to find the prior servicer's payment history, and I personally pulled it from this loan to send it to counsel and to review.

THE COURT: How ---

A: That's ---

THE COURT: How do you print it in this form?

A: When I sent it to them, remember the Excel explanation I gave?

THE COURT: Yes, sir.

A: Some people don't really know how to adjust the printing, or, you print it and it looks too

small because you try to put all columns into one ---

THE COURT: Uh-huh.

A: --- format.

THE COURT: Right.

A: So, depending on the setting of your PDF printer, depends on how it prints out. You can print front and back, or you can print front only. You can print it in a column format, or shrink it down so it's all in one page, which, if you look at the length, it's not gonna be legible, it's gonna be tiny little prints that no one's gonna be able to read. So, in order to expand it, this is one of the formats that I guess printed out of the printing system.

THE COURT: So, this is a -- this is -- the way this form comes out is dictated by whatever the printer ---

A: Correct. This is a data digital form, but the way you set up the printing depends on how it comes out.

THE COURT: All right. But I want to go back to your personal knowledge.

A: Yes.

THE COURT: You said that you pulled from your

computer ---

A: Yes.

THE COURT: --- in preparation for this trial. Is that correct?

A: Yes, Your Honor.

THE COURT: All right. You pulled from your computer Statebridge's numbers, data, digital number -- digital data -- or data -- data digitals.

A: I -- I pulled from our system what we have as prior servicer information that we received from Statebridge.

THE COURT: Okay. And is that in a separate folder, Statebridge folder, or is it all of the various prior servicers?

A: No. It's broken down for a specific loan. To find it you have to go to this specific loan. It is -- there's subfolders within folders, so we'll have everything that we brought in for the month of, let's say, December of 2012. From there, you go to a subcategory of what investor it is. From there, you go to another subcategory that will either be -- that's normally by loan number. Sometimes, it gets broken down by date that it was boarded, and

then by the loan number. And that's how you pull the information. And you match the information up with our own system, because this is from our system. I track it down, I pull it out, and then I also look at my other business records and make other comparisons. Any kind of letters or anything that the prior servicer would've had, we have the prior servicer loan number in our system. We don't use it to track in our system, but there are imaged documents and there is information from the prior servicer. And that's how you verify that you have the correct information.

THE COURT: Did you do that when you pulled the prior -- Statebridge prior serv- -- did you do that -- that what you just said -- verify ---

A: Uh-huh.

THE COURT: --- the example, correct?

A: It's the only way to pull it, Your Honor, because if I don't have the investor code and I don't have the prior servicer loan number, I wouldn't be able to find the document.

THE COURT: All right. I'm going to -- I'm going to overrule, allowing -- and allow it to be admitted over defendant's objection.

(Plaintiff's Exhibit Number 18 was admitted into evidence.)

MR. HAYES: Thank you, Your Honor.

THE COURT: As a business record.

MR. BARNES: Can I just put something on the record?

THE COURT: Sure.

MR. BARNES: The reason why I brought it up, this witness has already testified that there's at least one mistake in the records that he's produced and gone through today, and that was Exhibit 14.

THE COURT: Yes, sir.

MR. BARNES: The inventory list that was attached to the letter that said the borrower's name was Kaney, K-A-N-E-Y ---

THE COURT: I'll tell you what, Mr. Barnes, let me let you reserve that to cross examination.

MR. BARNES: Okay. Will do.

THE COURT: Thank you very much.

MR. HAYES: Thank you.

Q: Mr. Amaya, would you tell me when the payment history on Plaintiff's Number 18 begins?

A: On page 118, it is dated 4/6/2018.

Q: Okay. And what is the beginning balance at that time?

A: $207,389.70.

Q: Okay. Is ---

THE COURT: Where do you see that?

A: On page 120, Your Honor.

Q: Would you explain to Your Honor how these things -- how the pages connect up?

A: Yes.

THE COURT: Hold on a second. The balance on 4/6/2018 was 20- -- $207,389.70, that was the principal balance as calculated by your -- by this -- this Exhibit 17 -- 18.

A: Correct, Your Honor.

THE COURT: Okay. That's fine. I don't need -- I understand how these -- I mean, I don't ---

A: It's rounded because the window is shrunk. If you look at page 1, Your Honor, notice how some words are cut off on the very top and they fall down.

THE COURT: Yes, sir.

A: The window is not expanded.

THE COURT: Right.

A: Excel rounds up.

THE COURT: Right.

Q: Okay. Did the -- did the escrow account have a balance on this -- what was the begin- --

beginning escrow balance on Plaintiff's Number 18?

A: We're at a negative $4,956.36.

Q: Okay. Where do you find that?

A: That is on page 120.

Q: Okay. Are there any other charges shown on Plaintiff's Number 18 at the beginning of the loan?

A: There is -- there is a late charge balance of $5,439.78.

Q: Okay. And where is that shown?

A: On page 120.

Q: Okay.

A: You can use page 3 as the guide, because that's the one with the header on page 120.

Q: Okay.

A: Your Honor, if you do it like this, you'll be able to see the ...

THE COURT: I -- I don't see the number that you're talking about.

A: On page 120, Your Honor?

THE COURT: Yes, sir.

A: It's right here in the middle. 5,000 -- all the way at the bottom.

THE COURT: That's the late charges? $5,000 late

charges?
A: Yes, Your Honor. You'll see here on page 3, NLC ---
THE COURT: Okay. Got it. Thank you.
Q: And were any mortgage payments shown on this Plaintiff's Number 18?
A: No.
Q: What is the ending principal balance on Plaintiff's Number 18?
A: $207,389.7.
Q: Okay. And where is that found -- is that -- what page is that found on?
A: On page 3, second column.
Q: Okay, okay. So, the $207,389.7, that's basically it's -- it -- is that $207,389.70?
A: No, it's rounded up to 70 because the column shrunk.
Q: Okay.
A: If you notice, principal's not even a complete number -- a complete word. The L got dropped down.
Q: Okay.
A: The window needed to be expanded to allow the full number to be shown.
Q: Okay. Does the escrow account have a balance

at the end of the ---

A: Yes.

Q: --- period? I think 11/30/2022.

A: Yes. The ending escrow balance is $27,821.70 -- well, .7.

Q: Okay. Is that -- where is that number shown at?

A: Page 3, under end escrow bal.

Q: Okay. And are there any late charges on -- on this -- shown on Plaintiff's Number 18 at the end of the period, November 30th, 2022?

A: Same amount. There are no new late charges. It's the same late charge balance.

Q: Okay. And what -- what is that balance?

A: Oh -- it appears it did change. I see a $5,704.78.

Q: Okay. Thank you. And you said no payments were made on -- are shown on Plaintiff's Number 18 during the course of this payment history?

A: Let's see, we have a starting due date of 1/1/2010, and an ending due date, it's 1/1/2010, so, the due date was never advanced and no payments were applied.

Q: Okay. Thank you.

THE COURT: How can you tell if you started the late

charges at the Statebridge document, which you've testified to, the late charges you started with were 5,439.78. You ended with an increase of about $300 -- 200- -- or about $270 I guess. Where -- where do you show a charge in the -- in the table for that late charge? How is it calculated?

A: Let me try to identify it, Your Honor. Allow me a second to go through it.

THE COURT: I'm just trying to verify.

MR. BARNES: You and me both.

A: So, this seems to be the third part of the first one. Okay.

THE COURT: On page 96, there's an increase -- or -- or -- decrease -- or a charge, I guess would be the way to say it, of $5 in the second to the bottom row on page 96. We went from 5,499.78 which is pretty consistent ---

A: Which one, Your Honor? Page 96?

THE COURT: I'm looking at 96. Or, 79, 69 -- I got it. I see where it's happening. There's a $5 charge, what I don't know is what column is out -- what is the heading of the column?

A: It is ---

THE COURT: A late charge amount is how it's ---

A: It's saying ---

THE COURT: --- as it's -- the column is entitled late charge ---

A: Assess ---

THE COURT: --- amount, AMT.

A: Well, yes.

THE COURT: And it looks like it occurred in payments of $5.

A: Yes, Your Honor, and I believe that one is on page 93. 93, you'll see the late charge assess negative 5.

THE COURT: I'm going to go nuts trying to put this back together.

MR. HAYES: It would be nice if it'd just all print out easy.

A: It's exactly as you said, Your Honor.

THE COURT: I see the first charge on page 111. Start at 5439 and the first change is ...

A: I see it on page 109, Your Honor.

THE COURT: 109?

A: Yes.

THE COURT: Late charge negative $5. That's an entirely different row there.

MR. HAYES: Which one are you trying to find, Your Honor?

THE COURT: I was just trying to find the increments of which late charge of $5 was added to the -- to the row balancing the late charge and how that was calculated. I'm curious to know.

MR. HAYES: Okay.

THE COURT: We'll just wait to see what Mr. Barnes has to say on cross examination.

A: There's also one on 110.

MR. HAYES: Yeah, there's -- there's several late charges listed on there.

A: So, on 110 there's a late charge on 9/17/2018. Where was the other one?

MR. HAYES: But I was just wondering if Your Honor was trying to find a specific ---

A: And then ---

MR. HAYES: --- late charge.

A: --- on page 109, there's a late charge on 10/17/18.

THE COURT: So, one from 9/7 to 10/7.

A: From 9/17 to 10/17.

THE COURT: Okay. So, it looks like it's monthly?

A: Yes, Your Honor. And, if you'd like, I can find two more just to make sure. I see another one on page 106 for 11 -- on 11/17, and one on page 105 for 12/17. So, yes, on the 17th of

the month.

THE COURT: Okay. Let's -- let's go on.

MR. HAYES: Okay. Thank you, Your Honor.

(Plaintiff's Exhibit Number 19 was marked for identification purposes.)

MR. BARNES: Your Honor, I've been handed a one-page piece of paper by opposing counsel. It says Payment History All Details, and it's in very small print, otherwise unidentified.

THE COURT: Thank you, Mr. Barnes.

Q: Mr. Amaya, can you identify the document marked as Plaintiff's Exhibit Number 19?

A: Yes. This is SLS payment history.

Q: Okay. Where is this payment history from?

A: SLS.

Q: Okay. So ---

A: From us. The servicer.

Q: So, did -- did SLS -- S-L-S itself prepare this payment history?

A: Yes. I personally pulled it from the system.

Q: Okay. And what dates does it go from and until?

A: 12/9/2022 through 5/5/2023.

Q: So, it goes from December the 9th, 2022 to May 5th, 2023?

A: Yes.
Q: Okay. Are any payments to principal and interest shown on this document?
A: No.
Q: Okay. Now, does -- I know I asked you this before, does SLS in its normal course of business keep records of the -- for the loans it services?
A: Yes.
Q: Okay. And are entries in those records made at or near the time the transaction occurred?
A: Yes.
Q: Okay. And is the person entering the information, are they -- do they have knowledge of how to enter the information into SLS' system?
A: Yes.
Q: Okay.
MR. HAYES: Your Honor, I move that Plaintiff's Number 19 be admitted into evidence.
(Plaintiff's Exhibit Number 19 was offered into evidence.)
MR. BARNES: No objection.
THE COURT: 19's admitted without objection.
(Plaintiff's Exhibit Number 19 was admitted into

evidence.)

Q: And does this show any -- I -- I noticed some -- some numbers, positive numbers in the transaction amount over there. Can you tell me what those -- those are for? In the column transaction amount.

A: Those are mul- -- different corporate advances.

Q: Okay. Could you tell me what -- what kind of advances?

A: Not off of this format. I would have to use the payoff and/or the different format of the payment history has -- that has the description with the exact transaction code.

Q: Okay.

A: These are just corporate advances that have been expensed.

Q: Okay. From -- so, no payments have been made on principal and interest on the loan at issue in this case the entire time that SLS has serviced it since sometime around December the 9th, 2022?

A: That is correct.

Q: Okay. What is the principal balance of the loan now?

A: 207,389.66.

THE COURT: Where do you see that on this document?
A: Your Honor, right here, principal balance (indicating).
THE COURT: Oh, I see it.
MR. HAYES: Okay.
A: It's titled Balance Principal.
THE COURT: Yes, sir.
Q: What is the -- what is the accrued interest on the account?
A: I don't have it off the top of my head. I'd have to look at a payoff before I can calculate it.
Q: Okay. What's the interest rate on this loan? I -- it's adjustable. Has it been changing throughout the history of the loan?
A: To the best of my recollection from default, it's been the same interest rate of the 10.45, I believe it was. The lowest that the note allows.
Q: Are you getting that from the ---
A: That was in the payoff. That's just off the best of my recollection.
Q: Okay. The -- the -- the interest rate though, that -- did you obtain that information from looking at the note, which I think was

Plaintiff's Exhibit Number 7?

A: The note and my business records. The payoff that was created to find out the full amount due and owing.

Q: Okay. What date -- from what date would the interest be calculated?

A: From the due date.

Q: Okay. From the -- okay. What's the due date?

A: I'm showing a paid through date of 12/1/2009, showing that it's due for 1/1/2010.

Q: Okay. So, if the principal balance is $207,389.66, and the paid through date is did you -- what did you say, 12/1/2009?

A: Yes. So, it's due for 1/1/2010.

Q: Okay. So -- so, in order to come up with the interest, you would calculate you said the principal balance times ---

A: Yes. The principal balance times the interest rate in a decimal format, so, in this case it would be .1045, that would be divided by 12, and that would give you the monthly interest calculation, and jus- -- add -- multiply that by how ever many months you're past due.

Q: Okay. Can -- can you calculate the interest due?

A: Yeah. Can I use the calculator, Your Honor?

THE COURT: (Nods head.)

A: Monthly charge ... so how many months? That's 13. Do you have a pencil so I can write some of these numbers?

(Plaintiff's Exhibit Number 20 was marked for identification purposes.)

MR. BARNES: Your Honor, Mr. Hayes has handed me a two-sided, one-page document ---

COURT REPORTER: He -- he wants a pen.

MR. BARNES: --- from Specialized Loan Servicing ---

THE COURT: Hold on a second.

MR. BARNES: Sure.

COURT REPORTER: Oh, I thought you needed ...

THE COURT: Stop. Let's let them finish this ---

MR. BARNES: I'm sorry.

THE COURT: --- exhibit exchange, and then we'll restart you.

A: Yes.

Q: Yes.

A: I have it.

Q: Okay. What is it?

A: It is a payoff printed out on a JFIGS format.

Q: Okay. What -- now are you tain- -- obtaining this from the document that I just -- was just

handed up?
A: Yes.
Q: Okay. All right. Was this -- where is this -- I guess this is Plaintiff's Number 20. Where did this document come from?
A: This is created by SLS.
Q: Okay. And what does this document show?
A: It shows a payoff and standard breakdown by category of the total amounts by their categories.
Q: Okay. And who is listed on the -- as the client -- well, up there in the left-hand corner, what's the name printed up there in the upper left-hand corner?
A: Specialized Loan Servicing.
Q: Okay. And what does JFIGS mean?
A: Oh, I believe it actually stands for Judgment Figures good with their good-through date.
Q: Okay. And what's the good-through date?
A: 6/12/2023.
Q: And who -- who's shown as the client?
A: SLS.
Q: What is the loan number shown on this Plaintiff's Number 20?
A: The mortgager name is Jamie Singleton.

Q: Okay. Is there a loan number on it?
A: There is.
Q: Okay. Would you read off the loan number?
A: Yes. 1031270127.
Q: Okay. And what is shown as the current interest rate?
A: 10.45.
Q: Is that 10.45 percent?
A: Yes.
Q: Okay. And is there a per diem shown on this document?
A: Yes. There's a per diem rate of 59.3759. That would be dollars per day.
Q: Okay. $59.37. -- $59.3759?
A: Yes. You can't always divide a number exactly through the odd days in a month.
Q: Okay. And when was this document prepared?
A: It's dated 6/5/23.
Q: Okay. And what is shown as the unpaid principal balance?
A: $207,389.66.
Q: Okay. And is there an interest calculation from and to date?
A: Yes. From December 1, 2009, through 6/12/2023.
Q: Okay. And how -- how much is the accrued

interest?
A: $293,228.37.
Q: Is there an escrow advanced category on here?
A: Yes. It is showing an amount of $27,821.69.
Q: Okay. And how much are the late charges on here?
A: $5,704.78.
Q: Okay. And what other categories are there on here?
A: We have property -- well, there's multiple categories that don't have anything on them, such as delinquent taxes at 0, delinquent insurance at 0, deferred balance at 0, we have a NSF fee at 0, and we do have property preservation as 0, we have property inspections at $565, other fees and costs of $17,112.27. There are attorneys fees that have been paid of $32,403.50. We have $1,939 in suspense, which reduces the total amount due on the loan by that amount.
Q: Okay. So, the total payoff through today as shown from SLS' records is how much?
A: $582,285.52.
Q: There's some information on the back of this document. Does this ---

A: This is the second page of the JFIGS. It was printed on the back instead of its own page. It is the print screen of the payoff that was used, with the breakdown of the interest calculations.

Q: Okay, okay. And this document was created by Specialized Loan Servicing ---

A: Yeah.

Q: --- you said.

A: Yes. It's created directly from our system.

Q: Okay. And does SLS -- is it the regular practice of SLS to compute payoffs?

A: Yes.

Q: Okay. Are those payoffs acquired by someone with knowledge at S- -- with knowledge of how to acquire payoffs from S- -- SLS?

A: It was created by someone with knowledge.

Q: Okay. And it's, again, your regular conducted practice to -- to -- to provide pay- -- compute and provide payoffs to people? It ---

A: Yes.

Q: Okay. Your Honor, I move that Plaintiff's Number 20 be admitted into evidence.

(Plaintiff's Exhibit Number 20 was offered into evidence.)

OBJECTION:

MR. BARNES: We object, Your Honor, on several grounds. Number one, by virtue of the t- -- the Moniker Judgment Figures, that's a document prepared in anticipation of litigation, number one. Number two, by use of the word payoff by opposing counsel, that implies settlement discussions, which are inadmissible for purposes of proving anything here. If he pays it off, will go away kind of thing. If he pays the 500- -- half a million dollars and change. This is not probative evidence of anything in this case. And even if it was, the -- it's duplicative of am- -- amounts that are already reflected in the various payment histories.

MR. HAYES: Judge, this sets it forth in a payment in a way that's easy to understand. If -- if Mr. Barnes wants, instead of saying Judgment Figures, I could just say the amount that plaintiff alleges -- or, SLS alleges is due on the loan.

THE COURT: Well, I thought it was awful presumptive that they would use Judgment Figures good through. I think the better practice would be to dedact (sic) JFIGS and just put the amount

due.

MR. HAYES: Good through. That's fine with me, Your Honor.

THE COURT: Does that satisfy your objection?

MR. BARNES: Well, if he wants to testify is that what -- that's what's they're claiming due when you add up all these categories, he can testify to that. That's fine.

THE COURT: Yes. That's true, too. But, this is also a summary of his testimony ---

MR. BARNES: Right. And that -- I was going to say it's a summary. Yeah.

MR. HAYES: Right.

THE COURT: So, it comes in as summary.

MR. HAYES: Okay. Mis- ---

THE COURT: But I want to have you dac- -- redact the JFIGS ---

MR. HAYES: Okay.

THE COURT: --- and insert in lieu thereof amount claimed due through 2020- -- through June -- today's date, the 12th of June.

MR. HAYES: Yes, sir.

MR. BARNES: 6/12.

Well, he said take the whole thing out.

MR. HAYES: I -- I think you said just leave the

good through.

THE COURT: A judgment -- or, JFIGS, delete that and state debt claimed through.

MR. HAYES: Okay.

THE COURT: That's Exhibit ---

MR. BARNES: 20.

THE COURT: Exhibit 20.

(Plaintiff's Exhibit Number 20 was admitted into evidence.)

Q: And does Exhibit 20 provide from the records of SLS, the amounts that SLS claims is due to pay off the loan through today?

A: Yes.

Q: Okay.

MR. BARNES: Your Honor, they handed a one-page ---

MR. HAYES: 21.

MR. BARNES: --- document with a title of Escrow Advances, dated 6/11 of 23.

(Plaintiff's Exhibit Number 21 was marked for identification purposes.)

THE COURT: Okay. Thank you, Mr. Barnes.

MR. BARNES: You're welcome, Your Honor.

Q: Mr. Amaya, you have been handed what I hope has been marked Plaintiff's Exhibit Number 20.

A: 21.

MR. BARNES: That would be 21.

MR. HAYES: 21? When did I miss it? Oh, okay, I missed one. Never mind. I thought that was ...

Q: And on -- can -- can you identify Plaintiff's Exhibit Number 21?

A: Yes. It's a breakdown of the escrow advances. This comes when we request to have a payoff created in the format previously mentioned. This is a breakdown of some of the categories. We will also get a breakdown of the corporate advances, and broken down into subcategories. So, for instance, this is the escrow advance breakdown, so, you'd be able to identify when the transaction took place and for what purpose.

Q: Okay. And did this -- these -- this printout come from SLS' own records?

A: Yes. This is created by SLS.

Q: Okay. Does SLS ---

THE COURT: Mr. -- just one second. You asked him does this come from SLS' own records, and his answer was this was created by SLS.

MR. HAYES: Okay. I apologize.

THE COURT: So, I'm going to strike the answer as

non-responsive to the question. And you ask again.

MR. HAYES: Okay.

Q: Was this document, Plaintiff's Number 21, was it created by SLS?

A: Yes. It was created by SLS.

Q: Okay. And this comes from -- do -- do these -- it comes from SLS' records that are maintained in the regular course of business?

A: Yes.

Q: Okay. And these records are kept in the regular conducted activity of servicing the loan?

A: Yes.

Q: Okay. And are these records inputted and retrieved by a person with knowledge of how to input and retrieve the information?

A: Yes.

Q: Okay. And does SLS rely on these records?

A: Yes, we do.

Q: Okay. Your Honor, I move that Plaintiff's Number 21 be admitted into evidence. Again, it's just providing a summary that's easy to understand of the taxes and insurance that have been paid on the loan.

(Plaintiff's Exhibit Number 21 was offered into evidence.)

THE COURT: Any objection?

MR. BARNES: No, Your Honor.

THE COURT: 21 is admitted without objection.

(Plaintiff's Exhibit Number 21 was admitted into evidence.)

MR. HAYES: Okay.

Q: Mr. Amaya, the -- would you run through the -- the information contained on here? It looks like it -- would -- would you explain the -- the -- the -- does it show that county taxes are paid?

A: Yes. Multiple county taxes, and it shows the date of the transaction of when the payment was made and for what amount.

Q: Okay. So, would you read the date of the payment of the county taxes and the amounts for each, please?

A: Yes. We have on 11/28/22, county taxes for $2747.75. On 1/3/22, we have county taxes for $2747.75. On 1/4/21, we have county taxes for $2640.29. On 1/2/2020, we have county taxes in the amount of $2602.80. On 1/3/2019, we have county taxes in the amount of $2364.77.

A: Okay. Did -- what about the homeowner's insurance. Would you read off the -- the dates of those payments and the amounts?
Q: Yes. Homeowner's insurance dated -- transaction dated 7/29/2022, $2856. Homeowner's insurance dated 7/28/2021, $2252. Homeowner's insurance dated 9/3/2020, dated $2212. Homeowner's insurance dated 8/21/19, total transaction amount $1687. Homeowner's insurance dated 5/2/19, $754.97.
Q: Okay. And it has a prior servicer advance on there. Can you tell me what that was for?
A: Yes. I can look at the prior servicer's payment history and identify those. The -- that would be because it came from the prior prior servicers.
Q: Okay.
A: Let's see, the -- that would be on the Shellpoint payment history.
Q: Okay.
A: Let me find ---
Q: And if you don't mind, if you could just look ---
A: Yes.
Q: --- that up.

A: I'll pull that for you now. So, we have a transaction on -- transaction date of 8/18/2017. That is page 3 of the Shellpoint Mortgage payment history. County taxes $2,657.29. And then we have a transaction on 11/27/17 for county tax bill of $2,299.07.

Q: How much ---

A: I should note that the transaction on 8/18/17 shows that it was for the taxes due on 12/31/2016, and the transaction that is dated 11/27/17 shows for a due date of 12/31/2017.

Q: Okay. And what page were you finding that on?

A: The second transaction is page 2 of Shellpoint. That is Exhibit -- Plaintiff's 17.

(Plaintiff's Exhibit Number 17 was referenced.)

Q: Okay.

THE COURT: Mr. Hayes, I wonder if you might be able to submit -- th- -- this Shellpoint -- these claim to be Shellpoint records. This appears to be in an Excel spreadsheet, is that correct?

A: No, Your Honor. The Shellpoint one, this one (indicating) is actually on their letterhead. It is ---

THE COURT: I'm sorry, Statesrule or State Farm [sic] or whatever ---

A: Oh, Statebridge, Your Honor. Yes.

MR. HAYES: Statebridge.

THE COURT: Statebridge?

A: Yes, Your Honor. Number 18.

THE COURT: As a -- that's a spreadsheet, Excel spreadsheet?

A: That's -- that's the best what I can determine, Your Honor. It's the data digital information, and it comes out on a spreadsheet.

THE COURT: You sent it digitally to your lawyers, and they printed it out, is that correct?

A: Correct. I sent them the digital information in a spreadsheet format, which ca- -- I pulled it from my system, it came out in Excel, and I sent it to them. They printed it.

THE COURT: Wonder if you could submit that to me in an Excel spre- -- in Excel format and also Mr. -- Mr. Barnes in Excel format so that we can -- without having to create a matrix. We can't -- I mean, I can't flip page 2 to get the full column.

MR. HAYES: I understand, Your Honor.

THE COURT: And it looks like page 1 and 3 is a -- is a -- is -- is a -- at least two pages of columns.

MR. HAYES: Okay.

THE COURT: Could be longer. But it might be easier for Mr. Barnes to be able to see it in that format ---

MR. HAYES: Okay.

THE COURT: --- as opposed to the way it's presented in paper. And so, I just make that request. If you could do that, it would be fine.

MR. HAYES: Sure. I'm -- can -- can we do that, Mr. Amaya?

A: I -- I believe I -- I'll just -- if I don't have it with me, I'll pull the information again, and I'll send it over. And I can also PDF it so it -- the rows are all in one column. So, you'll have both the Excel and maybe your printed out, where all the rows are in one column. I just want to make sure that they're not so small that you can't read them.

THE COURT: I can always expand mine.

A: Yes, Your Honor.

MR. HAYES: We'll try, Your Honor. Yes, sir.

THE COURT: Provide it to Mr. Barnes, as well.

MR. HAYES: We will. We will. May I take a break, Your Honor.

THE COURT: Well, what I'm going do is take a break

for the day, unless -- how -- how much more evidence do you have to put in?

MS. TAYLOR: Your Honor, we have at least -- at least three or four more exhibits to go through. And I wanted to also ask about attorney fees, if it would be easier if we submitted a affidavit, or if you wanted us to testify to those.

MR. BARNES: Well, Judge, the way attorneys' fees work it's prevailing party, so they have to win first, and then they have to file a motion for fees. Entitlement has to be granted, and that is subject to an evidentiary hearing. I think including the examination of bills via experts, as I understand it.

THE COURT: I think in this case, the nature of the contest, it might be better that we -- that I include in whatever order I draft a method by which attorney's fees can be petitioned.

MR. HAYES: Yes, sir.

MS. TAYLOR: Okay.

MR. HAYES: Okay. So, do you want us to put -- to put the number in at the end of the hearing, or just wait -- just wait ---

THE COURT: Just wait until you get an order.

MS. TAYLOR: Okay.

MR. HAYES: All right.

MR. BARNES: Obviously, if -- if they -- if they prevail, and if they file a motion for fees, and if they support it with the requisite information, we're going to subject it to a -- an expert for reasonableness.

THE COURT: I think that's a good idea. That's the proper way to do it.

MR. BARNES: Thank you. I guess I learned something after 35 years.

THE COURT: Yes, sir. Same thing would apply in costs.

MR. BARNES: So ---

THE COURT: Same thing would apply to insurance, same thing applies -- I don't know if there's some way the county taxes could be reduced, but ...

MR. BARNES: Well, they're -- I'm not going to let the cat out of the bag at this point about those things, but.

THE COURT: Let's -- let -- let's do this. It's 4:42. It's been a long day. We can -- we have -- tomorrow we'll come back tomorrow and we'll finish up what you got ---

MR. HAYES: Yes, sir.

THE COURT: --- to present tomorrow. At 11:00 tomorrow we'll take a break for me to conduct my sales. I have about ten sales tomorrow.

(There being nothing further, the hearing adjourned at 4:42 p.m. on June 12, 2023.)

DAY 2 - TUESDAY, JUNE 13, 2023

THE COURT: Mr. Hayes?

MR. HAYES: Yes, sir.

THE COURT: I'm ready to hear from you.

MR. HAYES: Yes, sir. Your Honor, is there a preferred place for me to stand? Do you want me to stand over there, or just stand here?

THE COURT: You can stand wherever you feel comfortable, as long as you don't block the Defendant's lawyers from seeing the witness.

MR. HAYES: Okay. I'll just stand here then.

THE COURT: That's fine.

MR. HAYES: Your Honor, again, I call Mr. Amaya, he -- he's still on the stand right now.

THE COURT: Right.

MR. MAYA - CONTINUED DIRECT EXAMINATION BY MR. HAYES:

MR. HAYES: And, Your Honor, we have shown these to Mr. Barnes. These are tax -- tax notices sent by the Treasurer's office. We obtained these

this morning. We do not have copies of these. I can ob- -- I can make copies for Mr. Barnes and -- but I'd like to submit these into the record. I think they're self-authenticating under 902.- -- 902.1.

THE COURT: Yes, sir. Let me look at them.

So, they organize from ...

MR. HAYES: They should be organized by date, Your Honor.

MS. TAYLOR: 2015 to ---

MR. HAYES: We ---

THE COURT: Well, once again, Mr. Hayes, we've got a group of documents you're trying to present as a single evidence -- single record. They -- there's an activity screen in the middle ---

MR. HAYES: And we can submit them separately, Your Honor, if you want us to.

THE COURT: Hold on, one second.

MR. HAYES: The records only went back to 2015. The other records were in storage.

THE COURT: What I'd like you to do, Mr. Hayes -- Mr. Hayes is to publish these. You don't need the witness to publish them. You can publish them. Mr. Barnes, are you going to have any objection to these exhibits?

MR. BARNES: Well, as I understand it and what I've looked at, they appear to be some computer printouts of tax records.

THE COURT: That's right.

MR. BARNES: I just heard The Court say they're self-authenticating ---

THE COURT: Well, they will be because they're really a matter of public record and they're held by a -- by the delinquent tax collector for Dorchester County, so I think they will come in under the recorded documents, or official records of an agency of the County, and they're certified as being true.

MR. SLOAN: Your Honor, may I have a moment to confer with Mr. Barnes?

THE COURT: Sure.

(Off the record discussion.)

MR. BARNES: No objection.

THE COURT: Thank you. Mr. Hayes, all you need to do is publish what you have, just by name and title, you don't have to read through each document, they are what they are. And Mr. Barnes and/or Mr. Sloan, whoever does the cross examination when we get to that point, will have an opportunity to cross examine, if

necessary, on those records.

MR. HAYES: Okay.

THE COURT: So, I just want you to publish them, or if you want me to, I'll publish them.

MR. HAYES: It -- Your Honor, if you want to publish them.

THE COURT: I'll publish them. Let me publish them.

MR. HAYES: Thank you.

THE COURT: Do you have any objection to that?

MR. BARNES: Not at all.

THE COURT: Okay. All right. For the record, this will be Exhibit 2- ---

MR. BARNES: Two.

THE COURT: --- 2. Plaintiff has submitted for entry into the -- into evidence the following documents which will be Exhibit 22, these are real estate inquiries from the Delinquent Tax Collector for Dorchester County, The Honorable Sidney B. Jones, III, of taxes due on the property at 5505 Rowsham Place, North Charleston, South Carolina 29418. The TMS Number for the property is 1811006037. Levy Year 2015, levy year 2016, levy year 2017, levy year 2018, levy year 2019, levy year 2020, levy year 2021, levy year 2022, and a separate

document entitled Tax Activity Screen has a date of June 12th, 2023. Time 9:23:22. This is a receipt, having a number R20170006033500. I'm going to mark this -- have her mark that 22.

(Plaintiff's Exhibit Number 22 was marked for identification purposes.)

THE COURT: All right.

MR. HAYES: Beg the Court's indulgence.

(Off the record discussion.)

MR. HAYES: Your Honor, I'd like to ask Mr. Amaya to compare the payments on Exhibit 22 with the payments made on Exhibit 21.

THE COURT: All right.

Q: Mr. Amaya, I'm handing you what's been marked as Plaintiff's Exhibit 22. Would you pull Plaintiff's Exhibit Number 21 ---

(Plaintiff's Exhibit Number 21 was referenced at this time.)

A: Yes, sir.

Q: --- from yesterday?

A: Yes.

Q: Would you go back to 2018 taxes in Number 22?

A: Yes.

Q: Can you find the amount on there?

A: Yes. There is a total of $2,364.77.
Q: Okay. Does that match the amount shown for taxes on Plaintiff's Exhibit Number 21?
A: 21 does not have 2018's broken down, that was in the payment history.
Q: Okay.
A: That was identified in the payment history.
Q: But it does show county tax 11319236477. Correct? 2,364.77?
A: Yes.
Q: Okay. Would you go to the 2019 taxes on 22.
A: What ---
THE COURT: What Exhibit ---
MR. HAYES: 22. Exhibit 22, I'm sorry.
A: My apologies.
Q: No, my apologies.
A: No, I'm the one that was mistaken. Because it appears that the 2018s were actually paid on January 2019.
Q: Okay. Thank you.
A: And the numbers do match.
Q: Okay. Thank you. And on the -- go to the 2019 taxes in Exhibit Number 22 ---
A: Yes.
Q: --- and compare it to the amount shown as being

paid on January the 2nd, 2020, on Exhibit Number 21.

A: Total paid matches. They both show $2,602.80.

Q: Okay. Would you go to the 2020 taxes on Exhibit Number 22?

A: Yes, I have the 2020 taxes.

Q: Okay. Would you look at the amount shown as being paid on January the 4th, 2021 on the -- Plaintiff's Exhibit Number 21?

A: Yes. The numbers match. There's a total paid of $2,640.29.

Q: Okay. Would you go to the 2021 taxes shown on Plaintiff's Exhibit Number 22?

A: Yes.

Q: And look at the taxes shown as being paid on January the 3rd, 2022 on Plaintiff's Exhibit Number 21.

A: Yes. The numbers match up, $2,747.75.

Q: Okay. Would you look at the 2022 taxes shown in Plaintiff's Exhibit Number 22 and compare it with the amount shown as being paid on November the 28th, 2022, on Plaintiff's Exhibit Number 21?

A: The numbers match up, $2,747.75.

Q: So would you agree that the numbers shown as

being paid to the Dorchester County Treasurer match up with the numbers shown on Plaintiff's Exhibit Number 21 as being paid to the cou- -- for county taxes?

A: Yes. For the time frame that it is on, on 21.

Q: Okay. Thank you.

(Off the record discussion.)

MR. BARNES: All right. Your Honor, Mr. Hayes has handed me two documents that are both two-sided, which off the -- out of the hearing of the court reporter, he's characterized as a summary of certain fees, broker price opinion fees, property inspections, foreclosure attorney costs and fees, etcetera.

THE COURT: Thank you, Mr. Barnes.

MR. BARNES: You're welcome, Your Honor.

Your Honor, I believe, unless I'm mistaken, that this is essentially pulled from the payment history, so all of these items would be duplicative of what's already in the payment history.

THE COURT: All right.

MR. BARNES: In summary form.

THE COURT: Summary from -- is that what you're presenting as evidence ---

MR. HAYES: Yes. Yes, sir. It's a -- again, when we did the -- the amount shown as being -- well, when we just did the taxes and the hazard insurance payments, that was the summary of the -- in the payment history. And this is the same thing. This is -- basically, it's -- it just summarizes it, making it easier to understand. It's pulled from the same information, Your Honor.

THE COURT: This is a record of -- this is a business record of the Plaintiff?

MR. HAYES: Yes, sir.

THE COURT: Any objection, Mr. Barnes?

MR. BARNES: No, Your Honor.

THE COURT: All right. So this would be Exhibit Number 23?

MR. HAYES: Yes, sir.

(Plaintiff's Exhibit Number 23 was marked for identification purposes.)

THE COURT: And, Mr. Hayes is characterizing this as a summary of advances made by the Plaintiff relating to other fees, property inspection fees, attorneys' fees and costs. The summary also shows a total of -- for other fees of -- this is a summary total fees of -- total other

fees of $17,112.27. Property inspection fees of $565; attorneys' fees and costs summary fee summarizes the fees as 32,403.50. That's Exhibit 23.

(Plaintiff's Exhibit Number 23 was admitted into evidence.)

MR. HAYES: Okay. Thank you, Your Honor.

Q: Mr. Amaya, you have in your hand, I think a copy of 20- -- is that 23?

A: Yes, this is 23.

Q: Okay. I apologize. I marked it as 22. Getting off to a bad start this morning. Is this -- can you identify this document?

THE COURT: Well, it's been identified. It's in evidence. He doesn't need to ---

MR. HAYES: Okay.

Q: Is this a summary of the property inspection fees and the ---

THE COURT: Mr. Hayes, I've already covered that.

MR. HAYES: Okay. All right.

THE COURT: Just go ahead with whatever your question is.

MR. HAYES: Okay. Thank you, Your Honor.

(Plaintiff's Exhibit Number 24 was marked for identification purposes.)

MR. BARNES: Your Honor, I've been handed a one-page -- actually, it's a two-sided document, let's see -- let me glasses here for a second. It's very small print.

MR. HAYES: Yes, it is.

MR. BARNES: Honestly, I have no idea what this is, but I guess we'll find out.

THE COURT: Okay. Go ahead, Mr. Hayes.

Q: Mr. Amaya ---

THE COURT: Thank you, Mr. Barnes. Let me just comment, I've also received the same two-page document, the date on this is May 15th, 2008, this is a -- first part -- maybe I should read the first page first. This document is dated May 15th, 2008, it appears to be something addressed to Jamie Singleton at 3505 Rowsham Place, North Charleston, South Carolina 29418. The account number has been redacted.

MR. HAYES: I think you knew -- we had -- we're supposed to do that pursuant to rules regarding privacy, Your Honor.

THE COURT: All right. Go ahead. I'll let you continue.

MR. HAYES: Okay.

Q: Mr. Amaya, can you identify what's been marked

as Plaintiff's Exhibit Number 24?

A: Yes. This is a copy of a breach letter.

Q: Okay. And a copy of -- what do you mean by a breach letter?

A: A breach letter, also known as acceleration letter, demand letter. When a borrower is past due, there's a requirement for us to send an acceleration, or a demand letter, per the terms of the mortgage. It's commonly known as breach acceleration letter, or demand letter.

Q: Okay. Does -- in the records of SLS, do you have a record of the -- the -- a breach letter being sent?

A: To the best of my recollection, yes, there was a collection comment showing a breach letter.

Q: Okay. When did it say the breach letter was sent?

A: Around the same time that it was dated, within one or two days of it.

Q: Okay. Okay. Do you have a copy of the breach letter in your system?

A: Yes.

Q: Okay.

A: Yes.

Q: Does this breach letter match the copy in your

system?
A: Yes.
Q: Okay. In SLS' system?
A: Yes, it does.
Q: Okay. Does SLS, in its normal course of business, regular course of business, maintain a copy of the breach letter?
A: Yes, we do.
Q: Okay. Would that information have been entered into SLS' records at or near the time the breach letter was sent?
A: Yes.
Q: Okay. And would it have been entered into the records by a person with knowledge of how to enter it into the records and store it?
A: Yes.
Q: Okay.
MR. HAYES: Your Honor, I move that this be submitted -- moved into evidence as Plaintiff's Exhibit Number -- well, that it be admitted into evidence.
(Plaintiff's Exhibit Number 24 was offered into evidence.)
OBJECTION:
MR. BARNES: We object. Judge, there is no

letterhead on this letter as to who sent it, where it came from. There's nothing ---

THE COURT: Objection sustained.

MR. HAYES: Okay.

MR. BARNES: Thank you, Judge.

Q: Mr. Amaya, is there -- when a document is saved in the system, is there a letterhead on the document, the breach letter, normally?

A: It would depend on who is sending the breach letter and whether it is a copy of the exact breach letter or a digital duplex of a breach letter.

Q: Okay. And would you explain that?

THE COURT: Hold on one second. Mr. Hayes, Exhibit 24 is not going to be admitted into evidence.

MR. HAYES: Okay.

THE COURT: It's a copy of a copy of a copy ---

MR. HAYES: Okay.

THE COURT: --- of a copy. If he has in his system the breach letter, I would suggest you submit the breach letter and not a copy of the breach letter from the prior document that's been copied many times.

MR. HAYES: Thank you, Your Honor.

MR. BARNES: Obviously, we'd also object based on

what Your Honor just said as to any further questioning about Exhibit 24 which is now out.

THE COURT: That's right.

MR. BARNES: Thank you.

MR. HAYES: Beg the Court's indulgence, Your Honor.

(Plaintiff's Exhibit Number 25 was marked for identification purposes.)

MR. BARNES: Your Honor, Mr. Hayes has handed me another document, one page, again, I don't know what it is. It's dated 6/30 of '09.

THE COURT: Yes, sir.

MR. BARNES: There's some various entries on it. I guess we'll find out what it is.

MR. HAYES: All right.

THE COURT: Is this a -- does he have the original of this?

MR. HAYES: The original of ---

THE COURT: Of what you just handed Mr. -- that you handed up.

MR. HAYES: It's ---

THE COURT: I have a copy.

MR. HAYES: --- Number 25?

THE COURT: This is one -- be Number 25. Well, if we're keeping it in order, it's going to be Number 24. Well, let's, let's back up a

second. For purposes of the record, Exhibit -- the exhibit marked Exhibit 24 for identification is not a part of the record ---

MR. HAYES: Okay.

THE COURT: --- but is part of the record so far as it was marked for identification.

MR. HAYES: Yes, sir.

THE COURT: So, we will go to 25 and you may now try to tell me what this is. And I'm just curious, does he actually have the original of this or is it a copy?

MR. HAYES: Well, Your Honor, these are just -- these are printouts from ---

THE COURT: There's an original printout from his file?

MS. TAYLOR: That's what was sent to us from the records, from his business records.

MR. HAYES: From -- Mr. Amaya sent it to us. So, I mean, I'm not sure how you would tell if you-- if you'd just print these off from the system, printed off four copies, I'm not sure how you would tell if they were original. I'm having trouble understanding what you're asking, Your Honor.

THE COURT: Well, the best evidence is the original

document.

MR. HAYES: Okay.

THE COURT: This -- I'm not sure -- go through what you got to go through and let me see what we come up with.

MR. HAYES: But a duplicate -- under the *Draper* case, a duplicate is admissible, as well, unless there's some question about the authenticity of the copy.

THE COURT: Okay. Let's go forward.

MR. HAYES: Okay. Thank you, Your Honor.

Q: Mr. Amaya, I have handed you what's been marked as Plaintiff's Exhibit Number 25, would you identify this document?

A: Yes. That's collection comments.

Q: It's what? I'm sorry.

A: It's collection comments. It's the comments on the system for a loan. When you're doing the servicing, there are comments that are entered in the system when transactions take place; if a call is received, if a call is made, it'll show if letters are sent, sometimes if there -- something has to be done with accounting, cashiering might even post a comment on why they're doing a certain process in the system.

It's how servicers track day-to-day activities on what's going on with the loan or what happens with the loan.

Q: Okay. Does this -- is this information in SLS' business records?

A: Yes.

Q: Did SLS obtain this information when the -- the information regarding the file with service transfer to SLS?

A: Yes.

Q: Okay. Is this information maintained in the regular course of SLS' business?

A: Yes, it is.

Q: Okay. Is it maintained and entered by a person with knowledge of how to enter it and maintain it?

A: Yes.

Q: Okay. Is it entered at or near the time the transaction occurred?

A: Yes.

Q: Okay.

MR. HAYES: Your Honor, I ---

THE COURT: One other question.

MR. HAYES: Yes, sir.

THE COURT: Mr. -- is this a data digital format

record?

MR. AMAYA: This is a printout of the collection comments directly from the system.

THE COURT: Did you -- you received it as data digital?

MR. AMAYA: I received it -- this was an imaged document when we received it.

THE COURT: What's that mean?

MR. AMAYA: That someone already printed it from the system and imaged it -- and imaged the information into the system.

THE COURT: And it was then entered as a digital record in the system?

MR. AMAYA: Digitally as an imaged document. Because this is from prior -- prior servicer.

THE COURT: All right. All right. What was your motion?

MR. HAYES: That it be admitted into evidence, Your Honor. It's ---

(Plaintiff's Exhibit Number 25 was offered into evidence.)

MR. BARNES: You done?

MR. HAYES: Yeah, I mean ---

THE COURT: Under what -- what ---

MR. HAYES: Business records, 803.6, Your Honor,

because it has been -- it was part of the records that was transferred to SLS, along with all the other information. The information regarding payment history, the information regarding the note and mortgage, the allonges, and it all came in together, Your Honor.

THE COURT: Thank you.

OBJECTION:

MR. BARNES: We have the same problem with this that we had on the last exhibit. There is no indicating information on here as to who prepared it. The witness even said it was some prior servicer. We don't know which one, first of all.

Second of all, it was characterized as comments. Comments are hearsay on hearsay. This is somebody's interpretation of what they allegedly saw when they pulled it from some other record from some unidentified servicer. This is compound hearsay.

THE COURT: Mr. Barnes, I'm going to admit it under the business records exception to the hearsay rule, and you will have ample opportunity to cross examine him on all that's concerned in it.

(Plaintiff's Exhibit Number 25 was admitted into evidence.)

MR. BARNES: Okay. Will do, Judge. Thanks.

THE COURT: Thank you.

Q: Mr. Amaya, does Plaintiff's Number 25 contain any information regarding a breach letter being sent?

A: Yes. It -- it has a comment of, breach, Jamie Singleton.

Q: And what date is that?

A: 5/16/08.

Q: Okay. So, that'd be May 16th, 2008?

A: Yes.

Q: All right.

(Plaintiff's Exhibit Number 26 was marked for identification purposes.)

MR. BARNES: Your Honor, I've been handed a seven-page document from Mr. Hayes styled -- it's single-side, Mortgage Loan Purchase Agreement, dated January 31st of 2018, between NNPL that's Nancy, Nancy, Paul, Larry, Trust Series 2012-1 as Seller; Nomura, N-O-M-U-R-A, Corporate Funding Americas, plural, LLC as Seller Responsible Party. Waterfall Victoria Grantor Trust Roman II, Series G, as in George, as

Purchaser and Waterfall Victoria Master Fund, LTD as Purchaser Responsible Party.

THE COURT: Thank you, Mr. Barnes.

MR. BARNES: You're welcome.

MR. HAYES: May I see that? I think I may have given you the original.

MR. AMAYA: Sorry, I don't have a table.

THE COURT: How many pages did you get, Mr. Barnes?

MR. BARNES: Seven.

MR. HAYES: Did you have seven, Your Honor?

THE COURT: Yes.

MR. HAYES: Okay.

MR. BARNES: Although, there are some page numbers, for example, on the third page at the bottom there's number 27, on the fourth page is number 28, the other pages are otherwise un-numbered.

THE COURT: Thank you.

Q: Mr. Amaya, can you identify what's been marked as Plaintiff's Exhibit Number 26, I believe?

A: Yes. It's a redacted mortgage loan purchase agreement.

Q: What do you mean by redacted?

A: That only certain sections have been provided ---

Q: Okay.

A: It's a private deal.
Q: Okay. And what -- what is -- the mortgage loan purchase agreement, what mortgage is it regarding?
A: This one is related specifically to this loan.
Q: Okay. Is -- is there a date on Plaintiff's Exhibit Number 26?
A: It shows -- the front page says dated as of January 31st, 20- -- 2018.
Q: Okay. And what does it -- who is it between? It's a purchase agreement. Who's the seller and who's the buyer, or purchaser?
A: The Purchaser is Waterfall Victoria Master Funds [sic] and the Waterfall Victoria Grantor Trust II, Series G. And it's showing as seller NNPL trust Series 2012-1. As Seller and as Seller Responsible Party Nomura Corpor- -- Corporate Funding Americas, LLC.
Q: Okay. And would you identify -- is this for the purchase of one loan, or for the purchase and sale of several loans?
A: To the best of my understanding, this was for the purchase of multiple loans.
Q: Okay. Would -- would Mr. Singleton -- when -- when you sell multiple loans, is there a list

of the loans being sold? How -- how do you determine the li- -- what -- what's being sold?

A: The mortgage loan schedule. In this case, it's the redacted one on the last page.

Q: Okay. Is -- by redacted, is -- it's redacted not to show the other loans, or why is it redacted?

A: Redacted not to show the other loans.

Q: The information regarding the other loans.

MR. HAYES: And, Your Honor, I notice on here that the loan ID is on here, too.

THE COURT: It's on a lot of documents.

MR. HAYES: Okay. I apologize. I tried to take them off, Your Honor.

THE COURT: I think that, you know, it's -- I'm not going to -- I'm not going to require a redaction of those numbers. In this case particularly, the loan numbers are extremely important ---

MR. HAYES: Okay.

THE COURT: --- for purposes of the facts of the case.

MR. HAYES: Okay.

THE COURT: So, I think it's almost impossible to follow the trail of this loan without knowing

the loan number.

MR. HAYES: Yes, sir.

THE COURT: So I'm going to allow you to include those. If we need to do some protective order to protect them from being seen by the public, that's something we can take up, but you need to give me some sort of guidance on that.

MR. HAYES: Okay. I mean, I prefer not to -- to share loan numbers. I mean, it's not like showing the person's Social Security Number, it's not as ---

THE COURT: Invasive.

MR. HAYES: Yes, sir. But I will -- we can do something about the loan numbers later.

THE COURT: Well, we'll talk about it ---

MR. HAYES: Okay.

THE COURT: --- once we get it into evidence.

Q: Mr. Amaya, does this Purchase and Sale Agreement, does it include the loan at issue in this case?

A: Yes.

Q: Okay. Is this Mortgage Loan Purchase Agreement identified as Plaintiff's Exhibit Number 6 [sic] part of the business records of SLS?

A: 26?

Q: Yeah. I think this is marked as 26, isn't it?
A: Yes. But you said 6.
Q: Okay.
A: Yes.
Q: Okay. Did -- did this document come from the records of Waterfall Victoria Grantor Trust II, Series G?
A: Yes.
Q: Okay. And are those records maintained -- or, as servicer, does SLS maintain the records of the -- the loans that were serviced and sold to Waterfall Victoria Grantor Trust Series G?
A: The ones that we service, yes. We might not service all their loans in their loan.
Q: Okay. Would you receive a purchase and sale agreement for the loans that were sold and serviced by SLS?
A: When requested by them. Sometimes they're private deals and it is maintained in a secure folder that we need their approval to pull it from.
Q: Okay.
A: Such as this case.
Q: Such as in this case?
A: Yes. This was in a secure location where I

needed their approval to pull the document.

Q: And you personally requested that the owner, Waterfall Victoria Grantor Trust II, Series G, con- -- bring to you a copy of the Mortgage Loan Purchase Agreement, correct?

A: Yes. I made the request through our contact at Waterfall.

Q: Okay. And -- and is this incorporated into SLS' records in this particular case?

A: Yes.

Q: Okay. And are those records maintained in the regular course of business for SLS?

A: Yes.

Q: Okay. Does SLS make those entries at or near the time the transaction occurs?

A: Yes.

Q: Okay. And does -- does the person who enters those records have knowledge of how to enter them and maintain them?

A: Yes, we do.

Q: Okay.

MR. HAYES: Your Honor, I move that Plaintiff's Number 26 be entered into evidence.

(Plaintiff's Exhibit Number 26 was offered into evidence.)

OBJECTION:

MR. BARNES: We object on numerous grounds, Your Honor. First of all, this is an incomplete exhibit. The first thing it starts off with after the general recitals, I call the salutations, you start off with the definitional sections, and that's it. And then it jumps to page 27. It jumps from Section 1 to Section 6. All of the provisions regarding references to a mortgage loan schedule are not in here. All of the prohibited transaction sections are not in here. All of the purchase obligation sections are not in here for loans that can't be transferred. And, by the way, by 2018 this loan had been in default for several years. All of that is missing. So that's the first problem.

The second problem is, Judge, that this last page, the witness testified this is a redaction of the loans that were sold. Well, there's -- again, there's no authenticating information on here as to who prepared it, how it was prepared, and there is no reference to it in the document. In other words, there's usually a section that says mortgage loan

schedule see attached, so you have a direct reference. That's not here.

Also, SLS is not a party to this document. They are not mentioned anywhere in here. And, finally, Judge, the ones I can think of off the top of my head, is that what we don't have here is anything talking about how the loans were sold, how they were transferred. And more of-- more importantly too is, NNPL Trust Series 2021-1 allegedly is the seller, how did they acquire it? That's not in here either.

THE COURT: Sustained.

MR. BARNES: Thank you, Judge.

MR. HAYES: Thank you, Your Honor.

MR. BARNES: So, 26 is out?

THE COURT: Yes.

MR. BARNES: Thank you.

MR. HAYES: I beg the Court's indulgence, Your Honor.

COURT REPORTER: Just to make sure, we're still going to keep moving forward as 27?

THE COURT: Yes. All right. So, for purposes of the record, this exhibit is marked only for identification. If the court reporter would put that on the exhibit, ID only, that will be

clarification for the record and ---

MR. AMAYA: Isn't there another ID only?

THE COURT: Yes, sir. I don't know whether she -- I thought she might have done that. So, 24 has the same fate. So, you'll put for ID only on it.

MR. BARNES: Thank you, Judge.

THE COURT: Yes, sir. That'll clarify the record.

MR. HAYES: Thank you, Your Honor. What time does Your Honor need to ---

THE COURT: We keep going until I say stop.

(Laughter.)

MR. HAYES: Okay.

THE COURT: We'll get there. Thank you, sir.

MR. AMAYA: Just making sure they're in order here for you, Your Honor.

THE COURT: Yeah. Appreciate that. 24, you got 24?

MR. AMAYA: Yes. That's 25 and 26 in order.

THE COURT: Thank you. Go ahead, Mr. Hayes.

MR. HAYES: Your Honor, I -- I don't have any further questions for this witness. It might be a good time to take a break if Your Honor would like to.

THE COURT: Let's see. We got -- I got ten minutes before ---

MR. SLOAN: Nine and a half.

THE COURT: Nine minutes before my sales officially begin. I usually wait about ten minutes, 15 minutes sometimes, to let others that might be running a little late get here. So, let's go ahead and you can begin your cross examination and I'll stop you at a point where it seems appropriate. Is that okay, Mr. Barnes, or would you rather stop?

MR. BARNES: It's the Court's pleasure. I'm not going to be able to get a whole lot done in 15 minutes, but ---

THE COURT: Well, let's ---

MR. BARNES: --- if you want to use the time.

THE COURT: --- let's use the time. Let's keep going.

MR. BARNES: I have no problem with that. All right. Just give me a second here.

Okay. Sir, I'm going to need all the exhibits in front of you.

MR. AMAYA: Yes. I'll just put them on the chair, Your Honor, if that's all right with you?

THE COURT: Yeah, that's a good idea. go ahead.

Are we starting at 1, Mr. Barnes?

MR. BARNES: I may not ask questions about Number 1

THE COURT: Okay.

MR. BARNES: --- but ...

THE COURT: Go ahead.

MR. AMAYA: Yes, all of the exhibits are ---

MR. BARNES: That's fine. Take your drink.

MR. AMAYA - CROSS EXAMINATION BY MR. BARNES:

Q: I'd just like to start with some background information. Is it, again, I'm sorry I keep -- is it Amaya (ph) or Amala (ph)?

A: Amaya.

Q: M-A -- Amaya. Okay. Got it.

Okay. Mr. Amaya, I want to ask you first about the record keeping procedures of SLS. When SLS acquires servicing rights to a loan, do they do any investigation as to all the parties who, for lack of a better word, fingers have ever touched the loan, and that's servicing capacity and ownership capacity or otherwise?

A: I don't fully understand the question.

THE COURT: Yeah. Would you break that down into a simpler question?

MR. BARNES: Sure. Well, let me do it -- I'll back into it.

Q: You testified in response to some of Mr. Dean's questions about certain records of certain prior servicers. For example, Shellpoint. For example, GMAC, that you've called G-MAC, correct?

A: Yes.

Q: Okay. Now, here's my question, when SLS acquires servicing rights to a mortgage loan, does SLS review all of the documents concerning that loan to see what parties or entities ever had any involvement with that loan, whether as a servicer, as an owner, or otherwise?

A: Well, we review the -- all the information we receive.

Q: Okay. Let me stop you there. Receive from whom?

A: From the prior servicer.

Q: Only the prior servicer, immediately prior?

A: Correct.

Q: Okay. So if the prior servicer informs SLS that -- well, for example -- this is Shellpoint for example, talking to you and saying, well, we got records from GMAC and we got records from these other servicers, do you then go and make sure that you have all those servicing

records from servicing since day one when this loan was originated?

A: What we do is, they send us all the information they have and we review that information. If we believe there's any discrepancies or any issues, we reach back to them to try to find anything that's missing.

Q: Okay. Talk to me about what that review process entails.

A: Okay. The initial review process starts with them sending us initial information.

Q: Okay. If you don't mind, instead of using pronouns like them, tell me who you're speaking about.

A: The prior servicer.

Q: Okay. Could you identify them by name?

A: Okay. In this case, it would've been, if I'm not mistaken, Statebridge, I believe, was the direct prior servicer. So, we would have received information from Statebridge. The initial information would come data digital and imaged documents, at which point we would review the information to make sure it's compatible with our systems, that the data digital information is data digital information

we can interpret. Meaning, that we understand the coding, that they've provided us all the information so we can actually see and read payment histories or collection comments. In addition to that, we check the imaged documents to make sure that they come in in a decent format where you can print and read and understand what's in the imaged documents. After that initial review, we'll have them send over all the information from the loan. Once that information is received, it is sent to our asset conversion department.

Q: Let me stop you there. Information on the loan, how is that different from any other records you might receive? What do you mean by that?

A: The loan information.

Q: Well, what is -- what do you mean, loan information? I'm not in your business. I'm a lawyer. You're in the servicing business. So, tell me, as if I know nothing, what you mean by that, the loan documents. What do you mean by that?

A: What I said is the information which is the digital information that comes in, whether it's

imaged information or data digital information.
Q: Right. But, again, are we talking about documents from the closing when the loan closed? Are we talking about things that may have happened later, like a loan modification? What are you talking about?
A: As I said, they send us all their information. All the information that they have on the loan. They send us all the imaged documents they have, and they send us all the data digital information that they have. And that's when we -- been -- start the review process, when it's sent to the asset conversion department.
Q: Okay. Now, you got information and documents from Statebridge, correct?
A: We received all of the prior servicer information from Statebridge, yes.
Q: Now, and if I understand your earlier testimony, that the re- -- this information you received from Statebridge including inf- -- included information from GMAC and Shellpoint?
A: Correct. It included all prior servicers' information, even servicers that were prior to them.
Q: Okay. Does SLS undertake any inquiry of the,

not immediate prior servicer, in this case, Statebridge, but do they contact, for example, Shellpoint, or contact GMAC to say, this is what we got from Statebridge, is this accurate or do you have any additional records; do you do that?

A: Well, you never let me finish the review process. You've cut me off multiple times with other questions, so I never got to finish ---

Q: My bad. I'm sorry.

A: --- but we get all our information directly from the current prior servicer, which in this case was Statebridge. If we do have any discrepancies, we reach out to them and it's their responsibility to get us that information, whether it's from them or any other prior servicer.

Q: Okay. Now, let me pick up on that. You said if you see any discrepancies, what do you look for? What constitutes a discrepancy?

A: Okay. So, would you like me to continue answering the original first question so I can get through all this, or ---

Q: Sir, you're at liberty to tell me whatever you want to tell me. I just need to get the

information that I'm asking.

A: Okay. Well, when we're -- asset conversion runs a script on information we receive, the script runs multiple data checkpoints on the information to verify for its accuracy and authenticity, and to code check the information. And once the review is done, the analyst that -- the associate that's working the file, they will get an outcome of the script. If there's any discrepancies, they will review the discrepancies. Discrepancies entail things such as interest rate is not the same as the beginning interest rate. Situation like this, the analyst will work on the loan themselves. They can identify if it's an adjustable rate note, or it's a modification, and they can identify that the discrepancy has been corrected, or it's not actually an issue, it's just a discrepancy because our check was to check the note, interest rate, and our current interest rate, and it happens to differ. So, we'd have a resolution. If there's a discrepancy, something that we cannot clarify ourselves with the information we receive, we will reach out to the prior

servicer to gain whatever information it is.
Q: Okay. Would records of a servicer that was involved with this loan that were not given to you constitute a discrepancy?
A: If they're identified in the process, yes.
Q: Okay. So here's my question, are you aware that there have been two -- at least two other servicers involved with this loan whose records were not produced during this trial?
A: I'm aware that there were several servicers, including the original lender. Some of them records that were, correct, not produced for this trial.
Q: Okay. Is one of them AMS, if you know?
A: I do not recall if AMS -- the ones I do recall was the Peoples' Choice original lender, which only had the loan for about two, three months. I believe after them, to the best of my recollection, it was Ocwen. After that, I don't have it all memorized, but I know there was GMAC and Shellpoint actually serviced the loan twice with one servicer in between for a short period. And after Shellpoint, it was Statebridge and then us.
Q: Are you aware of a s- -- that -- well, let me

ask you this, have you read any depositions that were taken in this case?

A: No.

Q: Okay. So, you would not be aware of the testimony of a prior plaintiff's representative named James George of AMS who testified that AMS had serviced this loan for a period of time?

A: I am not aware of him.

Q: Okay. Are you familiar with any involvement of a servicer known as WealthBridge?

MR. BARNES: Just like it sounds, madam court reporter. One word.

A: That might've been the abbreviated servicer in between the two Shellpoints, I do not recall the exact ---

Q: Don't guess.

A: Well, I don't recall every specific one. As I said earlier, I don't have the full servicing transfer memorized. I rely on my business records for that and I don't have anything in front of me to show that to me at this time.

Q: I understand. But just so we're clear, you -- you do have a recollection that Ocwen, O-C-W-E-N, which is Newco backwards by the way, was a

servicer for a period of time on this loan?
A: To the best of my recollection, I believe they were.
Q: And your ---
A: But I ---
Q: --- SLS has no records of Ocwen's servicing?
A: I never said such a thing.
Q: I thought you said you didn't have any.
A: No, I said we didn't bring anything for this trial. That's what you had asked me.
Q: Thank you. And also, you have no records brought to trial for AMS' servicing of the loan either, correct?
A: I don't believe I testified to anything that was from AMS.
Q: Okay. And also, there have been no records produced in this trial as to any involvement of what you termed an interim servicer called WealthBridge, correct?
A: They might have -- they might have been actually involved in the assignments of mortgage. I believe they might have been mentioned there. I -- if you'd like for me, I can look through it to see if either one of them are mentioned there?

Q: Well, I'd ra- -- we're going to go through those chapter and verse. I'd rather you not guess at this point. If you don't know, you can say, I don't know, and when we get to it, we'll look at it ---

A: Okay. I don't ---

Q: --- because ---

A: As I said, I don't have any of this memorized, so I would prefer ---

Q: Right.

A: --- to say that I'm not certain at this time without reviewing my business records.

Q: All right. Now, let me -- since you brought it up, an assignment of mortgage transfers the rights to enforce a mortgage, correct?

A: I would ask my attorney if that's what it actually does. I know an assignment of mortgage assigns the mortgage. Some assignment of mortgages say mortgage and note. Since I'm not an attorney, I'm not going to say what it actually does ---

Q: Okay. But my follow-up ---

A: --- the full legal power.

Q: My follow-up question, since you raised it, was, a tran- -- you said we'd have to look at

the assignments of mortgage as to who its servicers were involved. The assignments of mortgage have nothing to do with transfer of servicing rights, do they?

A: That's not what I said. I said that they might be named in the assignments of mortgages because servicers sign on behalf, so their names might be on it. That's what I said.

Q: Okay. I ---

A: So I'd have to look through it to see if they are mentioned in these business records, because you asked me if their -- any of their business records are here. Well, I'd have to go through it and review it because I don't have it all memorized. I specifically rely on my business records for my testimony. I try not to memorize documents as I work too many loans. I'm -- I don't want to perjure myself, so I tend to stick to just reviewing my business records and relying on the business records in front of me.

Q: Okay. I just want to make -- get something clear. Are you testifying that mortgage loan servicers are allowed to assign mortgages?

A: To the best of my recollection -- to the best

of my understanding, I believe that might be a part of the power of attorney that we -- if there is a need for an assignment of mortgage, we are allowed to as a -- what's the term, the legal term? As agents, I believe it is, you're allowed to execute for our -- the people that we're servicing for, our investors.

Q: Well ---

A: That's the purpose of a power of attorney.

Q: Again, you seem to be putting this into conditional, it might be there, this is something that might happen; do you know whether or not in this particular case, because I haven't seen any produced in this trial, any such powers of attorney have been prepared or exist, because they certainly weren't produced here, that would allow a mortgage loan servicer to assign a mortgage?

A: Well, I know I've seen my power of attorney for this specific trust. I don't know if we -- if it was put into evidence.

Q: Okay. What do you mean your power of attorney for this trust?

A: SLS and the current plaintiff.

Q: Okay. You -- you, I'm understanding to be you

personally. Do you have a personal power of attorney that involves -- allows you to get involved with the trust that's part of the plaintiff in this case?

A: No, not me personally, but as in a -- someone who is an authorized signer, I have executing power on behalf of SLS for the plaintiff on this case through our power of attorney.

Q: All right.

A: So, I have certain authorities because of my position which are granted to SLS through the POA, not me as a person, but me as an employee of SLS.

Q: But of the 26 exhibits that Mr. Hayes went through since yesterday morning, no such power of attorney has been produced in this trial, has it?

A: I don't think so.

Q: And your name has not appeared on any of those exhibits either, has it, as an employee of SLS, an agent of SLS, a designee of SLS or otherwise; correct?

A: That is correct. I'm here as an employee of SLS. I -- there would be nothing with my specific name, as I'm not here as me.

Q: Okay.
A: I'm here as a SLS employee.
Q: All right. Now, ta- -- talk to me about what files, whether they're in paper form or electronic form, SLS maintains on a mortgage loan when it acquires servicing rights.
A: Oh, okay. It honestly varies loan to loan. Every loan has different kinds of documentations. Not every loan is in default, so not every loan would have the same kind of documentations. We maintain letters, outgoing letters. If it's an adjustable rate note, we'll have the interest rate change letters. We have different kinds of letters involving escrow, or whether -- because we're going to put force place or because we're asking proof of insurance so we don't put force place. There's also the escrow analysis that get done at the end of the year. There are hello, goodb- -- and goodbye letters, letting them know, a borrower know if we're going to begin service or if we're going to end servicing. Breach and/or demand letters, if they need to be sent. Standard correspondence letters, solicitation letters, solicitation as in for

modifications, what a borrower might be applied for. Some investors, this would be, since you're asking in general for loans, depending on the specific investors, sometimes they send out pre-approved modifications for loans. So, that's a document that would be kept of what we're offering. Any back and forth having to do with loss mitigation, whether it's loss mitigation application forms, incomplete documentation forms, requests for documents, approval for a modification, and finalization of modification documents. Just -- it, it is a large number of documented imaged letters that can be part of the business records. In addition to that, there is the digital information that sometimes is imaged because it is printed out, and when it's printed out, it is also imaged into the system. Such as, what we call collection comments or loan servicing comments. You can -- there -- every servicer has their own little name for it, but it's nothing more than the day aspects of a loan. If someone receives a call, they have an interaction with the borrower, it gets notated in the comments, the servicing comments, or the

collection comments, however you'd like to name it. If someone calls in to do a payment over the phone, that gets logged in as a payment over the phone. If someone is doing loss mitigation and they make a call out, they will notate; called out, answering machine, borrower answered, no contact ---

Q: Sir, I'm sorry to interrupt you, but that's not what I asked you.

A: It's part of the documentation that you're asking me for. You're asking me for everything that's involved ---

Q: No ---

A: --- There is a lot.

Q: --- no, that's not what I asked you. What I asked you is, are there specific types of files that are maintained on a loan, whether it's a servicing file or a collateral file, or a correspondence file, are there separate files maintained on a mortgage loan when SLS acquires the servicing rights to that loan, yes or no?

A: You're going to have to explain to me what you mean by file, because all of this is in the file of the loan. As far as I'm concerned, a loan is its file. All of the documents are a

part of the loan, they're connected together as it's the files, the loan file, it's all one accumulation. Whether it's kept in the payment history or the collection comments, they're two separate parts of the same servicing platform and they're correlated directly to the specific loan. Are you -- if you're asking me if the payment history is its own little file, well, it can be printed off by itself, just like the collection comments. Please explain to me what you mean by file, and then I can break it down, but all of these documents, all this information is collected in the loan file as the loan in itself. Everything collect -- a part of it is put together for it. It's all a part of the loan.

Q: Okay. You actually answered my question there. There's one big ---

THE COURT: Stop right there. Let's -- let's stop right there. We're going to take a break.

MR. BARNES: Can I just clarify that one quick thing?

THE COURT: Sure.

MR. BARNES: It'll take ten seconds.

THE COURT: Yes, sir.

Q: So, what you're telling me is there's one big file, so to speak, and various subfiles underneath that, pay history, collection letters, comments, etcetera, right?

A: Describe to me what you mean by file. I consider it all to be a part of the loan.

MR. BARNES: Okay. We'll stop there, because this is going to ...

THE COURT: We'll get back to that.

MR. BARNES: Yep. We will take this up after the break.

THE COURT: So, for this -- at this point, we're going to take a recess in this trial. Why don't we get -- we will reconvene at 1:00 o'clock, probably upstairs.

MR. HAYES: Okay.

(Off the record from 11:11 a.m. until 12:48 p.m.)

THE COURT: Are we all ready?

MR. HAYES: Yes, sir.

THE COURT: All right. Mr. Barnes?

MR. BARNES: Thank you, Your Honor.

I don't want to block y'all. Can you see okay?

MR. HAYES: Yeah. Yeah, I'll move over.

MR. BARNES: And you have the exhibits, right?

MR. AMAYA: Yes.

MR. HAYES: If you could move over just a little bit, that'd be great. Thanks.

MR. BARNES: How's that?

MR. HAYES: Yeah, that's fine.

MR. BARNES: Okay. All right. Ready?

THE COURT: Yes, sir. Go ahead.

MR. BARNES: Thank you, Your Honor.

Q: Okay. Mr. Amaya, when we -- before the break, we were talking about the information that SLS obtains from other servicers and how they are categorized and put together. As I understand your testimony, there -- essentially, you refer to something as the file, and there are various electronic or paper subfiles within that file, such as comments, payment histories and that sort of thing, correct?

A: That's your understanding, yes.

Q: Well, is it correct?

A: That is one way to say it. When I say the loan file, it means all of the different aspects of the files that are stored in different sections depending on the servicing platform or what kind of document it is.

Q: Okay. Does SLS maintain any files regarding

litigation involved with a particular loan?
A: We do have information on files if there was some kind of litigation, there are documents that would be stored.
Q: Which documents would be stored?
A: It would depend on the file and it would depend on what we have available to us.
Q: What would be the criteria for determining what documents should be obtained and/or stored?
A: We don't keep the whole court file, but communication with us and counsel, documents that we send them and they send us, things that we have to review from counsel, documents that go back and forth. We use a system called LPS, also known as Black Knight, that stores imaged documents and helps us send documents back and forth to counsel, which are also then uploaded into our image system. So, we would have two locations. What could happen is, sometimes when a loan is serviced, certain documents might not be available to us because they're from the prior case, but not everything on a case would be provided to us. For instance, the court issues an order for a conciliation conference, we don't get it, so we don't have

a copy of the order, or the motion.

Q: Well, let's talk about when a case goes into the foreclosure arena. Does SLS obtain or request a copy of the complaint file seeking the remedy of foreclosure?

A: If we're not involved with the filing of the complaint, we could request it. I don't know if it's our regular practice to request it. Sometimes we do, sometimes we don't. It's on a basis of if we need to or not. It might even be in the system, it would just have to be searched for.

Q: Well, do you know whether or not the complaint for foreclosure in this matter is within SLS' business records?

A: No, that was beyond the scope of my review.

Q: Okay. So, have you reviewed any papers that were filed in this lawsuit in connection with your testimony here today?

A: I might have seen the trial order. I don't even know if SLS trial orders -- no, I don't believe I -- I didn't look at the legal filings that had nothing to do with my review for the business records of the loan.

Q: Okay. Well, now that you've brought that up,

why don't you tell me what business records you reviewed in preparation for your testimony yesterday and today?

A: All of the exhibits that are in evidence. I pulled copies of the note, the mortgage. I inspect for copies of the assignments of mortgages. I checked for payment history, I pulled payment history, including SLS'. I checked to see for collection comments or servicing notes, however you'd like to call it. Payoffs, payoff requests, what -- yeah, that's about it. It was the -- the documents that would be needed for trial is what I reviewed in regards to the loan.

Q: Okay. And I think I had asked you this before the break, and I apologize if I did, I don't meant to be repetitive, but I think you said you did not review the transcripts of any depositions taken in this case, correct?

A: That is correct.

Q: Okay. And I may have asked you, are you familiar with someone named James George?

A: I am not.

Q: Okay. Are you familiar with someone named Stephen Bellanti, B-E-L-L-A-N-T-I?

A: Not that I can remember.
Q: Okay. Are you familiar with any- -- someone named Michael Dolan?
A: No.
Q: Are you familiar with a David C. Jenkins?
A: The last name sounds familiar, but it might've just been someone I met in the past.
Q: Okay. I'm going -- I'm going to proffer to you that there's been an affidavit filed in this case by the plaintiff, executed by David C. Jenkins, who claimed to be a director of FIG, LLC, and that a subsidiary of FIG, LLC is the sole administrator of the FRT 2011-1 Trust, FRT 2013-1 Trust, and FORT; all caps, F-O-R-T, Asset Funding 2013-1-LLC. Are you familiar with that affidavit?
A: I am not.
Q: Okay. Are you -- do you know whether or not, and do you have any knowledge of whether or not any of those entities were involved with the Singleton loan, whether as a servicer, owner, or otherwise? And I'll go through them one by one if you want.
A: The entities?
Q: Yes, sir. The ones I just mentioned.

A: That FC- -- or FGI [sic], I recall seeing something in regards to that. I think they had a short period of time when they serviced in between Shellpoint. But as I said, since I don't have a business record in front of me, I don't have the details.

Q: Okay. Just -- I -- there was a -- are you talking about FIG, LLC?

A: Possibly. As I said, without a business record in front of me, I don't, I don't want to speculate.

Q: Right. I recollect you saying before the break there was some interim servicer at some point, but you couldn't remember who it was.

A: Correct.

Q: All right. So, it may have been this FIG, LLC, it may not have been?

A: It may have been; it may not have been ---

Q: Okay.

A: --- correct.

Q: And you can -- and you'll agree with me that no servicing records of FIG, LLC were produced in this trial?

A: Not that I'm currently aware of. As I -- I don't know if an assignment of mortgage was

signed by them or not, so I do not ---

Q: Now, ser- -- servicing records. I'm not talking about assignments, allonges or any of that sort of thing. Servicing records.

A: The assignment of mortgage is created during the time of servicing. So, if -- I consider it to be a servicing record.

Q: Okay. Fair enough. You do; I don't, but that's fine. We can agree to disagree. Now, the originating lender was an entity called People's Choice Home Loan, Inc., do you recollect that? If you need to look at the Note, you can do that.

A: Yes. It's -- it is on the Note, and I believe the mortgage, too.

Q: Okay. Are you aware that People's Choice Home Loan filed for bankruptcy in 2008?

A: I believe you mentioned that yesterday, yes.

Q: Okay. So, is -- are there any documents in SLS' files that reflect that the originating lender had filed bankruptcy?

A: None that I'm aware of.

Q: So how did you become aware of it?

A: You said it yesterday.

Q: Okay. So you ---

A: I'm going off of your word.
Q: Okay. You haven't done any independent investigation as to that bankruptcy, correct?
A: Correct.
Q: Okay.
A: That's beyond the scope of my review.
Q: As a servicing company employee, and I'm not trying to denigrate you, I'm just trying to be generalized, have you been involved with foreclosures that involved a bankrupt originating lender?
A: More than likely. Once an original len- -- lender sells it off, what happens to them is relevant to us. I -- if you're saying this one went bankrupt, so that's one. I know that there was a -- I did have a case in the past where one of the plaintiffs was not the original name, the originating entity. They didn't go bankrupts but that's not something that's on the regular review for foreclosures, if an original entity that sold it to another entity is still in business or not is not something that I would normally look for.
Q: Well, during the course of SLS' due diligence review of servicing records and the history of

the loan for discrepancies, would it be significant if the -- one of these -- one or more of these assignments of mortgage had been executed by a bankrupt original lender, would that be something that y'all would look into?

A: Not really. I don't think that's significant because you're doing business when you're doing business, and then you go bankrupt. Doesn't mean you didn't do business when you did business.

Q: Well, here's the thing, let's assume -- and we'll get this -- I'll get to this in a minute, that one of the exhibits in this case is an assignment of mortgage that is dated 16 months after the original lender filed bankruptcy. Is it your understanding that when a lender files bankruptcy, all of the assets of that lender come under the control of the bankruptcy trustee?

OBJECTION:

MR. HAYES: Objection, Your Honor. Calls for question of the law, I believe.

THE COURT: Well, I think he can answer the question, if he knows it. If he doesn't know, he doesn't know.

MR. BARNES: Right.

A: I'm not entirely sure about the legal proceedings.

Q: Okay. Have you ever been involved in a case where there was a sale of mortgage loans out of a bankruptcy by a bankrupt lender? Because you mentioned when they sell it off, and that's what made me think you had some knowledge of the fact that bankrupt lenders do sometimes sell loans under the bankruptcy. Are you familiar with that process?

A: Well, I said that they sold it. I don't know at which point in time they sold it.

Q: Right. So, do we know at what point in time People's Choice Home Loans allegedly sold this loan to anybody?

A: I'd have to review the business records to see if there's a specific date.

Q: Well, you just said that there's nothing in the business records relating to the bankruptcy.

A: Correct. Then what the bankruptcy have to do with someone's regular course of business?

Q: Well, when you go bankrupt, I'm gonna proffer to you that you don't do regular course of business unless the Bankruptcy Court tells you

you're allowed to.

THE COURT: Mr. Barnes, don't argue with the witness.

MR. BARNES: Okay. I'm getting a little ahead of myself.

Q: Okay. So, in this case, is it easy for you to review the records to find out when this loan was sold from People's Choice to whoever it was sold to?

A: I can check what's in front of me at the time, I don't have any other business records.

Q: Please.

A: (Witness complies.) Let's see if there's anything that has the specific date on it. There appears to be an assignment of mortgage here from -- to GMAC being assigned by MERS as nominee for People's Choice, and it is dated July 14th, 2008.

Q: And that's Exhibit 6 you're looking at?

A: 2.

(Plaintiff's Exhibit Number 2 was referenced at this time.)

Q: Okay. So the assignment of mortgage you're looking at, Exhibit 2, is dated when?

A: July 14th, 2008.

Q: Okay.

MR. BARNES: By the way, Your Honor, before I forget, we would ask the Court to take judicial notice of the bankruptcy filing of the originating lender, People's Choice Home Loan, Inc., pursuant to SCRE 201(b)(2).

THE COURT: Any objection, Mr. ---

MR. HAYES: No objection, Your Honor.

THE COURT: The Court takes judicial notice of the bankruptcy filing of People's Choice.

Q: Okay. This -- I'm going to proffer to you now that the Court has taken judicial notice of the bankruptcy filing that the petition in bankruptcy was filed on March 20th of 2007. This assignment of mortgage is dated July 14th of 2008, which is about -- March, April, May, June -- about 16 months after the bankruptcy was filed, if my math is correct. So, my question is, sir -- well, let me do it this way. Is it possible to assign something that you don't have?

A: Well, anything's possible.

Q: Okay.

A: I can assign something to someone if I don't have it.

Q: Then the assignment would be ineffective, wouldn't it?
A: If I didn't have authority to assign it. Just because I don't have it, doesn't mean I don't have authority to assign it.
Q: Or if you don't have the thing you're trying to assign at all, there would be no effective assignment, correct?
A: I still have the authority to assign it, I can go ahead and assign it, even if I don't have it. You're asking me a possibility. Anything's a possibility.
Q: All right. Well, okay then, going to Exhibit 2, do you know whether or not MERS as a nominee for People's Choice Home Loan, which had filed bankruptcy 16 months before, had anything to assign to GMAC mortgage?
A: To my understanding, I am not an attorney, but they are a nominee named in the mortgage, so, yes, that is my understanding.
Q: Okay. What's a nominee?
A: Hate to use the same word to explain something, but when someone is nominated to do something on behalf of someone else. That's the best I can do to explain that word. Other than that,

I would honestly have to look at a dictionary to give you a better explanation.

Q: Okay. And do you know if MERS has any -- I'm gonna call it MERS, M-E-R-S, capitals, no spaces, no periods, do you know if MERS has any authority to act for an entity which has filed bankruptcy?

A: My understanding is MERS is an electronic system that stores the transcripts of assignments of mortgages and it assigns them on behalf of the previous owner. It only gets pulled out of MERS when you need a document to show that it's no longer with MERS. I don't have the full details on their authority. I do know they're a named nominee, so, if they have to -- if they're a named nominee, yes, they would. Why wouldn't they have authority if they're a named nominee, that's the way I'm looking at the document.

Q: We're going to get to that now. Have you ever been a MERS certifying officer, if you know what that means?

A: I know what that means. No.

Q: Have you ever had any training in MERS?

A: I've had training in the past with individuals

that are MERS certified individuals, but nothing in depth to become a MERS agent, so I'm not a MERS agent.

Q: Okay. Have you ever read the MERS terms and conditions, paragraph 6 specifically?

A: No.

Q: Okay. So, you're not aware then that MERS terms and conditions specify that MERS -- the MERS system cannot be used to transfer beneficial interests in mortgage?

A: I don't even know if that's in there. I've never read it, so I don't even know if that's actually in there.

Q: Fair enough. You said you hadn't read any -- then I assume you haven't read the deposition of a Joseph Patry, P-A-T-R-Y, that was taken in this case?

A: No, I have not.

Q: Okay. So, you wouldn't be aware then that Mr. Patry testified under oath that he was, as senior counsel for MERS, that MERS is not permitted to and does not act on behalf of non-functional entities?

A: As I said, I haven't read it, so I don't know what he said ---

Q: Okay.

A: --- or didn't say.

MR. BARNES: Your Honor, we'd request the Court to take judicial notice of the Patry deposition which has already been filed in this case, and the Court can take judicial notice of anything that's been filed in this case.

THE COURT: I don't think I can just -- that I can -- I don't think that that gets the deposition into evidence. Mr. ---

MR. HAYES: Your Honor, I think that we can shorten this discussion if we could take judicial notice of any documents that are filed in the People's Choice bankruptcy that we took judicial notice of about five or ten minutes ago. Because there's an order in that bankruptcy allowing the bulk sale of People's Choice assets.

MR. BARNES: This is a separate question though.

THE COURT: It is a separate question.

MR. HAYES: Mr. Barnes is trying to allege that People was -- that MERS did not have any ---

THE COURT: Hold on a second.

MR. HAYES: Sorry.

THE COURT: Mr. Barnes, I don't think we can -- you

can backdoor the depositions through this witness. I mean, one thing is -- basically I think that the problem is you're pitting the deposition against this witness. I'm not sure if that's appropriate.

MR. BARNES: Well, I -- my intent, Judge, is ---

THE COURT: --- under cross examination of ---

MR. BARNES: --- not so much to impeach him, it's to fill in a gap because he said he doesn't know.

THE COURT: Right.

MR. BARNES: Mr. Patry was senior counsel for MERS. He testified under oath that MERS doesn't function for -- doesn't act or sign documents for non-functional entities. If he's not aware of that, that's fine. But it's of record.

THE COURT: The fact it's a filed record or a matter of record in the file doesn't bring it into evidence in this case. So, I'm not going to allow you to -- I'm not going to take judicial notice of the deposition merely because it's filed in this -- in this record, in the record of this case. We're in the trial of the case now, and I think I mean you can certainly get that deposition in, but it's not through -- I don't think it's appropriate to do it through

judicial notice.

MR. BARNES: Okay.

THE COURT: So, that -- that's my ruling.

Q: Okay. Mr. Amaya, going back to Exhibit 2, this Jeffrey Stephan, S-T-E-P-H-A-N, can you see that?

(Plaintiff's Exhibit Number 2 was referenced at this time.)

A: Yes.

Q: Do you know who he is?

A: No.

Q: Do you know if he ever was a vice president of MERS?

A: I don't -- I haven't done any research on the doc- -- on the -- I rely on my business records as saying that he was.

Q: Okay. So, my next question is, when you get these records from whoever you get them from, I think in this case you said Statebridge, did you get all these documents from Statebridge by the way, these assignments of mortgage and the allonges and other things?

A: I have copies of them, but these specifically came from the Clerk of Courts as certified copies. But there are copies of these in my

business records.

Q: Okay. Right. But they may -- they are public records, agreed, but did SLS obtain those documents on their own, or were they transmitted to SLS by Statebridge or anyone else?

A: These specifically here today we got from -- counsel went to Clerk's office and got it for SLS as our counsel. Well, the counsel of plaintiff and SLS as the servicer.

Q: Okay. So, when SLS gets documents like this, do they ever do any inquiry as to the authority of the people signing these documents, or they just blindly accept them as being authorized?

A: Well, we'll receive original documents sometimes with the collateral file. They are deemed to be true and accurate as part of the original file from my understanding. When we get copies, we try to match copies with originals and other than that, I did check the Clerk of Court's office and they are certified copies.

Q: Okay. Now, if you look on the third line down on this Exhibit 2 ---

A: On the second page?

Q: Yeah. Not the Clerk's face page, the actual assignment.
A: Yes.
Q: It says, provide received etcetera GMAC -- it's successors and assigns assigns all rights, title and interest together with the Note; do you see that?
A: Yes.
Q: Okay. And it's signed by MERS as nominee for People's Choice, you see that?
A: Yes.
Q: Do you know whether or not MERS has the authority to assign promissory notes?
A: I do not.
Q: Well, is MERS ever a lender?
A: MERS is not a lender from my understanding.
Q: Are they ever a servicer?
A: I do not believe they are.
Q: Okay. Do they extend credit to homeowners?
A: No, they do not.
Q: Okay. They're simply identified as a nominee, whatever that is, correct?
A: Yes, they're identified as a nominee.
Q: Okay. And your understanding of nominee is some sort of agent?

A: I think that's a fair way of placing it. Yes, they're an agent on behalf of ---

Q: Okay.

A: --- where they've been nominated to the task of maintaining the ---

Q: Okay. So, now, this assignment of mortgage, Exhibit 2, states that it assigns the mortgage together with the note to GMAC, correct?

A: Yes.

Q: All right. Let's go to Exhibit 3.

(Plaintiff's Exhibit Number 3 was referenced at this time.)

Q: Now this one says Assignment of Mortgage to 50 By 50 REO, LLC, care of AMS Servicing by GMAC Mortgage, correct?

A: Yes.

Q: Now this one, this Assignment of Mortgage, Exhibit 3, does not include the language together with the note, correct?

A: I do not see writing or terms that say together with the note.

Q: Okay. So Exhibit 2 which claims to assign the note and the mortgage to GMAC, but then Exhibit 3, GMAC only assigns the mortgage, right?

A: That is what it says.

Q: So, where'd the note go?

A: What do you mean?

Q: Well, this, Exhibit 3, doesn't assign the note, it doesn't have that language, together with the note. You just agreed with me on that.

OBJECTION:

MR. HAYES: Your Honor, objection. It -- in South -- this is irrelevant because in South Carolina, the law is clearly the note -- I mean, excuse me, the mortgage follows the note. Mr. Barnes is questioning the assignments, which he can't do under *McFadden* or *Midfirst Bank*, and to me it's -- it's irrelevant. These assignments because of the mortgage. The mortgage follows the note, Your Honor.

MR. BARNES: That's the whole point.

THE COURT: I'm going to overrule the objection.

MR. HAYES: Thank you, Your Honor.

A: Could you please repeat the question?

Q: Yeah, sure. We'll go back a little bit. Exhibit 2 assigns the mortgage together with the note to GMAC, right?

A: That's what it says.

Q: Right. Now, Exhibit 3 only assigns the mortgage and not the note, right?

A: It does not mention the note, that's correct.
Q: So where'd the note go? What did GMAC do with the note?
A: Well, if you look at the allonge attached to the note, they moved it to 50 By 50 REO, LLC according to the allonge.
Q: Okay. So, we'll get to that in a few minutes. Let's go to Exhibit 4.
(Plaintiff's Exhibit Number 4 was referenced at this time.)
THE COURT: Did you say the allonge?
A: Well, the allonge to the note, Your Honor, Exhibit 8, it is from GMAC to 50 By 50. He asked me where the note went, how it got assigned, so ---
(Plaintiff's Exhibit Number 8 was referenced at this time.)
THE COURT: You're calling it an allonge -- this allonge was in one of the assignments?
A: No. He was asking if the assignment didn't assign it then how did the note get assigned.
THE COURT: That's right. And I ask- -- my question to you is you're saying that's an assignment of the note?
A: I wouldn't call it an assignment, I would call

it an allonge to the note, but it would show the transfer from GMAC to 50 50.

THE COURT: What is -- what do you mean by transfer?

A: Same way that I endorse a check to the bank and then the bank stamps who put their name on it.

THE COURT: Okay. Thank you. Mr. Barnes, go ahead.

Q: Let's go to Exhibit 4.

(Plaintiff's Exhibit Number 4 was referenced.)

A: Yes.

Q: And this is also an Assignment of Mortgage whereby it is claimed that 50 By 50 REO, LLC assigns to US Bank NA, as trustee of the FRT 2011-1 Trust, the mortgage. Is there any language in this assignment talking about transferring the note as part of this assignment of mortgage?

A: I do not see any language specifically assigning the note.

Q: Okay. And going back to your testimony just a moment ago, you said that the note was transferred pursuant to the allonge, or one of the allonges, correct?

A: Yes. You were asking me about an allonge from -- well, how it went from GMAC to 50/50 and the allonge. There's an allonge.

Q: None of the allonges are dated, are they, as far as when the allonge itself was created? Except maybe one of them.
A: Okay. Except maybe one of them, I guess. Executed -- Okay. One does have a date on it.
Q: For example, Exhibit 8, the allonge that goes from GMAC to 50 by 50, the only dates on there are the first payment due date, the maturity date and the note date, correct?
A: Yes, that is correct.
Q: There's no date as to when this document was created, correct?
A: That is correct.
Q: Okay. So, we don't know when it was created and we don't know when the note was transferred, do we, pursuant to that allonge?
A: Not a specific date.
Q: Okay. So, now, let's go back to Exhibit 4, which I think I clarified with you does not contain that language, together with the note; correct?
A: Yes, that is correct. I do not see the language, together with the note.
Q: Okay. So, same question, where did the note go?

A: The following allonge, Exhibit 9, shows 50 by 50 assigned it to US Bank, N.A., as Trustee of the FRT 2011-1 Trust.

(Plaintiff's Exhibit Number 9 was referenced.)

Q: And, again, as with the prior allonge, there is no date of creation of this document. There's only the note date, first payment date, and the maturity date, correct?

A: That is correct.

Q: So, we don't know when that was transferred, do we? We don't know when the note was transferred under this document, do we?

A: I do not know when specifically that allonge was placed on the note.

Q: Okay. Now, when these documents are transferred, when the note and mortgage documents are transferred from one entity to another, do you know how that takes place?

A: Which documents?

Q: The note and the mortgage.

A: The note and the mortgage are, for most part of the times, on average it's maintained in the custodial facilities. When they're transferred, bailee letters are created to transfer the documents from one location to the

other. It has to be requested by someone of authority to pull it from a specific custodian and send it to another individual, who will have to act as the custodian during the time of their possession.

Q: Okay. And I don't recollect any bailee letter being produced during the course of this trial showing the transfer of the note from the bankrupt original lender to GMAC, do you?

A: It would be with the custodian, we wouldn't ...

Q: That wasn't my question. My question was, during the course of this trial, was there any such bailee letter produced in connection with the claim transfer of the note from the bankrupt original lender to GMAC?

A: I'm not aware of a bailee letter from the original lender to GMAC.

Q: Okay. And also, there's no such bailee letter from GMAC to US Bank, correct?

A: None that I'm aware of.

Q: Okay. Exhibit 5 is an Assignment of Mortgage whereby -- I'm sorry, I'm on page -- it's the way these were stapled. Okay. Exhibit 5 is an Assignment of Mortgage whereby the assignor is identified as US Bank, N.A., as Trustee of the

FRT 2011-1 Trust and the assignee is identified as Wilmington Savings Fund Soc for NNPL Trust Series 2012-1. You see that?

(Plaintiff's Exhibit Number 5 was referenced at this time.)

A: Yes.

Q: Okay. Now, here, there is that language, together with the note, correct?

A: There is language, given to secure a certain promissory note. Oh, together with the note -- well, notes, yes.

Q: Okay. So, in this instance was there al- -- any bailee letter that was produced during the course of this trial showing this transfer?

A: This transfer is not a physical kind, it's a transfer of indebtedness. They could've kept it in the same custodian.

Q: Well, you're -- I hear could've, are you guessing?

A: I'm not aware. That was beyond the scope of my review. If there was no transfer from one custodian to another. Just because an assignment of mortgage was done, does not mean you move it from a custodian to a custodian.

Q: Right. But you told me a few minutes ago that

how these transfers are documented is there's a bailee letter with a request made from a custodian to the other custodian. You took me through that whole procedure.

A: When the transfer of the collateral file was done. This is not when it's just assigned.

Q: Okay. So, was that done here?

A: Not that I'm aware of, but I didn't ---

Q: Okay.

A: --- I didn't see a transfer at that time.

Q: Okay. Exhibit 6. This is an Assignment of Mortgage whereby Wilmington Savings Fund Society, FSB d/b/a Christiana Trust, not in its individual capacity but solely as capa- -- in its capacity as Certificate Trustee for NNPL Trust Series 2012-1 a/k/a Wilmington Savings Fund Society for NNPL Trust Series 2012-1 ("Assignor") transfers over to US Bank Trust NA as Trustee for Waterfall Victoria Grantor Trust II, Series G, see that?

(Plaintiff's Exhibit Number 6 was referenced.)

A: Yes.

Q: Okay. Now, the entity -- the Wilmington entity that's identified in this Assignment of Mortgage is different from the assignee

identified in Exhibit 5, isn't it?
A: I would not say that. There is an a/k/a, also known as, Wilmington Savings Fund Soc for NNPL Trust Series 2012-1, which is the same enti- -- entity of the previous one.
Q: Well, let's put this on the record. Exhibit 5, the assignee to whom this mortgage with the note was allegedly transferred, the name identified in here is Wilmington Savings Fund Soc for NNPL Trust Series 2012-1, correct?
A: Yes.
Q: And the assignor in the very next assignment is identified as Wilmington Savings Fund Society, FSB d/b/a Christiana Trust, not in its individual capacity, but solely in its capacity as Certificate Trustee for NNPL Trust Series 2012-1 a/k/a Wilmington Savings Fund Society for NNPL Trust Series 2012-1. Right?
A: That is what is written there, yes.
Q: Okay. What's a certificate trustee?
A: It's a trustee for a trust.
Q: Well, what does that mean?
A: They're the trustee of the trust. Okay. I would expect an attorney to know this a little bit better than me. I'll do my best to explain

legal things. I'm not an attorney, so. Create a trust. You create a fund and you need a trustee to manage it, to control it, to make the decisions. That's the best of my understanding without -- well, yeah, that's the best of my understanding, because I'm not an attorney and I don't know all the details, and they're the trustee. They are the managing individual of the trust. Therefore, they're the ones that make the decisions. And they're also known as the previous entity.

Q: All right. Well, Exhibit 5, that a/k/a language in the Wilmington style doesn't appear, does it?

(Plaintiff's Exhibit Number 5 was referenced at this time.)

A: No. Just Wilmington Savings Funds Soc for NNPL Trust Series 2012-1.

Q: Right. And in connection with Exhibit 6, this Assignment of Mortgage, there was no bailee letter produced during the course of this trial in connection with this transfer, was there?

A: This is not a transfer of the collateral file, so there's no need for a bailee letter.

Q: Well, I recollect you telling me a few minutes

ago that when these transfers are done, bailee letters were created to document the transfer.

A: I said when the transfer of the collateral file. An actual physical collateral file. I did not say with an assignment of mortgage.

Q: Well, what's a collateral file?

A: A folder, normally it's this folder that holds original documents. The notes, original mortgages, original title policy, note with -- together with any stamps and/or allonges. If there's any modifications, it would have original modifications. Many times, it also has an original assignments within it.

Q: Well, in the absence of a bailee letter, how do we know that this collateral file, these original documents, ever went from the assignor to the assignee on any of these assignments of mortgage?

A: That's what these documents are stating of the ownership. They could've kept the cus- -- same custodian to hold it. There's ---

Q: Well ---

A: You want to use the same custodian, you have no reason to move it.

Q: Right. But we don't have any documentation

showing that the custodian remained the same throughout these various transfers, do we?

A: That is correct. And I don't have anything to show that it was moved either.

Q: Okay. Now, also, in this Assignment of Mortgage, Exhibit 6 ---

(Plaintiff's Exhibit Number 6 was referenced.)

A: Yes.

Q: --- I do not, unless I'm missing it, do not see the language that says together with the note.

A: I believe you are correct. There is no language as to together with the note.

Q: So Exhibit 5, the Assignment says together with the note, but Exhibit 6 says -- doesn't have that language, correct?

A: That is correct.

Q: All right. So do we know where the Note went?

OBJECTION:

MR. HAYES: Your Honor, again, I'll -- I'll renew my objection to questioning the assignment -- the assignments, when the law clearly says they cannot question the assignments, and the law clearly says the mortgage follows the note in South Carolina. I just want to renew the objection.

THE COURT: It's noted. Overruled.

MR. HAYES: Okay. Thank you.

A: Exhibit 12 shows the -- the same transferring from Wilmington Savings Funds Society FSB d/b/a Christiana Trust, not in its individual capacity but solely in its capacity as Certificate Trustee for NNPL Trust Series 2012-1, and it's pay to the order of the Waterfall Victoria Grantor Trust, Series G.

(Plaintiff's Exhibit Number 12 was referenced.)

Q: And, again, this document that you just referred to, Exhibit 12, has no date of creation, correct?

A: It does not.

Q: And none of the Assignments of Mortgage we -- we just went through, up through Exhibit 6, none of those mentioned Waterfall Victoria Grantor Trust Series G, except the very last one, Exhibit 6, correct?

A: That is correct.

Q: Okay. Let's go to Exhibit 7. And I -- I don't exactly recollect where your testimony -- and I don't want to wrongfully paraphrase it, but where did you say that this document came from?

(Plaintiff's Exhibit Number 7 was referenced.)

A: The original?
Q: Yes. The -- what's claimed to be an original.
A: To the best of my recollection, from the custodial facility. It was requested and sent to a law firm at the time of the initial complaint. Then there was a transfer to another law firm, I believe at that point it was supposed to be transferred again to a different law firm, where it could not be found. And then it was located again and returned to, if I'm not mistaken, it was the custodian -- no, the collector, the individual that was hired to find the document or track the collateral that then sent it back to counsel and it ended up at the current law firm as our custodial -- as our current custodian, who they brought in here for -- for trial, as a custodian for the plaintiff and as the law firm.
Q: Do you know the names of anybody in these law firms who was involved in these transfers or acquisitions of this note?
A: I have not looked into anyone in those law firms.
Q: Okay. Now, you mentioned that there was a time

when the note could not be found, correct?
A: There was a time where it was deemed to have been lost, they could not locate it, that is correct.
Q: And are you familiar with something called a lost note affidavit in this case?
A: I do know what a lost note affidavit is, I have not seen the one specifically for this case.
Q: Do you know if that lost note affidavit is a part of your files of SLS?
A: That was beyond the scope of my review.
Q: Okay. Because I'm going to proffer to you that in one of the depositions of the prior servicers, the representative testified, in fact, that it was part of the servicer's file. Do you all not have that in your file?
A: It would -- I'm not saying it's not in there, I personally did not pull it and I don't want to perjure myself to say it is or isn't if I have not personally reviewed it.
Q: Okay. I know we're getting a little bit knit picky here, but I need to know something. Is there anything you saw in your records that you reviewed that identified a lost note affidavit pertaining to this loan? Whether you reviewed

it or not, is there anything you saw that identified the existence of a lost note affidavit?

A: Possibly. I do know that at one time it was lost, I do not know if I saw anything that mentioned -- I don't recall seeing anything specifically mentioning the lost note affidavit.

Q: Okay. How do you know it was lost?

A: Through my review I checked the collateral tracking and I do know at some point that it was missing.

Q: When was that?

A: I prefer to say missing than lost, because it was obviously found.

Q: When was that?

A: That was sometime last week or the week before last, I looked to see where the collateral file was moved from, I was trying to identify the location of the original.

Q: Okay. Maybe I -- my question wasn't clear. Let's do it this way, do you know the name of the entity that had possession or custody of this note, in original form, when it was lost?

A: I do not recall their name.

Q: Okay. So, then there would be no way to ascertain whether or not the entity that had the original note at the time had the ability to enforce it, because we don't know who they are, right?

A: I wouldn't say that, because it's just beyond the scope of my review. I can't answer that --

Q: You don't know.

A: --- but that doesn't mean that ---

Q: Fair enough. You don't know. So, do you know anything about the circumstances surrounding the loss? In other words, how it occurred, where it occurred, when it occurred?

A: No specifics.

Q: Tell me what you do know.

A: It was lost and we found it.

Q: Okay.

A: Similar to losing your keys and then finding them.

Q: Okay. Who's we?

A: I say we as the plaintiff or the servicers. The document was lost and a servicer at the time and/or the investor searched for it. It's part of the tasks of servicing a loan. If we

deem a note to be lost, we perform a check. As a matter of fact, if -- when SLS receives a file with the lost note, we do our own check to try and track it.

Q: Well ---

A: So, that I found -- I personally have found lost notes by sending counsel to the court and finding -- looking into the court file. Sometimes finding it in the current court file, not filed properly; sometimes, filed in a previous case. And that's just from me doing my search.

Q: Who found the lost note in this case?

A: I don't recall off the top of my head, but there might be a bailee letter in here of the person that actually found it, because they were set to locate it and transfer.

Q: Well, the only bailee letter that's been produced so far has a checklist on it, one of which includes lost note affidavit.

THE COURT: Mr. Barnes?

MR. BARNES: Yes, sir.

THE COURT: Please refrain from testifying. You can ask him a question ---

MR. BARNES: Okay.

THE COURT: --- but I don't want you to assume facts.

MR. BARNES: Got it.

A: I actually see two bailee letters.

Q: My question was, do you know the identity of the person who found this lost note?

A: I do not know who specifically found it.

Q: And do you know when it was specifically found?

A: I do not recall.

Q: And do you know the circumstances surrounding the loss?

A: Since I did not lose it, I cannot say I know how it was misplaced or lost.

Q: Fair enough. Now, let's go to this -- on mine, it's a separate -- on my Exhibit 7, it's a separate page with a stamp on it. And yours, it may be on the back of a pa- -- another page.

(Plaintiff's Exhibit Number 7 was referenced.)

A: Yes.

(Off the record discussion.)

Q: Now, would you agree with me, sir, that there is no date next to this stamp, or indicating when this stamp was placed on whatever page you're looking at?

A: That is correct.

Q: And there is no notary notarizing this signature, correct?
A: That is correct.
Q: There are no witnesses to this signature?
A: That is correct.
Q: So, we have no idea of knowing when this stamp was placed on that document, do we?
A: I do not have a specific date when it was ---
Q: Okay. Let's go to Exhibit 8, which is the document styled Allonge to Note.

(Plaintiff's Exhibit Number 8 was referenced.)

Q: It says, pay to the order of 50 by 50 REO, LLC, signed in the presence of GMAC Mortgage, LLC. You see that?
A: Yes.
Q: Okay. Do you know the significance of that language, signed in the presence of?
A: In regards to legal terms, not really.
Q: Yeah. Do you know the significance of that at all?
A: It was signed in the presence of GMAC, so you were either at GMAC or with GMAC, or someone with authority at GMAC to sign as being there in the presence of yourself.
Q: Okay. And would you agree with me, sir, that

this document is -- the signature is not notarized?

A: That is correct.

Q: Nor are there any witnesses?

A: I do not see any witness.

Q: And there's no date of when this document was created?

A: That is correct.

Q: Okay. Let's go to Exhibit 9, which is an Allonge to Note where it says, pay to the order of, in handwriting, US Bank, N.A., as Trustee of the FRT 2011-1 Trust. Do you see that?

(Plaintiff's Exhibit Number 9 was referenced.)

A: Yes, I do.

Q: By -- signed in the presence of, again, 50 by 50 REO. Would you agree with me, sir, that there is no date as to when this document was created?

A: I would.

Q: And there is no notaries to the signature of the person whose name appears here?

A: That is correct, there is no notary on this.

Q: And there are no witnesses to this signature?

A: That is correct. There's no witnesses signed here.

Q: Okay. So, we have no idea or way of knowing when this document was created, do we?
A: I do not know the specific date of when it was created.
Q: Okay. Now, this Allonge to Note says, pay to the order of U.S. Bank as Trustee of something called the FRT 2011-1 Trust. Do you know how those trusts are set up?
A: I have a rough understanding, but I personally have not set up a trust.
Q: Okay.
A: I do not have a detailed ---
Q: Tell me what you know.
A: People get together who fund some money, they have the money, and they buy a set of bulk loans, and to buy the bulk loans, they put it into a trust. They have an attorney file -- fill out some paperwork. This is the trust, this is the trustee, we need you to do this, this and this for us to get whatever loans we decide to purchase, you have to meet these requirements, and we're going to have a closing date of this date to get you in by this date, and then they purchase loans, throw it into a trust, and they service and/or sell those.

That's ---

Q: Okay.

A: --- for the most part, a brief breakdown of it.

Q: Okay. We're going do a little left hand right hand here, so if you could put Exhibit 4 on one side of your table and Exhibit 9 on the other.

(Plaintiff's Exhibit Numbers 4 and 9 were referenced.)

A: Yes.

Q: Okay. Exhibit 4 is an Assignment of Mortgage by 50 by 50 REO to US Bank as Trustee of the FRT 2011-1 Trust, right?

A: Yes.

Q: And it is dated September 24th of 2012, correct?

A: Yes.

Q: Now, the Trust is styled, FRT 2011-1 Trust, correct?

A: Yes.

Q: Okay. Are you aware of any restrictions on the transfer of mortgage loans into these trusts?

A: It would be written specifically in the trust agreement.

Q: Okay. You haven't reviewed that, right?

A: I have not.

Q: Okay. Now, as of the date of Exhibit 4, which is September 24th of 2012, was this loan already in default?
A: I believe it was. I'd have to -- if you allow me to check back just to make ---
Q: Please ---
A: --- sure.
Q: --- do.
A: Yes, I would say by 2012 it was already in default with a due date back in 2009.
Q: So, the -- the loan was not generating any income at that point, correct?
A: What do you mean by that?
Q: Well, there would- -- the borrow wasn't paying anything on the loan, correct?
A: That's my understanding.
Q: Right. The loan being in default, there's no money coming in, right?
A: That is correct.
Q: Okay. Do you know of any authority that allows the transfer of mortgage loans into a trust when the mortgage loans are not performing?

OBJECTION:

MR. HAYES: Your Honor, objection. It -- it calls for his interpretation of the law.

THE COURT: I don't think it does. I disagree with -- overruled.

MR. HAYES: Okay. Thank you, Your Honor.

A: Can you repeat the question?

Q: Sure. Do you know of any restrictions on the transfer of mortgage loans into these trusts, such as this FRT 2011-1 Trust, if the loan is in default? In other words, is that permissible, if you know?

A: I don't know. I don't see why not.

Q: Well, you don't know why either, right, if that's even possible because you haven't reviewed the trust document, right?

A: Correct.

Q: Okay.

A: It's like installing a broken part.

Q: Fair enough. Let's go to Exhibit 10, Allonge to Note. This is the one with the date on it, correct, exec- -- executed this 4th day of September, 2014?

(Plaintiff's Exhibit Number 10 was referenced at this time.)

A: Yes.

Q: Now, this one makes the -- payable to FRT 2013-1 Investor LLC, which is a different entity

than FRT 2011-1 TRUST, correct?

A: Yes.

Q: And, again, at this time as of 4th of September, 2014, the loan was in default, correct?

A: Yes.

Q: Do you know of any authority that would allow the transfer of a defaulted mortgage loan into the FRT 2013-1 Investor LLC, whatever that is?

A: I don't know if one is needed. If you own something, you can sell it. I can sell a broken car.

OBJECTION:

MR. BARNES: Okay. Sir, objection, non-responsive.

Q: Sir, do you know of ---

THE COURT: Overrule the objection.

Q: Do you know of any authority that would allow the transfer of a defaulted mortgage loan into the FRT 2013-1 Investor, LLC; yes or no?

A: Written authority, none that I'm aware of, but I believe owners can sell their property. That's my understanding of how selling happens. So, if something was transferred to them and they own it, they have the right to sell it.

Q: On the assumption that they own it, right?

A: If they own it, they can sell it.
Q: Right. And you can only sell what you have, you can't sell something you don't have, right?
A: Theoretically speaking, you couldn't.
Q: Thank you. Okay. Let's go to Exhibit 11. This is also dated September 4th of 2014. Now, this doesn't have a specific payee name, it says, pay to the order of blank by FRT 2013-1 Investor, LLC, correct?
(Plaintiff's Exhibit Number 11 was referenced).
A: Yes, that is correct.
Q: Okay. Which is a -- we don't know who this went to, do we?
A: It is -- it's paid to the order of blank.
Q: Okay. Exhibit 12, this is a Note Allonge, would you agree with me, again, it's undated?
(Plaintiff's Exhibit Number 12 was referenced.)
A: Yes.
Q: All right. Now, this one says that Wilmington Savings Fund Society, FSB d/b/a Christiana Trust, not in its individual capacity, etcetera, by New, N-E-W, Penn, P-E-N-N, Financial d/b/a Shellpoint Mortgage Servicing as attorney in fact transfers to Waterfall Victoria Grantor Trust II, Series G, right?

A: Yes.
Q: Okay. Now, Exhibit 13 says that the same Wilmington entity -- well, no, I'm sorry, let me do it this way. The Wilmington entity that transferred whatever it transferred under Exhibit 13 is a different entity because the Trust Series is 2012-34. Correct?
(Plaintiff's Exhibit Number 13 was referenced.)
A: That is correct.
Q: All right. And I'm going to ask the same question that Mr. Hayes asked you, how could the Wilmington Fund transfer this loan from two different trusts to two different entities at the same time?
A: It appears someone attached an erroneous endorsement allonge that should've been on another note. It's all in the assignments. That would be the Trust -- or, 2012-34, never had an assignment of this, so they would not have been the ones transferring it. It's almost like the individuals who get stamp happy. I've seen this happen before with origination files. They're stamping to them, or to where it's going, they grab a loan and before they review to see where it's going,

they grab the wrong stamp and they stamp the wrong stamp on it. Then you need to cross out the stamp, cancel it, and re-stamp it.

Q: And that was never done here, was it?

A: No, it appears it was the wrong allonge was attached to it and we haven't removed it.

Q: Well, I'm going to point you to the top of Exhibit 12 where it identifies the borrower as Jamie Singleton.

(Plaintiff's Exhibit Number 12 was referenced.)

A: Yes.

Q: And at the top of Exhibit 13 it says, borrower name Jamie Singleton.

(Plaintiff's Exhibit Number 13 was referenced.)

A: Yes.

Q: With the Rowsham Place address, right?

A: Yes.

Q: Okay. So, which one's the mistake?

A: My personal belief if the mistake -- after reviewing my business records, the last one's a mistake. My business records show an assignment of mortgage and I did review Waterfall, and I did call Waterfall for their sales agreement, Purchase and Sales Agreement, which they provided to me to show that they're

the current owners and holders, so they would've been the last ones to have possession of it, and not this final one.

Q: All right. But this document, would you agree with me, was offered by the Plaintiff as part of the allonge chain to show the transfer of this loan, correct?

A: It was offered by the plaintiff as a document as is, they are custodian but they do not have the authority to remove these. They are -- don't have a power of attorney to do so.

Q: Well, who does?

A: I do.

Q: Did you do it?

A: No, I did not.

Q: If you notice at the bottom of ---

A: We're appearing in court.

Q: If you notice at the bottom of Exhibit 12 and Exhibit 13, the person signing it is -- the name it says, Cynthia Brock?

A: Yes.

Q: Would you agree with me that the signatures on a 12 and 13 for this Cynthia Brock are very different from each other?

A: They look different.

Q: Which one's genuine and which one isn't, if you know?
A: You'd have to ask her.
Q: Fair enough. Okay. Let's go to Exhibit 14. This is the Crawford & von Keller letter.
(Plaintiff's Exhibit Number 14 was referenced.
A: Yes.
Q: The second page at the top it says, borrower Kaney, K-A-N-E-Y.
THE COURT: Mr. Barnes, let's take a five-minute comfort break.
MR. BARNES: Whatever you want, Judge.
(Off the record from 1:51 p.m. until 2:01 p.m.)
THE COURT: Back on the record. Mr. Barnes.
MR. BARNES: Thank you, Your Honor.
THE COURT: We're going to the Crawford von Keller letter.
MR. BARNES: Correct.
Q: Exhibit 14, sir.
A: Yes.
Q: Okay. And just to reiterate and so I don't lose track of these, this -- the borrower here is somebody named Kaney, who is -- has nothing to do with this case, right?
A: On the second page, yes, it has a -- a

different borrower and a different loan number.

Q: Right. Now, on this first page dated April 20th, 2018, it says, enclosed please find the original note, mortgage and CD from Rogers, Townsend & Thomas, do you see that?

A: Yes.

Q: But the only thing attached is this page relating to somebody named Kaney, right?

A: That is the only thing attached, that is correct.

Q: Now, there's a reference there to a CD, what would the CD have been or what was on it, if you know?

A: When CDs are sent to counsel, it's normally the loan files. We'll pull the imaged documents, we'll pull information for the attorneys and send them a CD because it's too big to send e-mailed. A CD is created with the loan file. That's what I'm aware of of sending a CD to counsel.

Q: Okay. Exhibit 15. Bailee letter.

(Plaintiff's Exhibit Number 15 was referenced.)

Q: Now, I did not see a date of creation of this letter. I see a state of the signature on the third page, but do we know when this letter was

created?
A: Prior to the date that it was received.
Q: But otherwise, we don't know?
A: I do not know the specific date.
Q: Okay. Now, there are three entities -- well, let's do it this way first. The last page we're on, the signature page, it says, once files have been returned to the custodian, please advise Situs, S-I-T-U-S, AMC that you are no longer in possession of the collateral file by completing this section below, which is blank. Who's SitusAMC, if you know?
A: Well, according to the letter itself, they were used for the oversight on behalf of Waterfall Asset Management.
Q: What is bailee oversight?
A: Overseeing the bailee transfer. The transferring of the collateral file. Oversee the bailee -- the bailee letter, the transfer. To be dead honest, I do not know the actual definition of bailee as it would be described or a legal term, I just know bailee letters as for the transferring out -- used to transfer collateral files, and to take over custodial duties. So, they are engaging in the oversight

of that bail- -- of that bailee transfer.
Q: But Situs is not actually the bailee?
A: They have been engaged for bailee oversight, to oversee the bailee.
Q: Right. Exactly. To oversee them, but they are not the actual bailee, correct?
A: Who is the bailee?
Q: SitusAMC is not the bailee?
A: What's the bailee? The bailee letter? This is the bailee letter.
Q: No, no, no. I'm going off what you just said. You said SitusAMC was engaged in bailee oversight. Now, my question is then, if they're engaged in bailee oversight, they are not the actual bailee, correct?
A: I honestly don't know if bailee is the person receiving it or the one sending it, but they are the ones sending it.
Q: Okay. I'm just trying to understand this concept of bailee oversight.
A: Someone who has been hired to -- okay, perfect example. Yourself. You're overseeing this case for another attorney. They are overseeing the transferring, the bailee, to Waterfall.
Q: Oh, okay.

A: Okay.
Q: If you go to the second page at the bottom, there are several addresses. Commer- -- well, the first one is, Commercial Collateral, Wells Fargo Document Custody in Minneapolis. Do you see that?
A: Yes.
Q: And then directly across from that, you've got Residential Collateral, Wells Fargument- -- I'm sorry, Wells Fargo Document Custody on a different street in Minneapolis, you see that?
A: Yes.
Q: And at the bottom it says, document custody, Deutsche Bank that's D-E-U-T-S-C-H-E Bank National Trust Company, Issuer Servicer I Global Securities Services, Global Transaction Banking at an address on St. Andrews Place in Santa Ana, California, do you see that?
A: Yes, sir.
Q: All right. Could you explain to me what involvement each of these entities, the two Wells Fargo entities and Deutsche Bank, had with respect to the Singleton loan?
A: I do not know in detail what they specifically did. I can tell you that they are custodial

facilities that are used to house and maintain collateral files.

Q: But, again, since there's no checkmark next to either of these addresses or identifying information, we don't know which one was the custodian here, do we?

A: I do not know at this time.

Q: Okay. Let's go further up that page.

A: Yes.

Q: At the top in the -- in the box, it says, original **unrecorded** assignment(s). Please list. There's in the third hashmark to the left, it says, Cascade Funding Mortgage Trust 2017 to US Bank Trust, N.A. as Trustee for Cascade Funding Mortgage Trust 2017-1, correct?

A: Yes.

Q: Cascade Mortgage Funding Trust does not appear on any of the allonges or assignments of mortgage, does it?

A: Not that I'm aware of.

Q: But yet they are listed in the assignment chain, correct?

A: They are listed as a document that is in the collateral file as an unrecorded -- original unrecorded assignment.

Q: Of the Singleton loan?
A: Well, in the collateral file. I have not identified, since I have not seen the assignment, I don't even know if it was the correct assignment or if someone put the assignment in the wrong file folder. They sent it and it could've been an assignment for a different loan.
Q: Okay. Well, that -- the reason why I'm asking is because if you look on the first page, it says, borrower name, Singleton, Jamie; it has the Rowsham Place address, right?
A: Yes.
Q: And then there's a box just north of center where various things are checked off, correct?
A: Yes.
Q: And then we go on to the second page where it says, original unrecorded assignment(s), please list, correct?
A: Yes.
Q: So are you saying that this assignment from this Cascade Funding Mortgage Trust entity to US Bank could be a mistake?
A: It could be. It's a possibility. I, personally, have not seen it, so I cannot

identify which specific loans it is assigning.
Q: I see.
A: It's a description of it, of who's assigning to who, but it's not a full detail of the assignment.
Q: Okay. Now, on the first page -- give me a minute.
THE COURT: While he's doing that, I want to make sure, is this bailee letter -- this is a -- it's addressed to somebody at Waterfall Asset Management, LLC, New York; is it coming from somebody at McMa- -- McMichael Taylor?
A: This one's coming from Situs, Your Honor. They're named in the -- they're the ones that are in charge of the overseeing of sending it.
THE COURT: How did they get Tomika Cromer's signature?
A: She signed it on behalf of Waterfall, Your Honor.
THE COURT: Okay. Go ahead.
MR. BARNES: Oh, I'm sorry.
THE COURT: No, I apologize.
MR. BARNES: No. No worries.
Q: It's kind of a question I had a couple down the road, but I'm going to follow up on it now. On

that third page, it says signature, and there's a -- some scribble, Date 10/27 of '20, (received on 10/20- of 201- -- 2020. Name, Tamika- T-A-M-I-K-A [sic] Cromer, C-R-O-M-E-R. Company, McMichael Taylor Gray, LLC, right?

A: Yes.

Q: And she's signing on behalf of a law firm, correct?

A: I believe that is the law firm, yes.

Q: Right. She's not signing on behalf of Waterfall.

A: She's counsel for Waterfall.

Q: Counsel for Waterfall, but not Waterfall. There's nothing there that says company, Waterfall Asset Management, correct?

A: Not on that page.

Q: Okay. And, by the way, Waterfall Asset Management doesn't appear in any of the assignments or allonges, correct?

A: I don't believe they're described as Waterfall Asset Management.

Q: The Waterfall entity in the assignments and the allonges is Waterfall Victoria Grantor Trust II Series G, right?

A: Because that is the Trust. That is not an

actual entity.
Q: Right. And Waterfall Asset Management is a different company, correct?
A: Waterfall, I believe, is actually the Trustee of it, isn't it? Waterfall is Waterfall Asset Management. They're ---
Q: Are you saying the Trust and the asset management company are one in the same?
A: No. Trusts are different from en- -- that's why you create a trust. It's not you, it's the trust.
Q: Okay. So, if this bailee letter is to somebody named Marc, with a C, L-E-D-E-S-M-A; Ledesma, at Waterfall Asset Management, from this Mc- -- McMichael Taylor Gray law firm, if the loan is in the Trust, why is it going to the asset management company?
A: Because the loan is being litigated and needs to go to an attorney.
Q: Well, it came from an attorney, apparently. It was signed by an attorney.
A: It says received. Doesn't it say that there?
Q: Okay.
A: They're receiving it.
Q: All right. Let's go to page one, box two that

was checked in the box below -- just above the midline, original lost note affidavit, you see that?

A: Where are we at?

Q: Page one ---

A: Oh, page one.

Q: --- Exhibit 13 -- 15, excuse me.

A: Second line, original lost note affidavit, yes, I see that.

Q: Right. So, this letter is from this Marc Ledesma is telling to whoever it's addressed to -- I'm sorry. It's telling Marc Ledesma of Waterfall Asset Management that there's an Original lost note affidavit included with this letter, correct?

A: Yes.

Q: It's not attached to this letter, is it?

A: It is not.

Q: All right.

MR. BARNES: I'm going to hand you what we're going mark as Defendant's Exhibit -- I guess A, Your Honor, and keep it separate.

THE COURT: Well, it'd be defense -- I don't -- I'd rather keep numbers.

MR. BARNES: Fine.

THE COURT: So just Defendant's 1 or 2 or something.

MR. BARNES: Okay. Defendant's 1. We already have Defendant's -- it's Defendant's 9. I'm just going tell you that's from -- this was used in a deposition, but we're gonna mark it as 1 for here.

(Defendant's Exhibit Number 1 was marked for identification purposes.)

Q: I ask you if you've ever seen that document before?

A: I have not.

Q: Okay.

OBJECTION:

MR. HAYES: Your Honor, I object to this document as being hearsay. Furthermore, he's laid no foundation for the introduction of this document.

THE COURT: I don't think he introduced it yet.

MR. HAYES: Okay.

MR. BARNES: I haven't.

THE COURT: And I haven't seen it, so I don't know what you're talking about.

MR. BARNES: Oh, I have a copy. May I?

THE COURT: So, this has been marked as Defendant's 1 for identification?

MR. BARNES: Yes, Your Honor.

THE COURT: Okay.

Q: But do you know whether or not this document is part of SLS' files?

A: I do not know. I did not check for it.

Q: Okay. Because you did mention that the lo- -- that you did know that the note was lost, right?

A: Yes.

Q: Okay. The bailee letter that's already in evidence, refers to an Original lost note affidavit, correct?

A: Yes, it does.

Q: Okay. Do you know whether or not this is the lost note affidavit that's referred to in Exhibit 15?

A: I do not.

Q: Okay. Did you look, did you check?

A: I -- as I told you mult- -- earlier, that was beyond the scope of my review, so, no, I didn't look prior to today, so I can't confirm that it is because I haven't seen it.

Q: Okay. Do you know of somebody named Scott Lechner, L-E-C-H-N-E-R, Managing Director of NNPL Trust Series 2012-1?

A: I do not.
Q: Okay. Now, this document, Exhibit 15, refers to an original lost note affidavit, do you know where that is?
(Plaintiff's Exhibit Number 15 was referenced.)
A: I personally do not.
Q: And you did search your files, S- -- SLS' files, for this lost note affidavit, or not?
A: I did not.
Q: Why?
A: That was beyond the scope of my review.
Q: Well, did someone tell you what to review and what not to review?
A: No. I reviewed documents that will be needed for trial. I wasn't told that I needed to look for a lost note affidavit for the trial, so I did not look for a lost note affidavit.
Q: Well, let's see. Exhibit 15, which you did review, right, has various items checked off in this box just north of center, correct?
A: Yes.
Q: Now, it's -- the first one says original note, you reviewed that, right? The third one says original endorsement, you reviewed that, right?
A: Yes.

Q: Then next is a series of allonges, you reviewed that, right?
A: I re- -- yes, I reviewed copies of the allonges.
Q: And you reviewed the assignments of mortgage, correct?
A: Correct.
Q: Although you didn't review the one from Cascade Mortgage Funding Trust 2017-1 to US Bank, correct?
A: I did not see a copy in my business records.
Q: Okay. But you did not look for or review the second box, an original lost note affidavit?
A: I did not go through that list for my review. I reviewed documents that were needed to come to trial and exhibits that were needed. I compared them to my business records and that's what I reviewed.
Q: Well, isn't Exhibit 15 a business record?
A: It is.
Q: Okay. And doesn't it refer to other business records?
A: Yes.
Q: Okay. Tell the Court and tell me why you did not find or look for the original lost note

affidavit that's referred to in this exhibit, which you reviewed, which has been introduced into evidence?

A: Well, because it was beyond the scope of my review. Because we have the original here. We found it. It's -- to me, it's the same as I -- someone lost their keys, someone lost their phone; they call it, they find it. It's no longer lost. It's something that happens. What do you need to do to prove that you have the phone? Have the original phone. Not have a piece of paper that said I lost it. Or the -- a transcript of a phone call to the phone.

Q: Okay ---

A: So I searched for the original. I didn't ---

Q: Sir, an affidavit is a document executed under oath, isn't it?

A: Yes, it is.

Q: Subject to the penalty of perjury, correct?

A: That is my understanding.

Q: Okay. Now, did you, in your mind, see that -- well, it says original note and original lost note affidavit, that's a discrepancy. Did that cross your mind at all?

A: No. People lose things and find them again all

the time. It's not the first time a note was lost and then found.

Q: Was there ever a corrected bailee letter issued that eliminated the checkmark, or the X next to original lost note affidavit?

A: I have not seen one. If they sent it and it had one, it had one. I'm not saying it wasn't there. It was beyond the scope of my review. I have not seen it. I have not looked for it.

Q: Okay. Now, this lost note affidavit, since you haven't seen it, you would have no reason to object or take issue with any of the items in this document, would you?

A: I'm not an attorney. I wouldn't be allowed to object.

Q: Okay.

THE COURT: Mr. ---

MR. BARNES: Amaya.

THE COURT: --- Amaya, I don't think he's asking you for a legal -- for a legal objection, he's asking a literal objection ---

A: Oh ---

THE COURT: --- not a capital objection.

A: Because we're in trial, that is something I would have to ask my attorneys on whether I

should or should not object to it, personally. Not -- don't take it the wrong way. You're on -- my opposition, I'm gonna object to anything that you want to enter. That's just how things are.

Q: You ---

THE COURT: Even if it were true?

A: No. But doesn't mean that I'd be happy about it.

THE COURT: Okay. So with ---

A: I'm not doubting that there's a lost note affidavit, Your Honor, I just have not personally reviewed this one, so I can't testify that it is the one. I'm not saying it's not.

THE COURT: Go ahead.

Q: Okay. You've already testified that you knew the note was lost and, allegedly, it was found at some point in time. By the way, do you know when that was?

THE COURT: He's -- he's answered you. He does not know when the ---

MR. BARNES: I meant specifically date, time and place.

A: No. I do not know the specific date, time or

place.
Q: So, you do not know that it was allegedly found around 11 o'clock at night the day before a summary judgment hearing?
A: No, no.
Q: You didn't know that?
A: No.
Q: Okay. And I asked you th- -- I may have asked you this before, and I'm sorry for being repetitive, but do you know the name of the person who actually found this lost note?
A: I do not.
Q: Okay.
A: To the best of my recollection, it was lost by a law firm ---
Q: Okay.
A: --- or while it was supposed to be in possession of the law firm. That is all I recall.
Q: Okay. Now, was it -- was it found before or after the date of this bailee letter, which is undated so we don't even know?
A: Uh ...
Q: Well, let me ask you this -- let me, let me make it ---

A: Considering ---
Q: --- let me make it a little clearer. Was it -- was the note found before or after 10/27 of 2020?
A: I do not know. What I can say is, it was found before this bailee letter, because the bailee letter has the original in it.
Q: Well, it's not attached to this, is it?
A: It's in the court file. It wouldn't be attached to the copy. That's why there's this.
Q: Well, there's -- this -- this letter say, the following original documents are being delivered to your office, original not, original lost note affidavit, original endorsement, etcetera, etcetera. But there are none of those documents attached to this letter, correct?
A: That is correct, none of them are ---
Q: Okay. And you didn't think it was important by looking at this, seeing a discrepancy between original note and original lost note affidavit to find out the substance of the lost note affidavit?
A: No, I did not because it was found. Original lost note was found, I didn't ---

Q: But you don't know when, do you?
A: I don't know when. I don't know a specific date when.
Q: Right. You don't know if it was found before or after the date of this letter, do you?
A: Obviously before because the letter shows that the original is with it, and if you send the original with it, you kind of have to have it.
Q: Okay. Well, then, if it was found before 10/27 of '20, which is the signature date, then this letter is erroneous, isn't it?
A: What do you mean?
Q: Well, if you're telling me that the legi- -- the original note was found before 10/20 [sic] of 2020 -- or, 11 -- 10/27 of 2020, if you're telling me that, then this letter that encloses a lost note affidavit contains a false statement, doesn't it? Because like you're saying, we found it. So when they're saying a lost note affidavit, which says the note is lost, that's a false statement, isn't it?
A: No, it's not. Someone created a lost note affidavit, they put it in the collateral file; they found the original, put it back into the collateral file. Now you have both of them in

there. It -- there's nothing erroneous about that, that just means someone did not throw away the original lost note affidavit when they found the collateral file, they transferred it.

Q: And how do we know they didn't throw away the original note, or not find the original note and created another one?

A: This one -- the original's here.

Q: Says who?

A: Says I.

Q: Were you there at the closing?

A: I was not.

Q: Did you witness Mr. Singleton sign that document?

A: I did not.

Q: Have you had custody of that document since the closing?

A: I have not.

Q: And that note was lost according to your own records, wasn't it?

A: Yes, it was.

Q: Okay.

A: It was also found.

Q: Well, so you say.

MR. BARNES: Judge, may I have a minute with Mr.

Sloan?

THE COURT: Sure.

(Off the record from 2:25 p.m. until 2:27 p.m.)

MR. BARNES: Judge, just another question or two and then we'll move onto the next exhibit.

THE COURT: Thank you. Go ahead.

MR. BARNES: Ready?

THE COURT: Yes, sir.

MR. BARNES: Okay.

Q: Mr. Amaya, again, just so I'm clear, Exhibit 15, which is this bailee letter, is part of SLS' business records, correct?

A: Yes.

Q: But yet, the original lost note affidavit that's referred to in this letter, you don't know whether or not that's a part of SLS' records, correct?

A: What I'm saying is, I have not reviewed it. I have not searched for it or seen it.

Q: So are you telling me then, it could be part of SLS' business records, but you just didn't see it?

A: As I said, it was beyond the scope of my review. There could be a lost note affidavit in there. I do not doubt it because this says

that there's a lost note affidavit. I, personally, have not reviewed one.

Q: Okay. But I think what I'm hearing you say is it could be in the records, you just don't know?

A: Correct. I don't know if there is one in there.

QUESTIONS BY THE COURT:

THE COURT: Mr. A- -- I'm sorry ...

MR. AMAYA: It's okay, Your Honor. Amaya.

THE COURT: Who gave you what your scope of the review was? What -- what was -- what were the instructions to you?

MR. AMAYA: For me, Your Honor, it was to review the file and to pull any records that were needed for trial.

THE COURT: And ---

MR. AMAYA: Like file exhibits, and I pulled the -- the records that counsel needed anything I would see that I was missing. At first, I saw that there was a -- I pulled some extra payment history for this and updated information. That's ---

THE COURT: All right. Hold on. So, the counsel for -- your, your lawyer is counsel for -- for

the owner of the Note, gave you the instructions for what you needed to pull for this, is that correct?

MR. AMAYA: No. They would request documents. They don't give me a detailed instruction of what to look for. My review is for most -- most in part done through my research. I -- yes, I do know that the note was lost, but it was found. It -- my understanding, it was found. It's irrelevant that it was lost, so I didn't go in depth into searching it. When a lost note is identified as a lost note, part of my review is I perform the same checks all over again that SLS does to try and locate the lost note. But in this case, I didn't go through that step because the note was found. So it ---

THE COURT: I understand now. I understand that part. You've -- you've expressed that. I'm just confused as to how you -- how you determine what your scope of review was.

MR. BARNES: Right.

MR. AMAYA: It's based in part of just me looking at business records, and what counsel needs for trial. If I ---

THE COURT: Well, they don't -- did they define to

you -- that might be, that might be attorney-client privilege, so ---

MS. TAYLOR: Your Honor ---

MR. AMAYA: They don't tell me what to look at or what not to look at. They will ask me what they need and I will pull that for them. Sometimes I find I'm looking for documents to fill up and I'll find more things. Sometimes, like I said in this case, my standard practice when there's a lost note, I do the search the same as was done to try and locate the lost note to make sure there was an actual search done, and so I can testify that not only did we say there was a search done, but a search was done. In this case, it was found. I found it kind of irrelevant to look into the lost Note because we found the original.

THE COURT: Okay.

MR. HAYES: Judge, if, if you're asking if January or I or anyone for the Plaintiff specifically told him not to get the lost note affidavit, I don't even believe during this whole conversation the lost note affidavit was even brought up because we had the original note, Your Honor.

THE COURT: I understand that.

MR. HAYES: Okay. So we're not trying to hide anything.

THE COURT: I got that clear and I understand. I just -- he's represent- -- he's the -- he is here as the representative for the plaintiff.

MR. HAYES: That's correct.

THE COURT: As the servicing agent.

MR. HAYES: Right.

THE COURT: And so, he's obviously an agent. He has to have a principle. I was wondering if he has -- his principle said, pull these files -- I mean, what -- or his -- was he just said, all right, you're assigned this loan, prepare whatever we need to go to trial on? And then give it to, give it to counsel? I mean, how, how does that happen? I just -- I'm trying to understand in this -- in the corporate world, how does one in your position, how are you informed on what to look for. Is it by experience or is just a do you have a -- do you have superior who says to you to do something?

MR. AMAYA: Well, there is a superior that assigns the loans or the tasks to me, Your Honor.

THE COURT: Yes.

MR. AMAYA: Once it gets to me, part of it is experience, but a lot of it has to do with each individual case in the sense of what my attorney needs me to review of what I need to testify to. What do they need so I can provide it to them. I'll pull those documents and I'll review those documents. There's many times I'm looking through letters that are irrelevant, because I'm looking for a breach letter. Doesn't mean I've memorized everything on it. Now, for this particular case, when I got to it, the -- the lost note didn't seem to be an issue for me, so I didn't look into a lost note affidavit just because do we have the original? Yes, we have the original. That -- it -- it didn't seem to be something of any importance because we found it. As I stated earlier, to me, and I might be completely wrong in this, it's the same as finding something -- I consider it more to be misplaced because it was found versus lost. But what do you say the moment you misplace something? Oh, I lost this. When you find it, turns out it was only misplaced. So I -- I -- if you'd like to, Your Honor, you can, you know, say if it was me,

personally, I chose not to look into it because I didn't consider it to be an issue.

THE COURT: Okay. Thank you. I get it.

MR. AMAYA: And the only reason I know it was lost because I checked the tracking of the collateral, and I saw that at one point they didn't know where it went, and then it was found. So, it was determined to be lost.

THE COURT: Thank you.

MR. BARNES: Wait a minute, could you repeat back that last answer, the last part of that last --

-

COURT REPORTER: (Indicating to self.)

MR. BARNES: Yeah, please.

MR. AMAYA: Yeah, so ---

MR. BARNES: No, no, no; not you, the court reporter.

COURT REPORTER: Give me one moment.

(Off the record from 2:34 p.m. until 2:37 p.m.)

MR. BARNES: Ready?

COURT REPORTER: (Nods head.)

MR. BARNES: Okay.

MR. AMAYA - CROSS EXAMINATION RESUMED BY MR. BARNES:

Q: So, you said you were checking on the collateral, what do you mean by that?

A: I was checking on the location of the collateral.
Q: The collateral being?
A: Collateral file.
Q: Okay.
A: So, as I've expressed before, the folder with the original documents, the note, mortgage, assignment of mortgage.
Q: Okay. And just so I'm clear, in your opinion, and in your dis- -- your discretion, you decided that it was not relevant for you to review a lost note affidavit executed under oath because it, as you stated, you claim you found the original note. Is that accurate?
A: I, personally, did not find it. But as per my review, I saw that the note was found. I did not find it necessary to go looking into lost note affidavits when the note's no longer lost.
Q: Okay. Now that you've brought that up, how did you learn that the note was allegedly found? Did somebody tell you that? Did you get an e-mail? A text?
A: Well, with my search, I found that counsel had to ask them, do you have the original? They said, yes, they have the original.

Q: Okay. Was that ---
A: So ---
Q: --- an e-mail exchange?
A: No. I believe I asked them over a phone call ---
Q: Okay.
A: --- if they had the original with them.
Q: Okay. Did you happen to ask them about this lost note affidavit?
A: I did not.
Q: Okay. So you relied on something that was told to you by a lawyer, as to finding something that under oath was stated to be lost?
A: That is incorrect. I asked them about the note and it was found. They had it. I just asked them if they had the original collateral file with the original note in it. I was told yes.
Q: Okay. And you asked that because you had knowledge that the note was claimed to have been lost, correct?
A: To verify -- and to verify that they had possession of it.
Q: But you did not, again, ask them anything about the lost note affidavit?
A: I did not.

Q: All right. Let's go to Exhibit 16, please.
(Plaintiff's Exhibit Number 16 was referenced.)
A: Yes.
Q: Do you know when the loan actually was declared to be in default?
A: Sometime around the time where the breach letter was sent.
Q: The breach letter that is not in evidence?
A: That's correct. But you -- that's how, that's how I'm determining around the time it was in default, because the system showed that it was a breach, and I'm relying on my knowledge of my business records.
Q: Okay ---
A: That would be the time that it was considered to be in default, because it was accelerated. But ---
Q: But ---
A: --- the default is deemed 15 days past the due date. If you're in default, then you don't really accelerate until I think about at least 30 days after it.
Q: But since a breach letter is not in evidence, we don't know exactly when the loan went into default, do we?

A: Well, it went into default after the loan wasn't paid for 15 days after the due date.
Q: Well, when was that?
A: I'd have to look at the business record, but sometime, I believe, in 2008. What was it? Allow me one second to look.
Q: Take ten seconds.
A: So, the loan went into default sometime of March of 2009, April 2009.
Q: Okay. By the way, pardon me for not asking this earlier, but with these various transfers, assignments, whatever you want to call them, of the note and the mortgage ---
A: Uh-huh.
Q: --- across these various entities, People's Choice to GMAC to US Bank to 50 By 50, do you know what consideration or money was paid in connection with those sales or transfers of those loans?
A: I do not.
Q: Okay. Did you see any documents regarding any transfer, by contract or anything of that nature?
A: The allonges to the note.
Q: Okay. What I -- I'm sorry. Maybe I was

obtuse. What I meant was, did you see anything like a contract? Sort of like that mortgage loan purchase agreement thing that we looked at earlier?

A: That was the only one I pulled.

Q: Okay. So, there wouldn't be any that you know of as to any of these other purchase- -- prior transfers?

A: Sales or trust agreements?

Q: Yeah. Bills of lading, bills of sale ...

A: I, personally, have not checked for those documents. That was beyond the scope of my review.

Q: So, they might be in SLS' records, they might not; you just don't know?

A: That is correct. It was beyond the scope of my review.

Q: Okay. And, again, I know the judge asked you this, but I -- I'm not real clear. Who determines the scope of your review? Who makes that decision?

A: In part, me, and my discussions with the attorneys of what's needed for a trial. If I'm told that I -- if I appear at a deposition, opposing counsel would determine it by giving

me a scope of what I'm gonna be deposed on. And I would review what the opposing counsel provides as a scope. If I'm going to testify as to putting on a case for foreclosure, I would review the file, provide counsel for any -- any documents that they need. I would ask them if they need anything else, or if there's anything in regards to that, and a lot of the review depends on what is needed for the specific event.

Q: But I think you told us earlier that because, in your mind anyway, that you were told -- not that you found it, but you were told that the original note was found, you made the unilateral decision not to look into the lost note affidavit because, as you said, in your mind it was irrelevant at that point? Is that accurate?

A: Roughly. I don't think that's how I said it word for word.

Q: Probably not. But is it close? Is it accurate in terms of substance?

A: I don't know if I would use those words, but I, during my search, chose -- I didn't review the lost note affidavit because we had the

original. I did not see it as something that we would be providing at trial, or that I needed to review for trial.

Q: Right. So, that's my point. You made the decision not to review the lost note affidavit, correct?

A: Yes, that is correct.

Q: But you ---

A: Oh ---

Q: I'm sorry.

A: I don't even know if it's there, I haven't reviewed it. You're ---

Q: Understood. And you did provide to your counsel this bailee letter, Exhibit 15, correct?

(Plaintiff's Exhibit Number 15 was referenced.)

A: Yes.

Q: Which references the lost note affidavit, correct?

A: Yes.

Q: But yet, you did not provide them the lost note affidavit ---

A: Right.

Q: --- because you decided it was irrelevant?

A: I didn't search for it.

Q: Because you decided it was irrelevant, right?
A: I didn't see it as part of the scope of what I needed to testify to.
Q: Okay. Here's my specific question, you didn't provide it because you determined, in light of you being told that the note was found, the lost note affidavit was irrelevant; that's what you determined, correct?
A: I did not think it needed to be -- it was relevant since we found the original.
Q: You answered my question.

Now, you testified during your direct examination yesterday that all payments which Mr. Singleton made on the loan to any servicer, would be contained within the business records of SLS; correct?

A: Yes.
Q: Okay. And did -- when was the last payment, according to your records, that Mr. Singleton made to any servicer on this loan?
A: The last time I see credits applied to the loan, it is in 8/1/16 -- no, I'm sorry, 8/17/16, I am seeing that $19,330.30 got applied to the loan as regular payments totaling ten payments.

Q: That 19,000 is a comp- -- is a -- is a total of ten payments, or is that a lump sum? Because I recollect you testifying yesterday, correct me if I'm wrong, that that 19,000 was the net insurance proceeds of the insurance claim that was made.

A: What I'm saying is that it was applied as regular payments. And I -- I believe I said to the best of my recollection, it was something to do with an insurance ---

MR. SLOAN: Non-payment ---

Q: I'm sorry. That wasn't my question. Here's my question ---

A: Yes.

Q: --- when was the last time, according to your records, that Mr. Singleton made any payments himself to any servicer on this loan?

A: I do not know if these -- if this is considered a payment by him, but from looking at this, the last time there was a payment I believe was sometime in 2009. Allow me a second to see. Prior to that amount, the last time I see a payment being posted is on 9/8 for the 3/8 payment.

THE COURT: Where is that from?

MR. AMAYA: Page 6 of 25, of Exhibit 16, bottom line.

(Plaintiff's Exhibit Number 16 was referenced.)

THE COURT: It's Exhibit 16, page what?

MR. AMAYA: 6 of 25.

Q: You said 9/8, is that September 8th or is that September of '08?

A: September '08.

Q: So, your testimony that Mr. Singleton himself, did not make any payments to any servicer on this loan after September of 2008?

A: I do not know if ... (reviewing Exhibit 16). Okay. Here we go. There were more payments made, I apologize. There's ---

Q: I'm sorry, sir, I can't hear you.

A: There were more payments made, I apologize. It's ---

Q: After September of '08?

A: Yes. There is -- the printout format is difficult.

Q: Could you tell us how much and when?

A: I'm seeing regular payments dated 9/15/2010. The transaction amount is $1,978.73. And that is the last one I am seeing before the transactions in 2016.

Q: What are you talking about?
A: The -- the 19,000 that was applied as regular payments.
Q: When was that applied, what date?
A: That was on 8/17 of 2016, when ten payments were -- was it ten? Yes, I believe it was ten payments. Ten payments were applied from unapplied funds to the loan.
Q: But that 19,000, you said was insurance proceeds, correct?
A: To the best of my recollection.
Q: All right.
A: I don't recall the exact thing, but I remember reading something about insurance and some $19,000.
Q: Okay. So if Mr. Singleton made payments to other servicers outside of the three whose records have been produced in this trial, you would not know about that?
A: I don't see anything that would show that those payments were made.
Q: Well, let me ask you a qu- -- let me ask this question as a threshold question, you testified earlier that there were other servicers involved with this loan, including OCWEN and

some interim servicer, who may or may not have been WealthBridge; correct?

A: Yes.

Q: And you don't have their records?

A: To the best of my recollection, I believe OCWEN serviced well before GMAC and well before the default. And all payments during that time were credited towards the loan, so it's fair to say that even without the records here, he made all those payments because our information shows that he wasn't -- he's not due for a date during time that OCWEN servicing it.

Q: My questions was if Mr. Singleton made payments to a servicer whose records you don't have, you wouldn't know about them, would you?

A: I just explained how I would know that OCWEN -- he made the payments to OCWEN, because he wasn't in default back then. All those payments were being applied to the loan.

Q: But you said there were several servicers involved?

A: Yes. There were multiple servicers involved.

Q: And you don't have all their records, correct?

A: I do not have all the records here, that is correct.

Q: Okay. By the way, did -- did your review consi- -- reveal any effort to modify this loan?
A: I do not recall seeing anything dealing with the modification.
Q: At all, in any of the records you reviewed?
A: I don't recall seeing -- I know there was some, I believe -- no, I don't want to speak out of turn. I don't -- I don't recall.
Q: Okay. Let's go to Exhibit 1, which is the mortgage. And I'm going to go specifically to page 6 of 15, which is in like half-point print. So at the top of the page, there's a book number that ends in 173, that'll make it easier to find.
(Plaintiff's Exhibit Number 1 was referenced.)
A: 173, let me get to ---
Q: Yeah. Take your time, I'm just saying ---
A: --- so they don't get lost.
Q: It's -- it's easier to locate than ---
A: Exhibit ---
Q: The tiny -- Exhibit 1. It's page 6, but it's easier to go at the top. There's a book number that ends in 173.
A: Yes.

Q: Okay. I want to go about to the last full paragraph that starts with, "In the event of loss".
A: Yes.
Q: Okay. Second line, "Unless Lender and Borrower otherwise agree in writing, any insurance proceeds, whether or not the underlying insurance was required by Lender, shall be applied to restoration or repair of the Property, if the restoration or repair is economically feasible and Lender's security is not lessened." Do you see that?
A: Yes.
Q: There was insurance proceeds in connection with a loss, correct?
A: To the best of my recollection, yes.
Q: And that was damage to the property, correct?
A: Yes.
Q: And there was nothing in writing that you have shown in this trial showing that Mr. Singleton ever agreed that that insurance money could be used for anything other than repairs to the property, right?
A: That is correct.
Q: Okay. So, then, under this mortgage that you

are seeking to enforce, those insurance proceeds were to be applied towards restoration and repair of the property, not towards the loan balance; correct?

A: Correct.

Q: So, why did you do it?

A: I said to the best of my recollection that had to do with something with insurance. I -- as I said, I don't know if those payments were actually from the insurance proceeds.

Q: But if they -- if they're -- those insurance proceeds were applied to the loan balance instead of being used to restore the property, that is in violation of the mortgage, isn't it?

A: If they were, that would be the case.

Q: Okay. And also, was there any determination ever made that the repairs were not economically feasible as set forth in paragraph five of the mortgage?

A: Not that I'm aware of.

Q: Okay. Do you -- does your file reflect any correspondence from Mr. Singleton, or request from Mr. Singleton, to tender those proceeds so he could pay for those repairs?

A: I did not review anything of that nature, but

I believe I was told that during the case there was something filed, opposing counsel requesting the funds to repair the property or something along those lines. I -- I didn't go through the whole court file or the docket, so, I don't know in it's entirety. It was just part of my conversation with counsel.

Q: And since those funds were never applied towards repair of the property, they were wrongfully applied towards the loan balance in violation of the mortgage; correct?

A: If that's what those funds were, it would have been. I don't know if that was the funds for the insurance.

Q: Well, was there any other insurance claim that you're aware of?

A: I'd have to check my -- if you'd like to, I can go through the payment history to see if there's anything else to show me any other $19,000.

Q: Please do. Do you need some time to do that?

A: Please.

MR. BARNES: Your Honor, can we take like six or seven minutes to let him do that?

THE COURT: Let's take ten minutes.

(Off the record from 3:00 p.m. until 3:08 p.m.)

THE COURT: We'll start, start again.

MR. BARNES: All right.

OBJECTION:

MR. HAYES: And, Your Honor, off the bat, I -- I would like to object to the questioning regarding whether it's wrongful to disburse the insurance proceeds because that's interpretation of the mortgage. And there's already been an Order issued in this case on October 30th of 2012, by Judge Murphy, going to that point. They had moved -- they previously moved for the insurance proceeds and Judge Murphy, in denying it, said that the Court finds that the disbursement of the insurance proceeds is governed exclusively by the mortgage contract. Contract interpretation is a question of law. He can't -- he's a good witness, but he's not -- he's not entitled to determine what the law is ---

THE COURT: Let me look at that ---

MR. HAYES: --- according to the contract.

THE COURT: --- please. I mean, I can probably pull it up.

MR. HAYES: I can bring it up, if you want.

THE COURT: No, I'll get it.

MR. HAYES: It's on page four.

THE COURT: Have you seen that one, Mr. Barnes?

MR. BARNES: I've heard about it.

MR. SLOAN: Your Honor, I wasn't involved in that case. I don't remember it perfectly, Your Honor, but I believe Judge Murphy said that I did not plead it, I did not plead it properly. I don't doubt what Mr. Hayes said, because at the time I filed the Motion, we were following also number seven of the mortgage, where Mr. Singleton has an -- has an affirmative duty to protect the property from going into waste, which would've gone into waste had the kitchen not been -- not been properly repaired, which Mr. Singleton -- I wouldn't have been able to do it. Mr. Singleton was able to repair the kitchen him- -- himself. We had actually received some subsequent communications about insurance issues. We didn't know what that was about, but there have been no issues -- insurance claims since the summer of 2012.

MR. HAYES: My point, Your Honor, is that Mr. Barnes is questioning him, Mr. -- is questioning Mr. Amaya as to whether it's wrongful if the

insurance proceeds were disbursed and to -- and applied to payments. That is a question of interpretation of the contract, which is a question of law. So, it's improper to ask this witness, Your Honor.

THE COURT: I understand the objection. I'm going to let him ask the questions as to -- as to how the insurance proceeds were applied. And then, it will be -- you know, I can determine -- it's -- it's my -- my determination as to whether that was proper or not, but he can answer questions and how -- what the records reflect how they were.

MR. HAYES: Right. But, but my point is, Mr. Barnes was saying it was either unlawful or illegal for him -- for it to be done, to be applied to the payments instead of being applied to repairing the property.

THE COURT: All right. I'll uphold the objection to the quest- -- to the form of the question. Mr. Barnes can rephrase the question.

MR. HAYES: Yes, sir.

Q: Okay. Sir, we're going back to Exhibit 1, Book reference page 173 at the top, paragraph five of the mortgage, last full paragraph.

(Plaintiff's Exhibit Number 1 was referenced.)

The specific language says, and I quote, "Unless Lender and Borrower otherwise agree in writing, any insurance proceeds, whether or not the underlying insurance was required by Lender, shall be applied to restoration or repair of the Property." You've already answered the first part of that question by saying there was nothing you saw whereby Mr. Singleton agreed in writing that these mo- -- insurance monies should be applied, other than as set forth in the mortgage. So, where we stopped was, I had asked you if, in fact, the insurance proceeds were applied towards the loan balance without an agreement in writing, that would be contradictory to what the mortgage says; correct? And you said, if that's the case, it would be.

A: I believe so. Yes, that's what I said. And I did find that there are none applied.

Q: Okay. What's unapplied?

A: Looking at Exhibit 19, as before we went on the break, I believe I was supposed to look for this.

(Plaintiff's Exhibit Number 19 was referenced.)

Q: Yes, sir.
A: Then go to the payment history, and if you look on page -- well, the only page of Exhibit 19, three and -- the third and fourth line up from the bottom, you'll see $19,183.89. There are two transactions for that amount. You have the UFL code and the SLR code because this is in un-applied funds that is being reviewed by cashing management which would explain that communication about insurance proceeds that was spoken about earlier.
Q: So, the 19,183.89 were the insurance proceeds, correct?
A: Yes. That is an un-applied bucket L, which is for insurance. It's a, it's a bucket that's kept separate from payment histories because it's -- has it's own purpose, which would be for repairs of property or it would -- yeah.
Q: So, was that money ever tendered to Mr. Singleton?
A: No, it's still there. It's in un-applied funds ---
Q: So ---
A: --- bucket.
Q: So, you're saying it's just in some escrow

bucket somewhere?

A: No, it's in an unapplied funds bucket waiting for proof of the repairs to issue the money. Or, if the property is -- I hate to go to this extent, but if there's a sale or anything of that nature, to deem whether the repairs were done or not and return the funds or not. Depending on the outcome of -- yeah.

Q: Well, as you just test- -- but you just testified, sir, that the 19,000 was applied towards the loan balance pursuant to the payment history.

A: Yes. I testified that there is 19,000 that was applied as ten payments. And I did say to the best of my recollection. And I honestly do not where those $19,000 come from because when I'm looking at SLS's payment history, my own servicer, I know this bucket specifically. I know the system and I know the codes. Don't have them all memorized, but the UF is the unapplied funds bucket. So, if you look at the first transaction, there's a UFU, that's unapplied -- basically incomplete. I mean, we may even be able to see that on the payment history -- on the payoff quote that we call the

set claim good through date, that there's a deduction, expense unapplied. And UFL is that specific bucket that I'm talking about, and the SR is because it went through a senior review in the cashiering department to determine what to do with those funds, which more than likely that letter that you were describing earlier that was mentioned about a lost letter or communication, it would've been flagged to be sent because someone reviewing it saw that these funds were from insurance and you don't want it to just sit around. So, we would send the letter to request the completion of -- of the insurance claim.

QUESTIONS BY THE COURT:

Q: Stop right here. I need to get some clarification. What is SRO? Senior?

A: SR is -- it's an SR code, and the zero would then change it -- this is all from -- that's from the servicing transfer.

Q: What does O mean?

A: The O is just the code that -- so, we have subcategories.

Q: I understand.

A: The SR is ---

Q: SR stands for senior?
A: Senior in cashiering, senior, ---
Q: Okay.
A: As someone from the higher ups and the O is for the starting ---
(Whispering.)
A: --- (inaudible due to whispering by counsel) the beginning of the loan.
Q: You understand that?
A: Yes. The loan starting in our systems, being created. So, we have to create a balance, the balance has to be created in our payment history. So, someone has to input the information that's received from the prior servicer, but someone needs to finalize it in the payment history that that applied correct principal balance, correct unapplied funds or any escrow advances and that is one of the transaction codes that are used to create the new payment --- (inaudible due to whispering by counsel).
Q: Okay. All right. What does FB stand for?
A: These are corporate advances. It's a subcategory of corporate advances.
Q: What does SRM mean?

A: It's the same, it's the senior management that they're doing a review on the loan that they're handling something with the loan. It doesn't have the subcategory of the O, which would be the initiation, so it just shows me that those two transactions were created by someone that was reviewing the unapplied funds in the bucket. They pulled it out and had to pull it back in. That's not -- it needs to be done with someone that has the authority to do so.

Q: All right. So, just walk me through that transaction on 10/12 -- let's see ---

A: 1/6/23?

Q: 1/6/23 a UFL was -- it was 19,183.89 was coded UFL, what does that stand for?

A: That is the unapplied funds title in the L bucket for unapplied funds. There are different buckets for different purposes.

Q: Right. So, it's flagged for unapplied funds and then a senior cashier, or I guess (inaudible) from that REO -- the transaction type is a SR something done by a senior individual in the company?

A: Yeah, so it would be (inaudible).

Q: And his entry is on the same day ---

A: That same amount.
Q: --- and that 19,000 goes into the unapplied funds amount, that's under that column?
A: Correct.
Q: Where is the balan- -- where is the contra- -- balance for that transfer?
A: Here, let me. I'd be happy to show, Your Honor. So, when the -- the funds -- the first transaction falls under transaction amount and it doesn't show an un-applied fund. Because it's being pulled out of a bucket for review.

And the second transaction shows the unapplied funds come out in the unapplied section, where it's being put back into the bucket by the senior manager.

Q: Okay.
A: That's done with the insurance claims, whether the same thing would happen if a payment is being issued for an insurance repair, whether a partial payment, they pull it out, they do a review, they send out funds, they put it back. In this case, they identified there was money in the bucket, so to review it, they pull the money out of the bucket, they'll create a letter or a notice and put it back in.

Q: All right. So, when that happened, why didn't the principal balance change? Because you -- you didn't change the balance? You still kept the $207,000 balance.

A: Because it's still in the bucket. It hasn't been thrown away, it's in the bucket. It's still there.

Q: But the prior lender had applied it to the loan.

A: Well, the prior lender shows ---

Q: Or servicer?

A: Correct. The prior servicer shows $19,000 and I can show you on the payment history how it was applied.

Q: I saw that; you don't have to show me.

A: Okay. And I believe, if I'm not mistaken, it's -- if it didn't lower the principal balance, it's because ---

Q: It lowered the principal balance by -- where you have the balance in ---

A: Correct. So, yes, there was over $100 being applied per payment, so the principal balance went down by over $1,000.

Q: Okay. So why isn't it -- why isn't it restored -- why isn't the principal balance restored

when you -- when y'all attribute it to an un-
-- to the so-called new ---
A: With all honesty, Your Honor, as far as I can tell, the $19,000 were credited ---
(Whispering.)
A: --- I do not know where they came from. I'm showing that we still have those $19,000 in unapplied.
Q: I understand that.
A: So, it has not been applied towards the loan, it's still sitting in the bucket ready for disbursement.
Q: But you didn't adjust the principal balance ---
COURT REPORTER: To confirm, did you say -- you said stop, did you want me to put that off the record or on the record, that whole little side spiel there?
THE COURT: Yeah. That -- on the ---
COURT REPORTER: On the record?
THE COURT: --- on the record. I stopped only to ask him a question.
COURT REPORTER: (Nods head.)
A: We didn't take the credit away. We left the $19,000 that were credited on the loan, credited towards the loan. We didn't take it

away.

Q: Why -- why didn't you?

A: We did, it's -- it -- it doesn't -- I don't know why we did it, but it's to the borrower's benefit. It's $19,000 less.

Q: Okay. Thank you very much. I appreciate it. Go ahead, Mr. Barnes.

MR. AMAYA - CROSS EXAMINATION RESUMED BY MR. BARNES:

Q: All right. I'm going to follow up on that line of questioning. Exhibit 17, please.

(Plaintiff's Exhibit Number 17 was referenced.)

A: Yes.

Q: Page number 8.

A: Yes. Page number 8?

Q: Yes, sir.

A: Yes.

Q: There are multiple entries on August 17th of 2016, you see that?

A: Yes.

Q: There are -- I think it's ten, regular payment, regular payment. Do you see that?

A: Yes, I do.

Q: And on each of those you said Mr. Singleton wasn't making any payments at this time. So, on each of these it shows amount applied of the

1,933.03, payment transaction amount $125.92 was applied to principal, and 1,807.11 was applied to interest, right?

A: Yes. That's what the top one shows.

Q: And the second one shows 124.83 to principal, 1,808.20 to interest?

A: Yes, that is correct.

Q: And the third one, 123.75 to principal, 1,809.28 to interest; right?

A: Yes.

Q: 122.68 to principal, on the next one to 1,810.35 on interest. The next one, 121.62 to principal, 1,811.41 to interest.

A: That is correct.

Q: The next one, 120.57 to principal, 1,812.46 to interest.

A: Yes.

Q: The next one, 119.53; 1,813.50 to interest.

A: That is correct.

Q: The next one, 118.50 to principal, 1,814.53 to interest.

A: Yes.

Q: The next one, 117.48 to principal; 1,815.55 to interest.

A: Yes.

Q: And the last one, 116.46 to principal; 1,816.57 to interest; correct?
A: Yes.
Q: So, the great majority of this $19,000 insurance money was applied to interest, wasn't it?
A: Yes.
Q: Without any agreement in writing from Mr. Singleton to do so; correct?
A: I never sai- -- as I said, I found the money from the insurance, so at this point, I do not know where those $19,000 came from.
Q: Well, but, again, you just testified 30 seconds ago that money was applied towards mu- -- the most of it was applied towards interest, correct?
A: I testified that this money was applied towards the loan, towards interest, yes. That's how loans work, especially when you have a ten percent interest. You're -- you're talking about payments due from back in 2009 being applied as per the terms of the note and mortgage.
Q: Right. And you testified that Mr. Singleton hadn't made any payments in 2016, correct?

A: I testified that credits were applied as regular payments. There's an unapplied 19,33---

Q: Okay. Stay -- stay with me now. You testified Mr. Singleton had not made a payment since sometime in 2010, correct? Mr. Singleton, himself.

A: After seeing the other transactions, I don't know where these funds came from.

Q: Right. The $19,000 ---

A: Correct.

Q: --- did not come from Mr. Singleton, did it?

A: I do not know where that $19,000 came from.

Q: Well, there was $19,000 that came from insurance, wasn't it?

A: Yes, there ---

Q: So the only evidence that we have of where this 19,000 came from was the insurance, correct?

A: The payment history shows it and the SLS payment history shows that we still have $19,000 in the bucket.

Q: Okay. Sir, please, just try to answer my question. The only evidence we have of where this $19,000 and change came from is from the insurance, correct?

A: This specific one, I do not know because it just says unapplied. I do know that the SLS one does mention the unapplied funds L bucket, which is for insurance if that money's there.
Q: Correct. So, that insurance money was applied, most of it, towards interest and a little bit to principal, correct?
A: Incorrect.
Q: All on the same day.
A: Incorrect. The money that's in the SLS bucket is still there. We still have those $19,000.
Q: Well, sir, the Shellpoint Mortgage Servicing Exhibit 17 says that that money was applied towards principal and interest. It's right here. That's what it says, correct?
A: It says $19,330.30 were applied to the loan as regular payments. At this point ---
Q: Correct.
A: --- after seeing and finding the information that I did in the SLS payment history, because of the question you asked me, I have determined that the unapplied funds that are in the insurance bucket are still there. I don't know where those $19,000 came from, crediting your borrower's loan, lo- -- lowering the amount due

and owing.

Q: Well, do you have any idea where this, miraculously, the same amount of money as the insurance, came from?

A: No, and it's slightly more. What I show is 19,100, not 19,300.

Q: Yeah. So, a difference of $200?

A: Roughly, a hundred and change.

Q: Did Mr. Singleton send in a payment on this one date, this August 16th -- oh, let me get the date right. Did Mr. Singleton send a payment of 19,330.30 to the servicer, Shellpoint, on August 17th of 2016, or anytime prior to that?

A: It does not appear to be so, because the money is coming out of an unapplied account, because it shows unapplied payment.

Q: Right. Coming out of an unapplied account and applied towards principal and interest, right?

A: Correct, yes.

Q: Thank you. All right. Let's go to Exhibit -- 17 is the big payment history? I may have misspoke about the numbering on the last one.

A: 17 is the Shellpoint one that we were just disc- ---

Q: Okay. So, this is 18.

(Plaintiff's Exhibit Number 18 was referenced.)

A: Yes. I have 18 marked as the big one that I believe ---

Q: Okay.

A: --- was provided ---

Q: Right. I got it.

A: --- electronically.

Q: And, again, we don't know who generated these records?

A: Statebridge.

Q: And how do we know that?

A: Because of the time frame of the servicing. They were the direct prior servicer to SLS and this is the direct payment history prior to SLS in between Shellpoint and SLS, at which time the servicer was Statebridge.

Q: Okay. Now, if you -- we're going to do another left hand, right hand with 17 and 18.

(Plaintiff's Exhibit Numbers 17 and 18 were referenced.)

A: Yes.

Q: 17, the first entry is transaction date 3/15 of '18, you see that?

A: That is actually the last transaction. It works back- -- from the bottom up.

Q: That's right. It would be Shellpoint's last transaction, correct?
A: Yes.
Q: Now, if you go to Exhibit 18, the first transaction for Statebridge is not until April 30th, 2018; correct? I'm sorry, April 6th of 2018.
A: April 6th, that is correct.
Q: So, there's this gap of approximately three weeks between the time that Shellpoint had its last transaction and Statebridge has its first transaction, right?
A: I would not call that a gap if no transactions took place. There's nothing to put into it. You can have a month gap in between any transaction because nothing took place for a whole month. A borrower makes a payment monthly, but there's not really a monthly gap in between the payment history, it's just that the payments are coming in monthly.
Q: Do we know who the servicer was between the time of Shellpoint and when Statebridge took over, given that three weeks with no records?
A: It went from Shellpoint to Statebridge, as I just said. You're -- the ---

Q: Okay. Sir, you just verified that the last transaction date on the Shellpoint records is March 15th of 2018. The Statebridge statements start April 6th of 2018, which is a three-week period. Are you saying that nothing happened in those three weeks at all?

A: I didn't see any charges. The numbers lined up. There wasn't a transaction during that time period; there's not going to be anything.

Q: Would you go to page 69, please?

A: (Witness complies.) Yes. Yes.

Q: Second from the bottom, there's an entry that says, third party, R-E-C-O-V Fees Assess Litigated, what does that mean?

A: Third party recovery fees assessed, attorneys' fees.

Q: I ---

A: It says, litigated, which should -- that kind of raises a flag that it's an attorney fee.

Q: The amount's a hundred dollars.

A: Okay.

Q: So, you're telling me that this was an attorney's fees for a hundred dollars that was litigated?

A: I don't know if they had to write a memo or a

letter and they charged a hundred dollars an hour. It's -- it was a charge for a hundred dollars for the purposes of attorneys' fees.

Q: Go to page 109, please, top of the page.

A: (Witness complies.) Yes.

Q: There's a travel expense of $1,147.16.

A: Yes.

Q: Who was that for and what was it for?

A: It was a third -- third party recoverable fee that was titled travel expense.

Q: Who's the third party?

A: Let me see if I can identify it by looking through more records.

(Whispering.)

THE COURT: What page are you on, Mr. ---

MR. BARNES: 109, Your Honor, very top entry.

A: I am not certain. I believe it might have to do with the third party travel fee. Normal look -- normally, those are a corporate advance. I'm not sure what specific fee that was for.

Q: Well, I ask it in -- in part because, number one, it doesn't have a description of who or what it's for, but number two, that is the only such expense in this 110, 120-page document.

You have no idea what it's for?
A: Not specifically. It was a third party recoverable fee, which is a corporate advance.
Q: And they're -- and ---
A: It's a corporate advance. I do not know what -- why the specific employee called it travel expenses.
Q: And SLS is seeking to recover that money from Mr. Singleton?
A: That might be included in the -- in the corporate advances. I'm not sure, because if it's a -- if it's an attorneys fees; no, we're not. That's been already discussed that there would have to be a hearing, so we would not be seeking that amount today.
Q: Right. But that doesn't -- there's nothing on here that says attorneys' fees, sir. It says, travel expense.
A: Yeah.
Q: Right?
A: And looking through my corporate advance breakdown, the only corporate advances I have deal with litigation, BPOs, which that is not, and there was one other one ... there's other fees and costs which come into BPOs. Inspect-

-- there's property inspections, and then there's the attorneys' fees and costs. And from my understanding, as I said, we're not going after the attorneys' fees and costs and I do not see how that would fall under a other fee for BPO for inspection costs. So, I would not expect it to be in either one of those categories.

Q: So, is that another mistake?

A: No, that's just what that transaction was quoted as.

Q: But we don't know -- again, we don't know whose travel or for what reason?

A: It's a transaction that was quoted as a third party expense for travel expense. I do not know why they coded it for travel expense.

Q: And we don't know who the third party is?

A: Someone that was doing something for the servicer. And these third parties are the third parties that are paid to do property inspections, to do vendor managements, people who do BPOs, people that do -- well, not in this case, but in some cases to property inspections and attorneys.

Q: So, are you saying that somebody charged

$1,147.16 to drive to Mr. Singleton's house and do a property inspection?

A: No. What I've been saying is I don't know the specific detail of what that was applied for, but it appears to be that it fell under -- someone quoted it as that, and it fell under corporate advance for attorneys' fees.

Q: Attorneys' fees, I thought you just said it wasn't attorneys' fees, it says travel expense.

A: Correct. But from the best of my review of what we have as corporate advances, I believe it fell under that category.

Q: Although it doesn't say that in the document?

A: Correct.

Q: Okay.

A: The codings get subcategorized, because you'll see there's -- even for attorneys' fees, there's different. There's lien costs, recording, there's SC attorney fee, there's litigation fee. Those all fall under attorneys' fees, it's just a subcategory of the corporate advance for attorneys' fees.

Q: And there's been no documents produced in this trial to otherwise identify, substantiate or explain that $1,147.18 -- 16 cent travel

expense, correct?
A: The payment history that shows that it was paid out.
Q: No. Providing information as to who traveled, for what reason, where they went, etcetera?
A: No.
Q: Thank you.
A: I have not provided any of that.
Q: Okay. Go to the very last page, 120, please.
A: Yes.
Q: There's a payment of $11,689 to Safeguard Properties Management, LLC.
A: For how much?
Q: $11,689, very last page ---
A: No, there's not.
Q: --- second column. I'm looking right at it.
A: Oh, you don't have the headers for that column. That column is the batch ID column, that's not a money column.
Q: So, what does that number indicate, that 11,689, what is that?
A: It's the batch number.
Q: How do we know that's not a monetary amount?
A: You have to put it together. That's why we sent out the electronic ones, so you wouldn't

have to piece together the paper. And I ---

THE COURT: You did that already?

A: --- as I --

MS. TAYLOR: (Nods head.) This morning.

A: If you look on pages one and two, you'll notice that there's headers to columns. This is the last page.

Q: Okay. So, you're telling me that on page 119, these numbers next to, for example, Safeguard Properties Management, LLC, 12,933; Proctor Financial Insurance, 12,653; and Security Connections, Inc., 12,073, those are not dollar amounts?

A: The dollar amounts are to the left. If you -- here you go. Let's -- if you look at pages one and two, you'll notice there's -- oh, okay, that's how it goes. These are batch ID, not monetary value.

Q: Okay.

A: These are monetary value, these are nots [sic].

Q: What -- do that again, where the monetary values appear.

A: See? Under -- in principal balance under escrow, under -- this is an escrow balance, and this the -- that escrow balance, and the escrow

transaction.
Q: Okay. Let's go back -- let's go back to page 119 then.
A: Yes.
Q: The -- (whispering) one, two, three, four -- fifth column over where it says, for example, at the top, a minus sign, 4956.36, is that a dollar amount or not?
A: Yes.
Q: Okay. So what was $4,956.36 to Clear Capital, A-L, Com Inc.?
A: What are you talking about? The ---
Q: Page 119 ---
A: There isn't -- it doesn't say Clear Capital ---
Q: (Indicating) Right here, sir.
A: Okay. Here ---
Q: Clear Capital Com Inc.
A: Okay. That column -- which column do you want, so I can tell you what the column ---
Q: Okay. You told me the 4956.36 is a dollar amount.
A: Yes.
Q: What was it for?
A: If you would look at the -- page two, you'd notice that's the -- the 4,952 is the escrow

balance. Notice it's continuing up still the same because there's no new changes to the escrow balance. It's just the escrow balance at the time of that transaction.

Q: So who's Clear Capital Com Inc., what do they have to do with this?

A: Let me see what transaction actually happened there. (Reviews document.) That is a BPO fee, and that BPO fee was for ... transaction amount, $100.

Q: Safeguard Properties Management, LLC, what do they have to do with this loan?

A: Inspection, property inspection, $15.

Q: Pro- ---

A: It is on page 117. 119 is a continuation of page 1- ---

Q: Security Connections, Inc., what did they have to do with this loan?

A: Imaging, $1.99.

Q: Cy- -- this is page 99, Cyprexx, C-Y-P-R-E-X-X, Services, LLC.

A: You have to give me a second. What page are you on?

Q: Take your time. 199.

A: 199. (Reviews document.)

If you have it on the computer, Your Honor, I can tell you what line it's on.

THE COURT: Hold on a second, let me find what ...

A: Cyprexx Servicing, that is inspection, $15.

Q: All right. SLK Global Solutions America, Inc., page 39.

A: If you'd give me the page first, it'd make it a lot easier ---

Q: I'm sorry.

A: --- for me to find the name.

Q: I'm sorry. Page 39, third column, third line down.

A: SLK Global Solutions America, that is a third party recoverable fee, tax search, 80 cents.

Q: Page 75. Lereta LLC, L-E-R-E-T-A.

A: (Reviews document). Tax search, 95 cents.

Q: Okay. Exhibit 20, please.

(Plaintiff's Exhibit Number 20 was referenced at this time.)

A: Yes.

Q: Exhibit 20 is redacted -- one, two -- about five lines up from the bottom, other fees and costs, 17,112.27.

A: Yes.

Q: What is that for?

A: BPOs.
Q: $17,000 for broker price opinions?
A: BPOs and other fees. The loan's been defaulted since 2000- -- what, nine? 2010? I believe it's $85 a pop.
Q: Well, how often do you do PPOs [sic], sir?
A: I'm seeing here, about two per year.
Q: And each one costs, what?
A: A hundred to $85.00.
Q: So it's $360.00 a year? You've got $17,000 of BPO fees here.
A: And I also see some prior servicer fees that would fall under other, which would include some of those -- like that weird one that you had last that could fall under a category that's not a property inspection and not a legal ---
Q: The travel?
A: No. The tax searches, the -- any photos that had to be taken ---
Q: Do you have documentation for all these expenses?
A: They're right here in ---
Q: Do you have ---
A: --- Exhibit 18, where you've been questioning

me.

(Plaintiff's Exhibit Number 18 was referenced.)

Q: Do you have invoices for the -- from the BPO people that did those? Do you have invoices from people who took pictures?

A: Not at trial today.

Q: You don't, okay.

A: Not today at trial.

Q: So, all you have is summaries?

A: Not that I don't have them, I haven't pulled them from the records ---

Q: Today, here. Today's the trial. You don't have them today?

A: I did not bring them today.

Q: Okay. So, we have no documentation, other than entries on these pay histories, to substantiate this 17,112.27; right?

A: That is correct.

Q: Thank you. Exhibit 21.

(Plaintiff's Exhibit Number 21 was referenced.)

A: Yes.

Q: Are you aware that Mr. Singleton was paying his own insurance on this property since 2006?

A: I did not.

Q: Are you aware that he's been paying it

continuously through today?
A: I have not.
Q: Did you ever ask him before you tried to tag him with insurance premiums?
A: Letters would have been sent. If he was not responsive ---
Q: Okay. Do you know what force-placed insurance is?
A: Yes, I do know ---
Q: Tell me what it is.
A: When someone does not have insurance or when another servicer receives information from the insurance company that the insurance policy is expiring and that it has not been renewed, if it is determined that there is no insurance on the property, in order to secure it, the property and the interest, force-placed insurance will be put on it. Meaning that it's insurance picked by the servicer, not by the borrower.
Q: And you have to send a notice to the borrower that you intend to force-place insurance on the property before you do it, right?
A: If it's not already enough to hold the loan, that is correct, yes.

Q: And you did not do that here, correct?
A: I do not know, I did not look for that letter.
Q: And we don't have any evidence here at trial, any letters or anything else, notifying Mr. Singleton that you intended to have put force-placed insurance on this property, correct?
A: Correct. We did not bring any such letter here with us today.
Q: So, if, in fact, Mr. Singleton, as he will testify, has had insurance on this property since 2006, then you are not entitled to double-dip and seek to collect homeowners' insurance from him, are you?
A: I believe that's for the Court to decide, not for me to make that decision.
Q: Well, in the absence of any notice to Mr. Singleton that you intended to force-place insurance, you can't do it, can you?
A: I never said we didn't send a notice, it's just not here with us because I did not look into it.
Q: Well, okay. Since you didn't look into it, then you don't even know if any notices were sent, do you?
A: That is correct. I do not know.

Q: Okay. Do you know an Olivia Miller?
A: No.
Q: Do you know if the servicing rates to this loan were ever transferred to a company called F, Frank, C-I- -- I'm sorry. FCI; Frank, Charlie, Larry -- I'm sorry; Frank, Charlie, Ingrid Lender Services, Inc?
A: I do not recall if that's one of those servicers that, as I said before that skips my mind that was on this loan.
Q: And we don't have any records produced here from FCI Lender Services, Inc., right?
A: None that I'm currently aware of. I don't know if they signed -- I don't recall if they were one of the ones that signed the allonge or not.
Q: Can you look through the allonges and see if FCI Lender Services was ever identified on either any of the allonges or assignment of mortgage?
A: (Reviews documents.) FCI you said, correct?
Q: FCI Lender Services ---
MR. BARNES: Inc. or LLC?
MR. SLOAN: Inc.
Q: --- Inc.
A: (Reviews documents.) I do not see anything

specifically naming FCI in any of the documents.

Q: Exhibit 23, please.

(Plaintiff's Exhibit Number 23 was referenced.)

A: Yes.

Q: Okay. We're going to start at the top where it says, other fees. There are BPO, brokers price opinion, fees beginning on 6/15 of 2018, going up to 12/1 of '22.

A: Yes.

Q: The highest amount for a BPO on here is $100, the lowest is $10. You just testified a few minutes ago, that each of these things cost in excess of $156.

A: No, I said they cost from 85 to a hundred dollars, because that's what I saw the most in.

Q: I can read it back, if you'd like? Because we did the math on it trying to justify the $17,000.

A: And I believe it was ---

Q: You said the brokers' fees are about 150, $156 a piece.

A: Is that what I said?

Q: Yes, you did. Because I said about 300 a year times twice a year is 600 a year. I'm sorry,

300 a year.
A: Then I misspoke, because this is the document that I was looking at when I was speaking.
Q: Okay. So, do you know why a BPO would be as little as $10?
A: Someone charged a -- someone coded a 10-dollar fee for a BPO.
Q: And why the fluctuation between $85 and $100?
A: You would have to ask the company that does the BPOs why they lowered their amount.
Q: But we don't have their invoices here, do we?
A: We did not bring them today, no.
Q: Okay. Second page.
A: Yes.
Q: Under attorneys' fees and costs, the second entry of 3/10 of '23 says that legal service costs ---
A: Yes.
Q: I'm sorry. I misspoke. The fif- -- fourth one, that's 5/5 of '23, legal attorneys' fees. Do you see that?
A: Yes.
Q: And if you go to the next page, just above center on 11/30 of'22 it says, FC attorneys' fee, do you see that?

A: Yes.
Q: What's the difference between legal attorneys' fees and FC attorneys' fee?
A: It's the way it's coded. That's the only difference. On here, there is actually the breakdown from the prior servicer's attorneys' fees, and the attorneys' fees are just categorized as foreclosure attorney fee.
Q: So, is ---
A: It's the coding. It's the way you code it. There's, as I explained earlier, there's sub-categories of -- they have foreclosure attorney, you have legal attorneys, it's just the coding for an attorney's fee.
Q: Well, when you say a legal attorney, are you talking about transactional attorneys versus litigation attorneys?
A: I'm talking about an attorney. I don't know the difference.
Q: Okay. Transactional attorneys, I'm gonna proffer you, draft documents, prepare documents, etcetera. They don't go to court and litigate. Litigation attorneys go to court and litigate.
A: The majority of the attorneys I work with do

both, so ...

Q: Okay. So, what I'm trying to understand is, what is the difference between legal attorneys' fees -- and I get what FC attorneys' fees is, but what is a legal attorneys' fees? This is the same servicer, same records.

A: It's SLS' records, but if you look at the dates, those were transactions from the prior servicer that had been incorporated into our business records. If you're looking at dates before the time that we serviced it at the end of 2020, so the prior servicers, when it was onboarded, the attorneys' fees were all forwarded -- coded as FC attorney fees. It's just the coding for the kind of fee that it is. It's an attorney's fee. It's ---

Q: And, sir, I'm lookin- ---

A: Some people code it ---

Q: I'm looking on -- I'm looking under the se- -- actually, the third page. 11/30 of 2022, which is the end of November of last -- of 2022. FC attorneys' fees. I'm looking on page two, 5/5 of '23, which is five months later, 20 weeks later, there's a totally different code for this. Explain that to me.

A: I just did. It would ---
Q: You said it was from the prior servicer, these are not attorneys fees of SLS?
A: These were attorneys' fees that were on the payment history.
Q: My question, sir, are these attorneys' fees for SLS?
A: These are attorneys' fees that were paid throughout the payment history. This is a -- this is a -- it's a breakdown of the fees and the payment history. It's a composite of the payment history, the transactional payment history. Here it is broken down month-by-month to include what we voided from the prior servicer. The information that we voided from the prior servicer.
Q: Okay. This entry of 11/30 of '22 for $11,187.50 for FC attorneys' fees, do you know what that was for?
A: I do not see a transaction for 11/30 of '22.
Q: Page three, center of the page, 11/30/2022, FC attorneys' fees. Dollar amount, 11,187.50.
A: Those are attorneys' fees.
Q: But what happened on November 30th that generated over $11,000 in attorneys' fees in

one day?

A: I don't know the specifics of what would've caused that much. I know that there has been a lot of legality with this case, and hours have accumulated over the years, and hours can take -- for filing the documents and/or any kind of hearing, that can take multiple hours, which could possibly come up to this amount. I do not know the specifics of what this was being charged for. If it was for more than one event, or for multiple events.

Q: Well, this is the first time this case has gone to trial, correct?

A: Yes, but I believe it's not the first time it's had a hearing.

Q: Correct. We have had hearings in this case. And let's assume that we had a hearing that lasted two hours. At $11,187, that's almost $6,500 an hour.

A: That's suggesting that that's the only thing that they're charging for in that amount.

Q: Well, I don't see any documentation breaking down this 11,187.50, do you?

A: I see the payment history, that that amount was paid.

Q: Right. But you don't know what it was for, do you?
A: I do not know at this time. It was -- wait, no, I do. Attorneys' fees.
Q: Right. All in the same day.
A: All in one check, all in one payment.
Q: Okay.
THE COURT: You're saying it's one transaction?
A: Yes. That is one payment that was sent out for that amount, Your Honor.
THE COURT: And you don't have who it went to?
A: The foreclosure attorney at that time. I do not know who specifically was working that file in 2022, at 11/30/2022. I would have to check legal invoices for that. And I believe that came from the prior servicer.
MR. BARNES: Your Honor, may I have a minute with Mr. Sloan to ---
THE COURT: I have one question before you do that.
MR. BARNES: Sure.
THE COURT: Who put this summary together on Exhibit 23?
A: The payoff department, Your Honor. In order to create these documents -- there is three documents that come off when Exhibit 20 is

created ---

THE COURT: Ho- -- hold on a second. You said the payoff department. Do you know who within the payoff department ---

A: Oh. Oh, that is ---

THE COURT: --- these records submitted in summary form?

A: Well, it comes directly from the payment history, Your Honor. It's the computer ---

THE COURT: The computer generates it?

A: Correct, Your Honor. You input ---

THE COURT: Sort it -- you get it and sort it into that ---

A: Correct.

THE COURT: --- form?

A: They run a payoff and they choose to do it in the format of Exhibit 20, and it prints out in Exhibit 20. All this information is then pulled from the system, and what they have to do is provide the system the codes for the prior servicer so it will break it down to which category it goes in. When they don't put in the code, this is what you get (indicating), you get a lump sum because there's a missing code that was not read, so it lumps it from the

prior.

THE COURT: Am I correct in saying that your company SLS compiled this Exhibit 23, correct?

A: Yes, we created it, Your Honor. From information on the payment history.

THE COURT: You can take a break and speak to Mr. Sloan.

MR. BARNES: Thank you, Your Honor.

THE COURT: Take a -- well, you want us to break for a few seconds or a few minutes off the record?

MR. BARNES: I only need a minute or two, but if ---

THE COURT: Okay. We'll just -- we'll just let you -- we'll stay on the record. You can go speak to Mr. Sloan and we'll come back.

MR. HAYES: Is it okay if I run out and come back, Your Honor?

THE COURT: Sure.

MS. TAYLOR: Me too, a small one. My apologies.

(Off the record from 4:04 p.m. until 4:13 p.m.)

THE COURT: Okay. Go ahead.

Q: I'm gonna go back for a minute, Mr. Amay- -- Amala (ph.) ---

A: Amaya.

Q: I'm sorry.

A: That's -- that's okay.

Q: Just one of those brain fart things. I'm going to go back to the repairs thing.
A: Uh-huh.
Q: You mentioned that the insurance money is generally released upon inspection to see that the repairs are done properly, correct?
A: There are different ways for insurance funds to be issued. They're normally done in -- in allotments due to completion of the work if a contractor's hired or if a borrower were to send what they expect to be the work order and say this percent at this time, this percent at this time, this percent at this time. But the full amount would be issued once the completion of the project and inspections are done to verify that the project has been completed properly.
Q: Was any of that ever done here?
A: Not that I'm aware of.
Q: Okay. Have you ever heard of an entity called Resurgent Capital, with an A-L, Services?
A: Possibly. The name kind of rings a bell, but I'm not sure what it is.
Q: Do you have any idea if they're connected to the Singleton loan at all?

A: Not off the top of my head. I don't -- I don't recall.

Q: Okay.

MR. BARNES: Can you give him the copy of this?

MR. SLOAN: Yeah.

MR. BARNES: That's one for the witness.

MR. SLOAN: Oh. Oh, oh.

MR. BARNES: Do you -- do you have it in a set? Just -- I didn't have a copy of it.

MR. SLOAN: Oh. Oh, okay. Okay. I gotcha. That's our number 19, we can do things that way.

MR. BARNES: And one for the judge.

May I approach, Your Honor, the witness?

MR. HAYES: Is that number 29?

MR. BARNES: This is number 19 in our batch.

MR. HAYES: But it's number 29 overall? I mean, do you ---

MR. BARNES: Yeah, I think it's 20- -- I think we're up to 29.

MR. HAYES: Okay. I just wanted to mark it for my -- --

COURT REPORTER: Defendant's 1 and 2.

MR. BARNES: Oh, that's right, he's doing it that way.

COURT REPORTER: It'll be 2.

(Defendant's Exhibit Number 2 was marked for identification purposes.)

MR. SLOAN: Our ---

MR. BARNES: Defendant's 2.

MR. SLOAN: --- Number 2.

MR. HAYES: Yeah.

MR. SLOAN: Defendant's Number 2.

MR. HAYES: Yeah. But I think that was 29.

(Plaintiff's Exhibit Number 29 was referenced.)

MR. SLOAN: Right, right, right.

MR. HAYES: Okay.

Q: Sir, I'm gonna approach you and show you what's been marked as Defendant's 2. It's a letter on the letterhead of Resurgent Capital Services. Loan number's been blacked out. Have you ever seen that letter before? And, if so, is it part of SLS' business records?

A: No, I have not seen this letter before. I do not know if it's part of SLS' business records. I did not memorize each and every single imaged document. It could be; I honestly do not know.

Q: Okay.

A: It's ...

Q: Let me show you what we're going mark as Ex- -- Defendant's 3.

MR. BARNES: This is our 23, Bill?

MR. SLOAN: Yeah.

(Defendant's Exhibit Number 3 was marked for identification purposes.)

MR. HAYES: What is that?

MR. SLOAN: 23. It's ---

MR. HAYES: Oh, okay. Got it.

MR. BARNES: May I approach?

THE COURT: Yes, sir.

Q: Showing you what's been marked for identification as Defendant's 3. It's a letter dated October 8th of 2020. Exhibit G, request for release of asset file to Wells Fargo Bank and to Credit Suisse, S-U-I-S-S-E, First Boston Mortgage Capital, with an A-L, LLC, regarding Jamie Singleton with a Rowsham Place address. The loan number on here, ask you if you've ever seen that before? And, if so, is it part of SLS' business records?

MR. HAYES: What is this? Number 3?

MR. BARNES: 3, yeah. D-3.

A: I have not seen this document before. I do not know if it is part of SLS' business record. I have not searched for a document like this.

MR. HAYES: Is this 30 October?

MR. BARNES: Yeah, I think so.

MR. SLOAN: Defendant's 3.

THE COURT: Excuse me, Mr. Barnes, are you marking those for identification only?

MR. BARNES: Yeah, because he -- they're not a part of his ---

THE COURT: So, but we're not going to have a record of them once we've marked them as identification only.

MR. BARNES: Yeah, they're marked for identification only, Defendant's 1, 2, and 3. The lost note affidavit, the Resurgent letter, and the Wells Fargo letter.

THE COURT: So, I'm going to have the court reporter mark them.

COURT REPORTER: It'll be reflected in the index, as well,

THE COURT: For identification only.

MR. BARNES: D-4. Covered up our number.

COURT REPORTER: It's okay. It comes right off.

MR. BARNES: Okay. Sometimes they don't. 32.

COURT REPORTER: I'm supposed to put them on the last ---

(Defendant's Exhibit Number 4 was marked for identification purposes.)

Q: So, I'm going to show you something called the MERS Terms and Conditions. I asked you generally about this earlier. Tell me if you've ever seen that document before?

A: No.

Q: Okay. So, that would not be part of SLS' business records?

A: Not that I'm aware of. It does not appear to be something I would have (inaudible due to multiple speakers) specific loan.

MR. BARNES: D-4.

MR. HAYES: ID only?

MR. BARNES: Yes, sir.

Q: Sir, do you know if an entity called Fort, F-O-R-T, Asset Funding 2013-1, LLC was ever involved in any way with the Singleton loan, whether as an owner of the loan or servicer?

A: Fort?

Q: Yeah, Fort, F-O-R-T, Asset Funding 2013-1, LLC. We have an FRT in some of these other documents, but this is actually the word Fort Asset Funding.

A: And what were the last numbers?

Q: 2013-1, LLC.

A: The only one I'm aware of that it might

possibly be is the FRT, but it's not spelled out Fort, so I ---

Q: Okay.

THE COURT: Do you want to mark this for identification?

MR. BARNES: No, I was asking him a question about it. He had never heard of the entity, so.

THE COURT: Okay.

MR. BARNES: It's a lot of duplication, so.

Q: I think I asked you earlier on one of the other exhibits, there was an address for two Wells Fargo Bank entities, one in -- both in Minneapolis, but on different streets. Did I ask you -- and if I didn't -- if I did, I apologize. If I didn't, I'd like to ask it now. Do you know if Wells Fargo Bank was ever involved in any way with the Singleton loan?

A: Those were custodial facilities. I'm not sure if that's a facility where the collateral file for this loan was maintained.

Q: Okay. Next will be D-5, our number 37 on our exhibit list.

(Defendant's Exhibit Number 5 was marked for identification purposes.)

Q: I'm going to show you something which we

generically call the US Bank brochure and ask if you've ever seen that before or any version thereof.

A: I have no idea what this is.

Q: Okay. So, that would not be in SLS' business records?

A: It doesn't appear to be anything related to any loan. It doesn't even appear to be a document that would in the role of a corporate -- I have no idea what it is. I don't even know if that's a -- it's a banking record.

(Multiple speakers.)

Q: Mortgage bank securities transaction. You've never seen it?

A: Not that I recall.

Q: And I -- again, I'm sorry, there's a lot of stuff here. I may have asked you this before. Do you know anyone named Olivia Miller, O-L-I-V-I-A, Miller ---

A: Not that I recall.

Q: --- who's a representative of New Penn Financial d/b/a Shellpoint?

A: No.

Q: Did you deal with anybody specific at Shellpoint at any time?

A: I don't know if I've ever interacted with anyone at Shellpoint.
Q: How about StateBridge?
A: Personally, I don't think so.
Q: Okay. Well, when you interact -- well, did you have interactions and communications with StateBridge?
A: I don't think so. I don't think I had personal interaction with anyone from StateBridge.
Q: So, when you make a records request as a subsequent servicer, how do you do that?
A: That's if I personally made the request. I don't recall me personally reaching out to StateBridge to produce any documents that I couldn't find in my system.
Q: Okay. So, all of these records that SLS has produced, including prior servicer records, how would SLS or who at SLS would have obtained those from StateBridge?
A: It would have been sent to us from StateBridge. It would have been coordinated through the servicing transfer and that would have to do with the people involved in negotiations of the transfer. The asset conversion department is the one that deals with receiving documents and

initiating the initial transfer. If there's anything that's needed thereafter at that -- well, at that point, if asset conversion needs anything else, they reach out. I have contacts in my office that are the ones that coordinate with any other prior servicers if they need to reach out and they'll provide me e-mails if needed, but I personally have not had to reach out to StateBridge for anything.

Q: Okay. So, any reaching out to StateBridge would be by some other department at SLS, if I understand what you're telling me?

A: Yes, because I haven't in this case done it. I haven't -- I don't think I've ever reached out to them for anything from prior servicer -- from StateBridge.

Q: Okay. D-6, I believe.

(Defendant's Exhibit Number 6 was marked for identification purposes.)

Q: Sir, I'm going to show you what we've marked for identification as Defendant's 6. It's a letter dated 12/15/2010 from AFS Servicing, LLC in Depew, D-E-P-E-W, New York, addressed to Mr. Singleton at the Rowsham Place address in North Charleston. Congratulations! Since you have

successfully completed the requirements of your special forbearance program, we are now able to offer you a modification with no fees, etcetera, and it sets out the parameters of that. Have you ever seen this before?

A: No, I personally have not reviewed this document before.

Q: In any of the records you reviewed as a part of the Singleton loan was there any indication in those records that Mr. Singleton had ever applied for a loan modification?

A: I don't recall seeing anything in regards to that.

Q: Okay. And you already testified you don't have any records today from AMS, correct, at least not here in this courtroom today?

A: Weren't they one of the assignors of one of the assignments?

Q: I can't answer questions, sir. I can only ask it.

A: I'll have to check again.

Q: AMS Servicing, LLC.

A: Exhibit 4 is signed by someone who is assistant vice president, AMS Servicing, LLC, as attorney-in-fact for the 50 by 50 REO, LLC, so

there is one document from them. So, yes, we do have documents from AMS.

(Plaintiff's Exhibit Number 4 was referenced.)

Q: Well, you just said you have one document, but then you said we have documents from AMS. Do you have any servicing records from AMS as to this loan?

A: Representing the mortgage that they executed?

Q: Servicing records.

A: That is a servicing record. A servicer assigned it.

Q: Anything other than that?

A: Not that I'm aware of.

Q: No pay histories, no hello, goodbye letters, nothing, other than what I've shown you?

A: Not that you showed it to me, but we have it. Well, there's also the allonge. There's an allonge, Exhibit 9, is also signed by someone from AMS Servicing, LLC, ss attorney-in-fact.

(Plaintiff's Exhibit Number 9 was referenced.)

Q: And both of those documents only are signed in the presence of or by AMS as an attorney-in-fact, correct?

A: They're signed by someone from AMS.

Q: AMS.

A: AMS.
Q: But there are no payment histories or hello, goodbye letters or anything of that nature, correct?
A: I did not bring any hello, goodbye letters with me today.
Q: I'm next going to show you what's being marked for identification as Defendant's 7. It's a letter dated 6/16 of '09, GMAC Mortgage to Jamie Singleton, stating, among other things, effective 7/1 of '09, the servicing of the above-referenced account, that is the right to collect payments from you, is being assigned, so a transfer from GMAC Mortgages to WealthBridge Mortgage. Have you ever seen that before?
(Defendant's Exhibit Number 7 was marked for identification purposes.)
A: I have not.
Q: Now, you did get records from GMAC, you testified to that earlier, servicing records from GMAC, correct?
A: Yes.
Q: Okay. Is that servicing transfer to WealthBridge identified in the documents you

did produce?
A: Produce?
Q: Today for trial.
A: I do not believe that these were produced today for trial or earlier this week.
Q: I'm sorry; maybe my question was not right. In the GMAC records that you identified that are in evidence, which you say you acquired as part of the prior servicing records, is there anything in the GMAC records reflecting this transfer of servicing to WealthBridge? And if you need a minute to look, please take a minute and look.
A: Not that I'm aware of.
Q: Let me do another left hand, right hand here. Now, this document that's been marked for identification as Defendant's 7 is dated 6/16 of '09 and it says, among other things, effective 7/1 of '09, the servicing of the above-referenced account, that is the right to collect payment, has been sold from GMAC to WealthBridge, right?
A: No, it says sold or transferred.
Q: Right, to WealthBridge, right?
A: Shows GMAC -- yes. It says sold or transferred

from GMAC, LLC to WealthBridge Mortgage.

Q: Okay. That's 6/16 of '09. 12/15 of '10, 18 months later, AMS comes into the picture and says congratulations to Mr. Singleton about modifying the loan. How did this servicing going from WealthBridge to AMS, if you know?

A: I don't know.

Q: Servicers are responsible for processing loan mod apps, right?

A: Yes, we are.

Q: Okay. So ---

A: I haven't seen these records in my business records, so there is no way for me to have reviewed them or done any research on them.

Q: Okay. So, would you agree with me then that the records that SLS has as to the Singleton loan given your testimony of all these records that you've never seen before, that those records of SLS are incomplete?

A: I would not state that at this time as I have not reviewed to see if these are even in our system, so there's no way for me to say whether they are or are not is what I can say.

Q: Well, assuming then all these letters that went to Jamie Singleton that told him

congratulations for your new -- you've been approved for a loan mod are effective on such and such a date that servicing was transferred, all of which pertain to the Singleton loan, you all, SLS, don't have those records, do you?

A: I don't know. I haven't searched for those.

Q: Right. And they're not here in court today, right?

A: No, they're not here in court, nothing that I have pulled from the system as that was not the scope of my review.

Q: So, the records that have been produced by SLS in this trial are incomplete, correct?

A: I would not say that. I would say these were the records that we provided for trial for the purposes of what we were trying to prove. It's not as if we brought the whole file here with us today for trial, for a foreclosure file.

Q: But would you agree with me, sir, that these are letters that show a transfer of servicing to servicing entities, documents of which you have not produced other than those assignments of mortgage, correct?

A: I would agree these are letters, nothing that I have reviewed or can verify as a part of my

business record.
Q: Right.
A: Nothing that I have been able to do a search up there for. I have no way to testify to them, their accuracy or their authenticity.
Q: But as you said, sir, it's a servicer's function to process loan mod applications, right? It's a servicer's obligation to notify of a transfer of servicing, correct?
A: It is.
Q: And isn't it an obligation of a servicer when they transfer the records from one servicer to another to transfer all the records that they have concerning that borrower and that loan?
A: Yes, it is.
Q: Are you telling us then that StateBridge or Shellpoint or whoever's in the food chain didn't give you all the records concerning the servicing of the Singleton loan?
A: I did not say that. You said that.
Q: No, I'm asking.
A: I did not say that.
Q: Okay. Well, would you agree with me that you don't have all the records concerning the Singleton loan and all the servicing that went

on between the various servicers?
A: I will not agree to say that as I have not done the review of these documents that you're saying that I do not have. I cannot testify to something I did not review. I'm here to testify on my business records.
Q: So, what you're telling me ---
A: Not my memory, not what I've memorized and not what you want me to speculate to. I apologize, but that was beyond the scope of my review. Therefore, I can't even -- I am not saying these are not true or correct. But I cannot say that they are authentic or they are accurate or a part of my business records as I have not pulled them from my system and can't -- I haven't reviewed them.
Q: Okay. You testified earlier in this case that Peoples Choice, the originating lender, performed servicing for a brief period, correct?
A: Yes.
Q: Then it went to GMAC.
A: Yes.
Q: And the next one you have in your food chain is Shellpoint, right?

A: I think I said there was another transfer, I just do not recall who it was.
Q: Unidentified servicer somewhere?
A: Did I -- I think we forgot Ocwen, from Peoples Choice to Ocwen Vantage.
Q: Honestly, I don't know because I don't have all these records of how this servicing went from one entity to another other than what I've shown you and other than what you've told me about, none of which include any reference from Ocwen.
THE COURT: I'm going to strike the statement. You can ask him a question.
MR. BARNES: I'm sorry.
Q: Okay. Isn't it accurate, sir, that we don't have any servicing records here from Ocwen?
A: I have not brought anything that's specifically titled from Ocwen.
Q: And it is also true that we don't have any servicing records from WealthBridge?
A: Not that I'm currently aware of. I don't recall if they were mentioned in any other -- any other documents.
Q: And other than the allonges or assignments of mortgage being signed in the presence of

someone from AMS, we don't have any records of any servicing of the loan, collecting payments, categorizing payments, payment histories, or anything from AMS either, do we?

A: I would not consider that to be a correct statement as creating allonges and endorsing those is a part of servicing a loan as a servicer. It's the authority to do so, so we do have information from them servicing the loan. I do not believe I have anything that purports to be either a payment issue here today.

Q: Okay. As I said, other than the things you just identified, we don't have anything, right?

A: On -- none that I recall.

Q: Okay. Now, you told me you were aware that Ocwen and this other unknown servicer were involved. Did you not think it was important to go back and get an accurate and complete history of the servicing of this loan from day one through today for purposes of this trial?

A: I did check to see who all the prior services were. As for Ocwen, when it came to the payment history, they were vacated. It was -- the loan shows that it was current -- my

information shows that throughout all that time, it was current. So, in order to show a default, it did not seem as something pertinent to show default when all those payments were remaining.

Q: But you're -- but you told us earlier that Mr. Singleton hadn't made a payment since 2010, right?

A: From what I reviewed in the payment history, I believe that's what I said.

Q: When was Ocwen involved?

A: Right after -- if I remember correctly, it was right after Peoples Choice and before GMAC.

Q: Okay. And what happened during the GMAC situation?

A: If I'm not mistaken, that's when the payments stopped during the time of GMAC.

Q: Okay. And GMAC says that they transferred servicing to WealthBridge, right?

A: That's what you're saying with that document that I cannot confirm to be true and accurate.

Q: Well, when you obtained the records from StateBridge, which included the GMAC records, did you ever make any inquiry of GMAC as to whether or not the servicing had ever been

transferred to anybody else except StateBridge -- I'm sorry, Shellpoint?

A: I did not see the servicing transfer to SLS.

Q: Okay.

MR. BARNES: Your Honor, I don't have a whole lot more at this point. I am going to reserve the right to call Mr. Amaya as an adverse in my case if we get that far.

THE COURT: Okay. Why don't we do this, then. Sounds like we're at a breaking point. Let's resume tomorrow. Mr. Sloan, what did you work out with your babysitter?

MR. SLOAN: Your Honor, I should -- I can't promise we'll be here at 9:00 on the dot, but I think we can get here very close. 9:30 should not be a problem at all.

THE COURT: Here's what I'm going to do. I'm going to plan on trying to arrive by 9:00.

MR. SLOAN: Yes, sir.

THE COURT: If everybody will try to make the same effort. We'll get started as soon as everybody is assembled.

MR. SLOAN: Yes, sir. That sounds good, Your Honor. Thank you. Appreciate that.

(Off the record from 4:40 p.m. until 4:41 p.m.)

THE COURT: You know, I don't have Exhibit 22. What is that?

MR. BARNES: It was something about the tax payments.

THE COURT: Oh, yeah, I remember that document, but I don't seem to have it.

A: I believe they never made copies, Your Honor, because they ---

THE COURT: That's right. Correct. Correct. Okay. Are you going to ask him now some questions or are you going to ---

MR. BARNES: I can wait until tomorrow.

THE COURT: Let's go -- we'll go to 22 in the morning, okay.

MR. HAYES: Yes, sir.

MR. BARNES: No problem.

(Day 2 adjourned at 4:25 p.m.)

DAY 3 - WEDNESDAY, JUNE 14, 2023

THE COURT: I think we're on -- still on cross examination of Mr. Amaya by Mr. Barnes.

MR. BARNES: Your Honor, in reviewing my notes, I -- I think I asked Mr. Amaya everything I need to ask him at this point in time. But, as I said yesterday, I reserve the right to call him as an adverse witness in my case.

THE COURT: All right.

MR. BARNES: If necessary.

THE COURT: Thank you. Okay. Mr. Hayes, do you have any re-direct?

MR. HAYES: Yes, sir.

MR. AMAYA - RE-DIRECT EXAMINATION BY MR. HAYES:

Q: Mr. Amaya, would -- would you look at Plaintiff's Exhibit Number 1? I think that's the note -- no, excuse me. That's Plaintiff's Exhibit Number 7 that's the note.

(Plaintiff's Exhibit Number 7 was referenced.)

A: Yes.

Q: May I see them?

MR. HAYES: And I'm going to ---

THE COURT: Go ahead.

MR. HAYES: I'm sorry.

THE COURT: Okay.

Q: Would you look at Plaintiff's Exhibit Number 13? It's the last allonge.

(Plaintiff's Exhibit Number 13 was referenced.)

A: Yes.

Q: I think you testified yesterday that it looks like it may have been a mistake. It was attached by mistake?

A: Yes.

Q: And I think you said it wasn't removed because it was at the lo- -- it was basically lost at the law firm, a law firm had it?
A: Correct.
Q: Okay. Do you have the authority to -- to remove it?
A: Yes. It's my understanding that through the power of attorney that we have with the investor that I have the authority to act on their behalf. Yes.
Q: Okay. So, you had the authority to remove it. Do you believe it should be remo- -- removed?
A: I do.
Q: Okay. Thank you. And the -- the allonge before that, Plaintiff's Number 12, is that the owner or investor of the note and mortgage?
(Plaintiff's Exhibit Number 12 was referenced.)
A: Yes.
Q: Okay. And that's the Plaintiff in this case?
A: Yes. The current Plaintiff, Waterfall ---
Q: Okay.
A: --- Victoria Grantor Trust, II ---
MR. BARNES: I'm sorry, Judge. I couldn't hear his original answer, yes or no, to the first part of that question.

THE COURT: Make sure your microphone's pulled. Test it if you would, please.

MR. AMAYA: (Witness complies.)

MR. BARNES: There were two questions asked, I -- one was a yes or no answer. I didn't hear it. I didn't hear the question before.

THE COURT: Would you -- could you -- do you have those questions that you can repeat or would you like me to have them read ---

MR. HAYES: Your Honor, I can -- I can ask them again if that's ---

THE COURT: All right. Go ahead.

MR. HAYES: It might be quicker ---

Q: Looking at ---

MR. HAYES: And I'm not sure how far back I need to go.

MR. BARNES: Not 14. The question on 12.

MR. HAYES: The question on 12. The -- I think you said 14, I think it was 13, though.

MR. BARNES: You started out with 14, but then you went to 12. No, I started out at 13, I believe.

MR. SLOAN: He did start at 13 and ---

MR. BARNES: Okay.

MR. SLOAN: --- then to 12.

MR. BARNES: Okay.

Q: Looking at -- I think you said you could remove Number 13, you had the power to do that and you believe it should be removed as an error. And I asked you about Plaintiff's Number 12 and I asked you if the entity shown on Plaintiff's Number 12 as receiving the note is the true owner of the note in this case and the Plaintiff in this case.

OBJECTION:

MR. BARNES: Objection. Lack of foundation; assumes facts not in evidence.

THE COURT: Overruled.

Q: Answer.

A: Yes. Waterfall Victoria Grantor Trust II, Series G.

Q: Okay. And that -- and that -- they're the Plaintiff in this case?

A: Yes, they're the current Plaintiff.

Q: Okay.

MR. HAYES: I don't know what this is.

COURT REPORTER: That will be 24 -- 23.

MR. HAYES: What are we on, the Plaintiff's?

MR. AMAYA: This is 26; so I think ---

COURT REPORTER: So, 27.

MR. AMAYA: --- that would be 27.

MR. HAYES: Okay. Plaintiff's 27.

(Plaintiff's Exhibit Number 27 was marked for identification purposes.)

MR. HAYES: May I approach, Your Honor?

THE COURT: Yes. This is something new?

MR. HAYES: Your Honor, this is not something new. This is something that's already been filed in this case and is of record in this case, Your Honor.

THE COURT: Well, I mean, the process of record in the case does not make it evidence in this trial.

MR. HAYES: I -- I agree, Your Honor.

THE COURT: Okay.

MR. HAYES: Okay.

OBJECTION:

MR. BARNES: Your Honor, we would -- just looking at this, we would object to it. Number one, the Admin Order has been rescinded already. And number two, this exceeds the scope of cross. Re-direct is to address things addressed on cross. This was -- this is beyond the scope of cross.

THE COURT: Hold on one second. Let me look at it.

(Reviewing document.) Your objection is overruled. Go ahead, Mr. Hayes.

MR. HAYES: Thank you, Your Honor.

Q: Mr. Amaya, looking at Plaintiff's Number ---

THE COURT: Let me state the reason for that. Mr. Barnes questioned the witness about loan modification.

MR. HAYES: Correct.

THE COURT: So, I think that opens the door to this document (indicating) coming in.

MR. BARNES: Okay.

Q: Mr. Amaya, looking at Plaintiff's Number ---

MR. HAYES: I apologize, Your Honor. I forgot the number of this one.

THE BARNES: 27.

MR. HAYES: 27.

Q: Looking at Plaintiff's Number 27, does it state that Mr. Singleton, the Defendant in this case, has been offered a -- a loan modification?

A: Allow me one second to read through it.

Q: Sure.

A: (Witness reviews document.)

THE COURT: Mr. Hayes?

MR. HAYES: Yes, sir.

THE COURT: Mr. Barnes did ask you -- or did object

to the issue of foundation. I think before your -- your witness can testify to this document, first of all, it speaks for itself.

MR. HAYES: Correct.

THE COURT: But I think you need to have some foundation for him to testify ---

MR. HAYES: Yes, sir.

THE COURT: --- as to the document. If not ---

MR. HAYES: I can ask him.

THE COURT: --- you can just -- just comes in and it will be what it says.

MR. HAYES: Okay.

Q: Mr. -- Mr. Amaya, did the records of ---

MR. HAYES: Am I in your way?

Q: Did the records of SLS, the business records, reveal that Mr. Singleton was offered a loan modification and forbearance?

A: I want to say I believe to the best of my recollection I do not recall reviewing that in detail, which was the same thing as I had testified to yesterday. I just -- I didn't recall.

Q: Okay. All right. Thank you.

MR. HAYES: I don't have any further questions, Your Honor.

MR. BARNES: Did Mr. Hayes admit this document into evidence, Your Honor?

THE COURT: Yes.

MR. BARNES: Okay. I would like to ask him a couple of questions ---

THE COURT: Absolutely.

MR. BARNES: --- about it.

THE COURT: You can do it.

MR. BARNES: Are you finished with him?

MR. HAYES: Yeah, I'm finished.

MR. BARNES: Oh, okay.

THE COURT: That's your only re-direct, correct?

MR. HAYES: (No audible response.)

THE COURT: On- -- your only re-direct was what you just finished?

MR. HAYES: Yes, sir.

THE COURT: Okay. Thank you.

MR. AMAYA - RE-CROSS EXAMINATION BY MR. BARNES:

Q: Mr. Amaya, do you have any personal knowledge as to any loan modification that was offered to Mr. Singleton at any time?

A: As I stated earlier today and yesterday, I did not recall.

Q: Okay.

A: Through the review of my business records and

I don't want to testify without solid knowledge and understanding ---

Q: I ---

A: --- of the business records in front of me.

Q: --- can completely appreciate that. I was just wondering whether or not you've had, in your review of business records, come across any propor- -- any proposed loan modification agreement.

A: As of yesterday, I do not recall. And because I am on the stand, I have not opened any business records to the loan to ensure that I am being as truthful and honest and not tainting the case in any way.

Q: Okay. I wasn't making that accusation, I was just trying to ---

A: Okay.

Q: --- find out if you knew anything about it and if you had any knowledge of whether or not this agreement was rejected for any specific reason.

A: Not that I recall.

Q: Okay. And I guess it goes without saying, but I got to ask it anyway, you've had no -- SLS had no input in terms of -- or in terms of creating or sending Mr. Singleton this -- with

any loan modification application, correct? They weren't involved in that?

A: Not that I'm aware of.

Q: Okay. And would you agree with me, sir, that the offering of a loan modification is something in the nature of an attempt to settle the case?

A: Not -- no. Modifications -- when loans are not in foreclosure. Modifications are, at one point, were required to be offered, they had programs, federal regulations that required it. It's not something that was directly related with foreclosures. It's something that's -- it's still required to be offered whether a loan is in foreclosure or not default. So, I wouldn't say it's directly related to settling. It would conclude with a settlement if the borrower decides to take some kind of modification, but I wouldn't consider it a direct negotiation for a settlement.

Q: Well, that -- the point I'm trying to make, if you agree with me, is that if, in fact, there is an offer of a loan modification, the negotiations as to the loan modification are not something that are used to prove any kind

of fault or liability in a foreclosure trial, correct?

A: That would depend on if the loan was already modified, because then we would have to bring in the modification to show that they defaulted on the modification and then we would have to show fault that they were approved, it was finalized, which I ---

Q: Which is not the case here?

A: In the case here, I have not seen a modification prior to the default that was obtained.

MR. BARNES: That's all. Thank you.

THE COURT: Any redirect on that cross?

MR. HAYES: No, sir.

THE COURT: I have a few questions for the witness.

MR. HAYES: Yes, sir.

MR. AMAYA: Yes, sir.

MR. AMAYA - QUESTIONS BY THE COURT:

Q: Mr. Amaya, I think when you first took the stand, you testified to your education?

A: Yes, Your Honor.

Q: Would you just for me, for my sake, go back over that? You -- because I think you said you have a master's degree in business

administration?
A: Yes, with a ---
Q: Where did you receive that degree?
A: Nova Southeastern University, Your Honor.
Q: Where is that located?
A: South Florida.
Q: Okay. And I presume, because of you have a master's degree, you probably have a bachelor's degree?
A: Correct, Your Honor.
Q: And where did you get that degree?
A: Miami -- Miami Dade College, Your Honor.
Q: What was your major?
A: It was a business related major. It was -- it was not the standard bachelor's. It was -- might have been a B.S. in business administration.
Q: Business administration. And your master's degree, what was the concentration for your master's degree?
A: Finance.
Q: Okay. Good. So, you have a ba- -- a master's degree in finance?
A: Yes.
Q: Okay. You've been involved in the industry of

mortgages and mortgage clos- -- just the mortgage industry for about twelve years, I believe you testified?

A: Correct, Your Honor.

Q: All right. And that would take us back to about 2010, correct?

A: That's correct, Your Honor. Roughly.

Q: All right. Since -- can you generally describe the condition of the economy, the financial economy, in 2010?

A: We were -- we had just had the bubble burst. People like saying bubble bursting in 2007 and 2008. Things were still, I would say, in a recession trying to get a little bit better around the 2010 point. Things were still not back to what we would say normal when you look at the peak and then the -- the crash. We were so far below that, we didn't have -- we were just starting to stabilize to what could have been considered a normal around 2010, but we were still down working our way back up from the recession.

Q: Do you recall a policy that was issued called HAMP, a Home Affordability Mortgage Program?

A: Correct, Your Honor. I did mentioned HAMP,

though, in my previous answer.

Q: All right. So, tell me in your own words, what HAMP was designed to do.

A: Yes. HAMP originally started -- HAMP had several modifications. It was a government funded program to assist lenders in providing home assistance for individuals who their property lost too much value and they could not afford to make the payments on these homes.

Q: Yes, sir.

A: They purchased homes that were overvalued. Insane interest rates. I had seen some that were adjustable from the day of signing and with no limitations on the interest rates. So, this program was created as an incentive. If I'm not mistaken, I believe lenders got some help. So, the waterfall was initially created -- there was an -- what I would call an initial waterfall, which is the way you would assess a loan of income base to the property value and how much you can reduce the loan. And there was a number of, I think it was 30 to 40 percent that we had to fall within guidelines of income to adjust the payment to be able to give a modification. Meaning, if their payment

could not be adjusted low enough to fall within the 30 to 40 percent, the modification would not be approved for HAMP. In addition to that waterfall, there were certain criterias that the lender was allowed to do or encouraged to do to include initially there was even up to 50,000 or more forgiveness on loans, extending the terms of the loan and like any government program, this is a guideline. If you can make it fall within this -- within this percentage rate, you can get a HAMP loan or regular modification.

Q: Okay.

A: After that came out, the government realized not enough people qualified. It might have actually been 30 to 35 percent. So, they adjusted. There was a HAMP 2 program. The HAMP 2 program extended it. You couldn't fall within -- the ranges ended up changing because they ended up finally having about four HAMP tiers. Initially, it had to be your primary residence. Eventually they added that it could be a second home. Your property -- your initial property value started off at nothing over, I believe, 500,000. Eventually, it got

that it couldn't be over 750,000 for single family residents. But they modified it several times and they continued to extend the program to allow more individuals to fall within the criteria. The HAMP Program, you actually could qualify for HAMP more than once. Because you were allowed to apply to HAMP Tier 1. And if you defaulted on HAMP Tier 1 or you didn't qualify for HAMP Tier 1, you could apply for HAMP Tier 2. Some people would apply for HAMP Tier 1, still have a hard and would then apply for HAMP Tier 2. Then you could apply for HAMP Tier 3. I think there was a limit of how many times. I cannot recall if it was -- how many times you can apply. But you can apply for the HAMP Program to fall within those criteria. In addition to that, because of this program, a lot of lenders started doing their own modifications, mainly because these bad loans were getting sold off to -- new lenders that were buying them at pennies on the dollar and they could modify more because they didn't pay as much for the loan. Because another part of this whole process is there are actually -- I don't -- they were not HAMP sales, but there

were government sales of the government loans to lower the value to allow for the modifications to happen. So, it was a government funded program just to allow borrowers to get in. But it did end several years ago. There were requirements that you had to solicit, you had to apply. There was even a point in time, as I recall, where we didn't -- if you did not review for a mod, you had to stop the foreclosure until you could get a review for a mod or a denial because the borrower would not apply for the mod. That was maybe around 2012, 2013. It was several years back. There are still guidelines on if a borrower is applying for a mod, we still have guidelines about dual tracking where we have to put a foreclosure on hold and we'll have to request to not do anything, because by federal law, we're not required to dual track. Depending on where you're at, judges see it differently. Sometimes you have to continue you with it because the judge says, no, you have to continue the process. And that's it's own predicament in itself. But we are still required to not dual track. Some servicers

understand it as you only have to apply for a mod once and then you can continue the foreclosure. Other servicers are, such as us, if you're in the modification process, we put it on hold. It doesn't matter if it's the third of fourth try.

Q: Okay. And is it correct that the Home Affordability Modification Program allowed investors of a loan the mortgage or loan note holder, which I guess in that case would be the investor, correct?

A: Correct.

Q: All right. Didn't the Home Affordability Modification Program require or allow for voluntarily participation by investors?

A: Yes, Your Honor. You weren't forced to be in it. So much so that the waterfall, the -- when you were allowed to do, whether it was a 50,000 or extending the terms from 30 years to 40 years or all the different steps that they allowed, it all depended on what the investor was willing to do. They didn't have to offer you any forgiveness if they didn't choose to.

Q: So, the investor -- just to be clear, the investor -- investor participation in Home

Affordability Mortgage Program was a voluntary act on behalf of the investor to participate in the program?

A: Correct. That's my understanding.

Q: And if they did not participate in the program, then the HAMP modification or the Home Affordability Modification Program would, therefore, not allow a borrower to enjoy what would be the benefits of that program. Is that -- is that a fair statement?

A: Yes. In accordance with the HAMP rules and guidelines, some investors might offer some kind of modification, but it would not be ---

Q: Under HAMP?

A: --- and they would not -- and the investor would not get the benefits of being in HAMP.

Q: Does your -- do you recall in reviewing your business records whether or not the investor -- well, let me back up. Did you review the original -- any of the original records concerning the People's Home -- People's Choice Home Mortgage, did you review any of their records at all? In your -- in your review for this trial, did you review any People's Choice Home Mortgage -- I think it's Home Mortgage.

THE COURT: People Choice Home Mortgage?

MR. HAYES: People's Choice Home Loans.

THE COURT: What?

MR. BARNES: People's Choice Home Loans, Your Honor.

THE COURT: Home Loans.

Q: Did you review any People's Choice Home Loan documents?

A: Just the modification. Not the mod- -- the note and the mortgage, which is created by ---

Q: Okay. Did you -- do you -- when a loan transfers from one investor to a second investor, does the inve- -- the second investor also have the ability to participate in the Mortgage Home Modification Program?

A: Yes, Your Honor.

Q: They do?

A: Yes.

Q: Do servicing agents generally have the power to exercise the -- if an investor's participating, do -- does the servicing agent do the modification or is that done through the investor?

A: It's done through the servicing entity or the servicer through the guidelines of the investor. So, if the investor wants to

participate in the HAMP, but they don't want to extend more than 35 years, they don't want to go as far as 40, a servicer will process any modifications, as required through HAMP, which there's a -- there's steps that we have -- the goals, certain kinds of forms that need to be filled out. And with anything that the investor allows for offering on the modification. Because an investor can also participate in HAMP, but choose not to do the debt forgiveness or choose not to do extensions past 30 years. They -- they don't want to go as far as 40.

Q: So, what you're telling me is the modification processed after the investor voluntarily participates becomes a negotiating -- a negotiated agreement between the person authorized to enter the modification agreement and the -- and the borrower. Is that a fair statement?

A: I wouldn't say it's so much negotiated, Your Honor, because with the HAMP program, you have sec- -- the government issues the rules ---

Q: Okay. Let ---

A: --- and that ---

Q: --- me back up. Let me back up. Let me reframe the -- rephrase my question. Assuming we have a participating investor ---

A: Yes.

Q: --- and a participating investor can be s subsequent investor from the original investor?

A: Yes.

Q: Assuming we have a participating investor, subsequent investor has a servicing agent and the servicing agent has the ability to modify the loan. Within the guidelines of the HAMP program, the negotiation with the borrower and the investor and who's represented by the servicer, is negotiated within the parameters of HAMP?

A: Yes. But there's not much negotiation because once the numbers are put in, it's a HAMP calculator.

Q: What do you mean by that?

A: The systems that are used to calculate the modifications are -- are regulated by HAMP. They were -- we have to -- you put in your NPV. You put in the net present value of the property. You put in the borrower's income as per what the information that was provided by

the borrower. You put in the current property value. And you hit a button and it calculates it for you.

Q: Okay. So, all that ---

A: And ---

Q: --- it's -- it's -- it's in -- that comes out of a computer software program?

A: Correct.

Q: That spits out the parameters of the modification?

A: Correct. In terms of negoti- ---

Q: Do you ---

A: --- -ation.

Q: --- do you have -- excuse me. I'm ---

A: Yes, sir.

Q: --- sorry. Do you know who puts in the -- who creates the -- the terms of the software that was spit out, the -- the numbers for purposes of the modification within the guidelines of the Home Affordability Modification Program? In other words, is that done by the investor, servicer or is the software developed by the -- the Fannie Mae and Freddie Mac?

A: The software, to the best of my recollection, the servicer software had to be approved for

HAMP.

Q: Who would approve it?

A: I do not recall, Your Honor, to be -- all honest with you. But I know that it had to be HAMP verified and approved. I don't know if they had a sort of kind of agency was in it that came and checked.

Q: So, each time -- we had a number of allonges to this Note. We don't know the dates, though.

A: Correct.

Q: We all agree with that.

A: Yes, Your Honor.

Q: But each time the note is -- is -- there is a -- an endorsement of the note. The endorsement of the note is formalized by an allonge. The allonge is simply an attachment of a document to a note to allow for the endorsement to be reflected on the note. In other words, you could stamp the -- the endorsement on the note, but if you start running out of room because you have printed pages and they're -- the margins are too narrow, so forth and so on, the -- the endorsement might not be readable or easily understood, and so, therefore, they attach the allonge. Is that a fair statement?

A: Yes, Your Honor.
Q: All right. So, each time an allonge was -- was -- each time an endorsement to this particular loan, Mr. Singleton's loan, was made, the -- is it a fair statement to say that the investor, held the endorsement, even if they held it in blank, would have the ability to participate in HAMP as long as the HAMP program was in effect?
A: Yes, Your Honor.
Q: All right. Now, why would an investor choose not to -- to -- give me an explanation in this particular loan, I'll remind you that the interest rate is 10.45 percent variable, with a floor of 10.45 percent, what -- can -- can you explain if -- if -- well, strike that. Let's strike that. Strike that. Let me back up. Each endorsee whether holding it, pay to the order of a particular investor, or pay or holding it in blank, as long as the Home Affordability Modifications Program was in effect, have the ability to participate voluntarily in the HAMP program?
A: Yes. That is correct.
Q: All right. Do you know roughly when HAMP -- the HAMP program ceased? Or give me a date to

-- 2012, '13, '14, '15, somewhere in that time period?

A: It went on for quite some time, Your Honor.

Q: Right.

A: As I said, it was extended multiple times.

Q: Yes, sir.

A: Easily until 2015, 2016. Maybe even a little bit longer.

Q: Do you think it was in effect when the allonge, Exhibit 12, was entered or the endorsement represented by the allonge was signed in 20- -- excuse me. It's shown on Exhibit 12. I don't think there's a date here.

A: Okay. Waterfall, Your Honor?

Q: Yes, sir.

A: Okay. Let's see. Seeing that it's the last one, my -- from my knowledge and my business records and roughly the year that it took it over, I do not think the HAMP program has been available during that time frame.

Q: So, let's back up then. So, at some point -- all right. At some point, HAMP stopped. Were there any other programs offered by either Freddie Mae or Fae Mac -- Fannie Mae for Freddie Mac or the federal government from 2010

-- 2009, 2010 to the present other than the Home Affordability Mortgage Program, other federal programs that lenders could avail themselves of to assist borrowers in the loan modifications?

A: I know servicers are doing modifications. Fannie and Freddie have their own guidelines for how to modify their loans. But I do not know the specific program, like HAMP, but we are required to review. There are CFPB guidelines that require us to review for loss mitigation.

Q: All right. Stop right there. Explain the acronym C- ---

A: FPB.

Q: --- -FPB. What does that stand for?

A: That's the Consumer Finance Protection -- I think, Act or something along those lines. I ---

Q: Maybe Agency?

A: Agency.

Q: Okay. Do you know if that particular agency is an arm of the federal government?

A: I believe it is.

Q: Okay.

A: Yes. Because the head of the CFPB would be, I think, selected by the President, if I'm not mistaken. So, yes.

Q: Yes, sir. That's correct. He is, I think. So, the Consumer Protection -- Consumer Finance Protection Agency began to have some influence or began to influence loans servicing in the wake of the 2008 Great Recession. Would you agree with that?

A: Yes, Your Honor.

Q: Okay. Did you take any training, have any training, as a loan -- as a servicer, an agent of a servicer, in the Consumer Finance Protection Agency's regulations, guidelines or policies?

A: That is a yearly required course that we have to take, Your Honor. It's normally done online for us.

Q: Okay. All right. And how many courses have you taken in compliance with the Consumer Finance Protection Agency's rules, regulations and guidelines?

A: It's fair to say that at a minimum, twelve, because there would have been one per year, plus the ones with HR would put me over twelve

because they're done -- the way the servicers do it, you're required -- so, certain things they have to require everyone in the company to do certain training for CFPB or RESPA, things of that nature are to payable position. CFPB is one of those that everyone takes on a yearly basis.

Q: Okay.

MR. HAYES: Your Honor, I think it's Consumer Finance Protection Bureau.

THE COURT: Bureau. I apologize. Thank you for correcting the record.

MR. HAYES: Yes, sir.

THE COURT: All right.

Q: Correct me if I'm wrong, but wasn't there a major change in the Consumer Protection -- Consumer Finance Protection Bureau's rules and regulations sometime prior to or on or about -- toward the end of the Obama administration?

A: I know there were some major changes during that time frame, Your Honor.

Q: Yes, sir.

A: There was a lot going on with what they were enforcing, how it could be enforced and if it could be enforced. And it also correlated with

the -- (inaudible) caps.

Q: Correct.

A: I had to do with the creation of CPB.

Q: Right. Were changes in CFPB, did those changes make any requirements of investors to participate in loan modification programs?

A: To my understanding, we're required to review our -- for loan modification, whenever they apply for it and it's because of CFPB.

Q: All right. Do you know if investors and/or servicers -- let's just do investors. Are investors required to offer loan modification programs to borrowers if they're in default under CFPB?

A: They're required to review. There is no requirement to offer if they do not qualify. But what is -- it -- they can offer some loss -- what's considered loss mitigation through the modification programs that are not retentionable. Like short sales and deed in lieus. Those are considered a part of the review for loss mitigation that we're required to do. So, you're not required to do a modification. You're not required to do a forbearance. You're not -- but you are

required to review for them. You're not required to do a Deed in Lieu, you're not required to do a short sale, but you -- you are required to review for them. So, it's hard to say that you're required to provide them a modification because it's a financial term. A borrower does not qualify for a modification to get it within what is now considered fair lending, that I believe you cannot be over 42 percent of gross income, your mortgage payment's not allowed to be over 42, maybe 45 percent of your gross income. A borrower still have -- could still be approved for options that they do not like because they are not modifications, which would be a short sale, pending contracts or a deed in lieu. But you are required to review them for them, but if they don't qualify, you're not required to offer it to them.

Q: Okay. Now, let's go back to the beginning of your time in the finance world with your master's degree in hand. Did you commonly or on a fairly regular basis read the Wall Street Journal?

A: I used to, Your Honor, earlier. Right before

I got my master's, which I got my master's maybe three years into being in the industry. I was reading the Wall Street Journal on a pretty regular basis and it was even requirements for some of my college classes.

Q: I noticed the note refers to a LIPOR rate as published in the Wall Street Journal.

A: Yes, sir.

Q: Are you familiar with that term in the note?

A: Yes.

Q: What does that mean?

A: The LIPOR rate is actually a very common rate. It's the rate that's most used to gauge interest rates. I forgot what the abbreviation stands for, but it is -- you have the government issued rates, and then you have the LIPOR, which is the bank lending rate.

Q: All right. Are you familiar with Financial Times of London?

A: No. I've heard of them, but it's not anything that I read on a regular basis.

Q: Okay. So, LIPOR is a commonly used acronym for a term that I can't recall my -- off the top of my head either, but it does have to do with -- and it is a commonly used index for adjustable

rate mortgages, correct?
A: Yes.
Q: All right. Do you know -- let's start back at the beginning of your time in finance. Do you know the general trend of the LIPOR rates from the time you began your financing career with your master's degree in hand, do you know the trend of the LIPOR rate until the present time?
A: I don't have it memorized, but I can tell you, Your Honor, that we dropped interest rates. The government dropped interest rates to basically zero and negative numbers, which dropped the LIPOR rate to such a point that when I was doing modifications, when I started in the industry, I was working HAMP modifications. I was seeing bars at 2.5 percent, 3.2 percent. That changed because HAMP changed and eventually the average, I think, went up to about 5 percent and it had been there for many, many years. I would say that the average rate that borrowers were getting at 5 percent with decent credit was around for maybe eight years. And now that the government's raising interest rates again, which has only been about a year and a half

more or less, Your Honor ---
Q: Yes, sir.
A: --- those -- it's starting to go back up.
Q: What ---
A: There's ---
Q: What incentive would a -- would an investor holding a note at a rate of 10.45 percent have in reducing the interest rate on a note to a LIPOR index position rate as you just described as low as zero and sometimes negative interest rates?
A: Quite a few, actually, Your Honor. In the finance of looking at a mortgage, it's fair to say you're looking at numbers and you're trying to get yourself into the black and out of the red.
Q: Yes, sir.
A: A non-performing loan is in the red.
Q: Yes, sir.
A: A performing loan might take time to get into the black, but will get into the black. In addition to that, HAMP programs, to the best of my recollection -- I do not remember the details because I was not that high up in the chain when HAMP was coming around, there was

incentives for the lenders to be in the HAMP program. So, you were forgiving, but you were also getting help for forgiving these amounts. In addition to that, the sales that I had spoken to you about, Your Honor, a lot of those bad loans, bad paper, were being sent -- sold. I don't want to say specifically for this loan because I don't know, but more often than not, they were sold at change of the dollar in the sense of you're paying 50, 80 cents per dollar. So, you were already getting it at a lower initial value.

Q: But that's called a discount, right?

A: Yes. You're getting it at a discounted rate. So ---

Q: What ---

A: --- it is in your interest ---

Q: Hold on one second. When you say discount, so the -- the discount is on the principal balance due or the total payments?

A: The value of the loan, which be -- would be the total payments, everything. The value of the loan is evaluated at -- this loan is this much because it's going to make this much money. You're getting a discounted rate from that

value and depending also on the -- whether it's a (a) paper, (b) paper, bad paper. You can get an additional discount because (a) paper, you're more -- someone with a high credit score, someone that high liquidity, they're less likely to default. You tend to pay more for those than the ones that maybe someone with a bad interest rate -- I'm sorry. A bad credit rating, and doesn't have many or any assets to really show income. Those would obviously be bad paper and would get sold for a lot less.

Q: Okay. Let me summarize what you're telling me. And if I state it correctly, you can agree. If I misstate it, please correct me. Over the course of your career as a person in the finance industry, you have seen interest rates drop, the LIPOR index drop to as low as zero and sometimes negative interest rates?

A: Yes.

Q: Over the course of time in your career as a finance -- as a -- as a -- as a person working in the finance industry, you are telling me that there are incentives where investors participate in HAMP-type programs or other federal programs to move a loan that is a non-

performing loan into a position of being a performing loan. Is that a fair statement?

A: Yes, Your Honor. Like any other government program, they want participants ---

Q: Right.

A: --- where they give initiatives to get their participants. I don't know the details of those initiatives, but they were there.

Q: But there is an incentive?

A: Correct. There's also a financial incentive. A lot of people don't see this part of it, but even if you drop an interest rate, if you do the math -- I mean, even if you were to drop an interest rate from 10 percent down to 6 percent, now you're extending the terms of the loan from a 30-year to a 50-year. You're actually making more money, even though you cut the interest rate in half.

Q: I understand.

A: Because you extended 20 years. So, your payment does get reduced significantly, but the value of your loan, in the investor's aspect, has gone up because there's a new higher value at the end after all the payments. Depending on -- you know, depending on the loan. But

it's theoretically possible.

Q: I understand the -- the theory of that. In your review of the business records from the Singleton loan, did you see any -- strike that. Let me go back to a basic principle. Investors in these mortgages are looking for the cash flow of the mortgage. Is that a fair statement?

A: Yes, Your Honor. It's a fair statement. To be blunt about it, yes.

Q: All right. So, when a loan stops being paid, that cash flow is no longer being paid into the pool and, therefore, the investors are not being rewarded by their investment in the loan?

A: Correct.

Q: In your review of the business records of this particular loan, could you -- or is it -- is it likely that a modification of this loan could have benefitted both parties? That is to say, the borrower would be able to afford his payments to the investor and the investor would receive a performing loan?

A: I have not seen the borrower's financials, so I do not know what kind of benefit, if any, he would receive.

Q: Okay.
A: But from an investor's standpoint, Your Honor, people don't see it this way, but foreclosures are nothing but a loss and so are foreclosure sales.
Q: Right.
A: A performing loan is always a benefit to an investor, even if it's only one or two percent, it is a steady flow of income increasing your value on your portfolio versus a big loss.
Q: Would it be fair to say that Waterfall Victoria Trust purchased the -- wait, first of all, did they purchase this loan?
A: Yes, Your Honor.
Q: Would it be fair to say that they purchased this loan at a discount?
A: I do not know the details of the purchase agreement. Personally, I wouldn't doubt it. But I can't speak to the terms of it because I -- I wasn't involved with that -- that purchase or the pricing of the purchase.
Q: Okay. But generally speaking, a non-performing loan, I think you testified to this, a non-performing loan, you said that investors were purchasing the non-performing loans at

significant discounts?
A: Yes.
Q: And I guess -- let me just clarify this, the discount is determined by the full value of the loan paid over the entire course of the loan, the 30-year term. In this case, you have a fixed -- the -- the basic -- the fixed -- the -- the rate of interest really is a fixed rate because it never went below 10.45 percent; is that true?
A: Correct, Your Honor.
Q: All right. And, so, your investor was able to calculate out full 30 years of this loan and come to a number of what the full value of that loan would be if paid to it's very end month to month. When you discount that, you'd first of all discount that value to the present day value of the loan; is that a fair statement?
A: Correct, Your Honor.
Q: Okay. Do you know what discount rate was used to determine the value of the Singleton loan?
A: No, Your Honor. In addition, since they get pooled ---
Q: Yes, sir.
A: --- when they pool loans, sometimes the number

is adjusted because you're getting so much good paper, so much bad paper. So, depending on the pool of loans also determines the rate of discount. I'm going to explain to you the calculations of one specific loan, but in a pool of loans, everything changes because now you have maybe one loan, but normally hundreds of loans.

Q: All right. But does somebody in the -- at the investor level go through each loan and determine the discounted value of that loan?

A: I would expect them to. That would be a regular course of business, from my understanding. And that's partly how an MLS gets created. The mortgage loan schedule partly -- that's not in its entirety, but you have your loans and you have your loan information. And that is what's used to create your value.

Q: What's the discounted -- all right. So, we discount the present data value, the full value of the loan. Is it fair to say that there would be another discount in the purchase of that loan, I think the way you described it was pennies on the dollar?

A: Yes; pennies on the dollar.
Q: And that would be cents -- pennies on the dollar of the discounted value of the present day, correct?
A: Correct.
Q: All right. Now, in your review of this loan, the interest rate -- I think you testified the interest rate is calculated at the rate of 10.45 percent and it still remains that way?
A: Correct, Your Honor.
Q: So, is it fair to assume that there's been no modification or there has been no effort to modify the loan -- strike the term effort to modify the loan. There's been no modification of this loan which would benefit your client or your -- your investor by changing the loan from a non-performing loan to a performing loan?
A: Correct. The loan has not been modified as -- to the best of my review.
Q: Okay. Thank you.
THE COURT: Now, you can re-direct on my direct.
MR. HAYES: Your Honor, first, you didn't mention People's Choice yesterday. Mr. Barnes mentioned that People -- was asking the Court to take judicial notice of the People's Choice

bankruptcy.

THE COURT: Yes, sir.

MR. HAYES: I would also like, in the same bankruptcy case, to take judicial notice of the Order issued in the -- the case allowing People's Choice to sell their assets -- to sell or transfer of their assets.

THE COURT: I think you mentioned that yesterday.

MR. HAYES: Okay. I didn't know if I did or not, Your Honor.

THE COURT: You know, to the extent it's in there, I'm going to trust you. I have -- if you want to submit the Order as part of the record, I'll be glad to -- to have it made part of the record since we've mentioned it.

MR. HAYES: Your Honor, I -- I had it yesterday, but I do not have it today. Can I email it to the court reporter or someone and ---

THE COURT: Well, maybe Mr. Barnes has it. Do you have it?

MR. BARNES: Do not, Your Honor.

THE COURT: Yes, you can supplement the record with that Order.

MR. HAYES: Okay. Thank you.

THE COURT: All right.

MR. BARNES: Judge, as long as we're doing that, as long as we're going to take specific items from the People's Choice bankruptcy case, just as a preface, one of the first things that always happens in lender bankruptcies, because I've been involved in a couple of them in Delaware where most of them are filed, the trustee's obligation is to marshal the assets and stop the bleeding. One of the first thing that's done is a motion to avoid all executory contracts so that no money goes out, no assets go out. To the extent there is a motion, which voids any contract with MERS and voids any ability of MERS to divest the estate of assets, I would like that to be included, as well. And I'll look for it.

THE COURT: That's fine.

MR. BARNES: There were about 5,000 motions filed in that case.

THE COURT: Yeah. As I've stated in previous hearings, one of the biggest most troubling parts of this case is the peculiar circumstances related to the People's Choice bankruptcy and I think it was also followed by GMAC or G-MAC bankruptcy, and an Ocwen

bankruptcy. So, three lenders involved in this case went through a bankruptcy.

MR. BARNES: The GMAC bankruptcy was part of a bankruptcy involving 51 separate lenders and servicers that was filed on May 15th of 2012. The Ocwen bankruptcy file was shut down then by the federal government for fraudulent mortgage practices.

THE COURT: Ocwen's was?

MR. BARNES: Ocwen.

THE COURT: Okay.

MR. BARNES: And they sold off a bunch of their assets in their bankruptcy, too. But ---

THE COURT: All right.

MR. BARES: --- again, we don't know what.

THE COURT: Okay. So, let's -- each of you may supplement the record with the -- with portions of the bankruptcy record that you think are pertinent for me to review.

MR. HAYES: Yes, sir.

THE COURT: It is rather daunting to open that bankruptcy case, which I've done.

MR. HAYES: Yes.

THE COURT: And, quite frankly, I don't have a law clerk. I have a full schedule and it's almost

impossible for me to delve into a bankruptcy of that nature to pick out or pluck out an instrumental document that might impact this case.

MR. BARNES: Okay.

THE COURT: So ---

MR. HAYES: Your Honor ---

THE COURT: --- I will leave that to you to do. If you want me to see it, provide it to me.

MR. HAYES: Okay. Thank you, Your Honor. Do we have a time frame within which that has to be provided?

THE COURT: Well, let's say by the time the -- I presume you're going to have this transcript transcribed?

MR. HAYES: Yes, sir.

THE COURT: I would say at least by the time the transcript is ready. And that way we can -- you can submit it to -- to me, to Mr. Barnes and send it to the court reporter to add as a -- as an additional exhibit ---

MR. HAYES: Okay.

THE COURT: --- under the heading People's Choice Bankruptcy Proceedings ---

MR. HAYES: Okay.

THE COURT: --- of which I took Judicial notice.

MR. HAYES: Okay. Maybe ten days, Your Honor.

THE COURT: Whatever will be fine.

MR. HAYES: Okay.

MR. BARNES: Ten days is fine.

MR. SLOAN: I -- Judge, just because I'm ---

THE COURT: You're really busy, I understand.

MR. SLOAN: I'm going to trial ---

THE COURT: I know.

MR. SLOAN: --- Monday, so ---

THE COURT: Yeah.

MR. SLOAN: --- we'd ask for two weeks.

MR. HAYES: Two weeks? I'm fine with two weeks.

THE COURT: Let me -- let me just give you 30 days to do it.

MR. HAYES: Yes, sir. Okay.

THE COURT: That way the court reporter will know that she's got -- she doesn't have to produce this thing expeditiously. It just has to be done and I want it done properly and I want it done fairly -- in the regular course of business, but with some diligence.

MR. HAYES: Yes, sir.

THE COURT: I did have one other question of the witness before I let you question him.

MR. HAYES: Okay.

MR. AMAYA - CONTINUED QUESTIONS BY THE COURT:

Q: Is People's Choice Home Loan -- Mortgage Loan the -- the original lender -- is it considered a sub-prime lender?

A: I do not know, Your Honor.

Q: Do you know what a sub-prime lender is?

A: Yes.

Q: What is a sub-prime -- sub-prime lender?

A: The lenders that were lending -- the best term I can use is bad paper, not -- not prime paper, not A-B paper or along the lines C-D paper. They're -- I would say sub-prime also falls under the categories of individuals that weren't doing the greatest reviews of the loans to provide quality prime paper. When I say paper, I mean notes, loans. They weren't always the best credit scores. There wasn't always consistent income or sufficient proof of income. That's what I would consider sub-prime lenders. Someone who almost like a second-hand lender that was, let's say your next day cashing that they cash your check for next week kind of place, that you would go to for when you were desperate to get a loan. Basically,

the term sub-prime because it wasn't prime paper. It wasn't A-B paper. It was -- it was graded as below being a prime quality loan. And the loans are graded by interest rates and income -- not interest rates. I apologize. Credit scores and income, for the most part. Higher credit scores with good income, good liquidity, you're -- you're going to get a better paper. Or someone who maybe doesn't have the highest credit score, but is a very low debt to income on the mortgage in the sense of -- the mortgage payment is only 20 or 30 percent of their actual income is a better loan than someone who's stretching it out to the high 40s or 50s. Because now it becomes harder for them to balance their checkbooks because so much of your money's going toward your mortgage, so it's considered a higher risk.

Q: So, to summarize your statement, sub-prime lenders lend money to the debtors who have greater risk in the marketplace either because of their credit scores, income to debt ratios, or other factors in their credit history that may prevent them from securing a loan from a prime lender.

A: Yes. That is a very good analysis.
Q: Are you aware if any sub -- I mean, if you're a sub-prime lender -- let me just put you in this assumption. If you're a sub-prime lender and you have a party who has -- well, sub-prime len- -- well, let me back up. Sub-prime lenders generally use mortgage brokers to broker their loans, correct?
A: Correct.
Q: So, those are agents who are paid on a commission based on the value of the loan?
A: Correct.
Q: And that commission might be two percent one and a half percent or some value to the principal amount lent, is that correct?
A: Yes.
Q: Is there any incentive for a sub-prime lender broker to encourage a -- a -- a debtor to seek a -- a more favorable loan through a prime lender if they qual- -- if they can qualify for it?
A: Personally, Your Honor ---
Q: Yes.
A: --- I -- not with -- I'm not saying that this is what I would do.

Q: Yes.
A: But they're going to do what's in the best interest for them for the most money, so if they have someone that's going to apply for the loan and it's a loan that they know they can sell and make a profit, changes are more than likely that that's what they're going to do. Plus, there are incentives. The government was issuing incentives prior to the bubble burst --
-
Q: Yes, sir.
A: --- to do sub-prime loans because they wanted -- they wanted to help individuals who couldn't get homes get homes. So, there were incentives to create these loans that made you want to skim them because you had an incentive to create them. And the -- the other thing is the borrower wouldn't qualify. You have to understand, these sub-prime loans. A lot of individuals -- my belief is a lot of individuals that want the sub-prime loans didn't have another choice. Because you didn't qualify for a prime loan. Your credit score wasn't there. You were under a 650. You -- your income wasn't there. You didn't have a

good debt to income ratio.

Q: What was -- the government was giving the sub-prime lenders incentives to make these loans?

A: Not incentives. But they allowed it a little bit more. Remember how HAMP had regulations? My understanding is they actually stretched out what kind of loans you could get. So, this is actually before I got into the industry.

Q: Yes, sir. But you studied it?

A: I studied it. There were lenders and I know people who personally expressed this to me working for other banks. They were responsible to do employment verification. Employment verification, they called someone, hey, does so and so work for so and so? Yes. They could have been their cousin. Really don't know. And there was no verification of income. What you wrote down, yes, this is my income, you're signing it's your income. There wasn't as in-depth review as there is now that -- let us see your tax returns and we're going to pull tax transcripts to verify what the government says to what you're telling us.

Q: All right.

A: Prime loans were still doing that. Sub-prime

was not. And this came out in probably a few documentaries. Oh, don't worry, your payment this just high. You can just modify it or -- or when your property value goes up because property values were going so high, you can refinance and get a better rate. And that's the way the brokers were kind of trying to sell it. Or you can sell the property and make a ton of money. So, there was -- I hate to admit to it because I'm in the -- well, I'm in the servicing part, not in the lending part, but there was some very what I would consider unethical things happening back then. But not everyone partook in it. But it did happen and sub-prime borrowers didn't have an option because your credit score wasn't good, so you weren't going to qualify for this. And their -- you -- you didn't qualify for a fixed rate. You couldn't get it. Your -- your credit score wasn't there. No one was going to lend you the money because they knew chances are you're going to default.

THE COURT: All right. That's all I have. Thank you.

MR. HAYES: Excuse me, Your Honor. May -- may we

take a five-minute ---

THE COURT: Yes, let's do that.

MR. HAYES: --- time out?

(Off the record from 10:11 a.m. until 10:23 a.m.)

THE COURT: This is after a short request from the Court to have a bench conference. The purpose of the conference was to determine if either of the parties recalled that the investor was not a participant in the Home Affordability Modification Program. And we have concluded after the -- the conference that there is, indeed, in the allegations of the Complaint, the following statement, paragraph 4. The Plaintiff's servicing agent for the mortgage loan described in this foreclosure action is participating in the Home Affordability Modification Program ("HAMP"), but that the subject loan is not eligible for modification because the investor has not given the contractual authority to the servicer to modify this loan.

All right. Mr. Hayes, I will recognize you now ---

MR. HAYES: Yes, Your Honor.

THE COURT: --- any questions you might have

pursuant to my questioning.

MR. AMAYA - RE-DIRECT EXAMINATION BY MR. HAYES:

Q: Mr. Amaya, you -- you had mentioned -- Judge Chellis had mentioned the -- the sub-prime, there was a discussion about sub-prime and some borrowers were approved that ordinarily would not have been approved. And I think you said that that was -- there was some lax regulations for sub-prime lenders. Am I stating that correctly?

A: Regulations in general ---

Q: Regulations ---

A: --- were lax.

Q: --- yes. Right.

A: And that's how you got the sub-prime loans. The sub-prime lenders focused on those sub-prime loans. They -- that was their niche.

Q: Okay. Did borrowers who ordinarily would not have been able to get a loan to buy a house obtain loans to buy the house because of the sub-prime lending?

A: Yes.

MR. HAYES: I don't have any further questions, Your Honor.

THE COURT: Mr. Barnes?

MR. BARNES: I have a couple.

MR. AMAYA - RE-CROSS EXAMINATION BY MR. BARNES:

Q: In your review of the business records, Mr. Amaya, did you determine whether or not Mr. Singleton had been eligible for a standard conventional 30-year fixed rate loan at the time he made an application for the loan that's subject in this case?

A: I was not involved with the origination. I didn't review the origination file on this.

Q: Okay. Well, that was going to be my next question. Did you review the origination file, but you just said you didn't so, okay.

A: The origination file, meaning I've seen the original origination documents, but I have not seen what he filed in the sense of his application and -- or the HUD or any of the numbers that would be related to the approval of his loan.

Q: Okay. So, we don't know today sitting here whether or not this ten and a half point loan was something that Mr. Singleton could have avoided by being -- obtaining a 30-year fixed rate loan; correct?

A: That's what he qualified for and what he agreed

to.

Q: Well, but, again, you didn't review his loan application originally to determine whether or not -- and nor could you, because you weren't involved, as to whether or not he could've qualified for something other than an option ARM, LIPOR based option ARM.

A: I don't know what he would have qualified for. I did not review it. It's what he was approved for at that time and it's what he agreed to pay.

Q: Okay. One other question. I just want to follow up on what Judge Chellis was asking. Notwithstanding the fact that the LIPOR index, which is the -- as I understand to be the London Inter-Bank Offering Rate, it's an acronym for that, fluctuated drastically over the course of those years that you've discussed, even going into a rate of less than zero, this loan, which is styled an adjustable rate loan based on the LIPOR index remained at ten and a half interest rate from day one to the present; correct?

A: In accordance with the terms of the Note that fixed it at a minimum at a 10.45. So, it did

go to its lowest point and stayed at it's lowest and then never got up to its highest point, which I believe was -- it's in the note. I think something around 16 percent.

Q: Thank you.

THE COURT: Any re-direct?

MR. HAYES: No, Your Honor.

THE COURT: All right.

MR. HAYES: Is it okay if Mr. Amaya is released?

MR. BARNES: Well, I had asked to reserve, because I wanted to call him. I might want to call him as an adverse witness on my case. I know there's a couple little things I need to go into. But part of that is going depend on what Mr. Dean asks -- Mr. Hayes, sorry.

MR. HAYES: That's all right. I've been called worse.

MR. BARNES: So have I. As you know. What he asks Mr. Singleton.

THE COURT: Right. Is he under subpoena from you, Mr. Hayes?

MR. HAYES: Who?

THE COURT: Mr. Amaya.

MR. HAYES: Well, he's not on a subpoena. He's just -- he's our witness, yes.

MR. BARNES: He's a designated rep, I think he's the party. So, I think he has to stay here. We listed him on our witness list as, you know, one of the parties and their representatives and all witnesses listed by anybody else.

THE COURT: I'm going to require him to stick around.

MR. HAYES: Okay.

THE COURT: I think it -- while we have him here, he may be -- it may be helpful to have him, if necessary, to edify us all in some aspect of this loan that Mr. Singleton is involved in.

MR. HAYES: Okay.

THE COURT: So, Mr. Amaya, although I'd like to let you head back to your -- to your home base ---

MR. AMAYA: Understood.

THE COURT: --- I think the importance of this case, I would be remiss if I didn't ask you to stick around and, in fact, require you to stick around so that if a question is brought up that can be clarified with further testimony from you, we can get that testimony.

MR. AMAYA: Understood, Your Honor. Am I -- am I off the stand and allowed to talk to my attorneys or am I ---

THE COURT: You -- you won't be -- since you're still a witness, you can talk to them, but not about your testimony. Okay.

MR. AMAYA: Understood, Your Honor.

THE COURT: Any objection to that instruction?

MR. BARNES: No, Your Honor.

MR. HAYES: No, Your Honor.

THE COURT: Thank you. All right. Mr. Hayes?

MR. HAYES: Your Honor, I would like to call Defendant, Jamie Singleton, to the stand, please.

THE COURT: Good morning, sir. Before you sit down, would you put your left hand on the Bible?

MR. SINGLETON: Yes, sir.

THE COURT: Raise your right hand.

MR. SINGLETON: (Witness complies.)

THE COURT: Do you solemnly swear or affirm that you'll tell the truth, the whole truth and nothing but the truth, so help you, God?

MR. SINGLETON: Yes, Your Honor.

THE COURT: All right. You're under oath. Please answer any questions Mr. Hayes may have. Now, we'll note for the record, you are the Defendant. Mr. Hayes, as he stated yesterday, is calling you as an adverse witness and,

therefore, he will be allowed to lead you in his questioning.

MR. SINGLETON: Yes, sir.

MR. SINGLETON - DIRECT EXAMINATION BY MR. HAYES:

Q: Mr. Singleton, where do you live?

A: 5505 Rowsham Place, North Charleston.

Q: Okay. Do you own that property?

A: Yes.

Q: Okay. When did you buy it?

A: January 2006.

Q: Did you use the money that People's Choice loaned you in this case to purchase the property you now live in?

A: Correct.

Q: Okay. All right. Would you look at Plaintiff's Exhibit Number 1 -- excuse me, Number 7. Number 7, Number 7. Okay. Would you look at Number 7?

(Plaintiff's Exhibit Number 7 was referenced.)

MR. BARNES: Which exhibit, sir?

MR. HAYES: I'm sorry. That's the -- that's the note, the promissory note.

Q: Is that an original of the note that you signed?

A: I don't know.

Q: You don't know. Okay. Do you have a copy of the note you signed?
A: Not in my possession today.
Q: Didn't you have a copy of the note and mortgage at your house?
A: At some point I did.
Q: Didn't you give it to your attorney?
A: That's correct.
Q: Did you -- haven't you reviewed that note in Florida?
A: I did.
Q: Okay.
A: This -- I reviewed a note in Florida.
Q: Okay. So, you -- you -- you can't say that you reviewed this particular note in Florida?
A: What was produced in Florida does not look like what I'm looking at now.
Q: It doesn't? Did -- prior to your deposition in 2022, you were provided with a copy of the note for the deposition; correct?
A: A photocopy.
Q: You were provided with a copy of the note; correct?
A: Yes.
Q: Okay.

A: A copy.
Q: Did you -- you said you had a copy of the note and mortgage that you received from closing; correct?
A: That's correct.
Q: At any time -- at -- I think in your deposition in 2022, you said that you didn't take the copy of the note and mortgage that you received from the closing to Florida to compare it with what you knew was a copy of the note that you signed, nor did you compare it to the note that was provided to you -- the copy of the note that was provided to you prior to your deposition. Why didn't you compare -- you have a copy of the note that you know you signed. Why ---

OBJECTION:

MR. BARNES: Objection; compound ---
Q: --- didn't you compare the copies?
MR. BARNES: Judge, at this point ...
THE COURT: Sustained. Mr. Hayes, I'm going to ask you to break the question down.
MR. HAYES: Okay.
THE COURT: I really don't like compound questions.
MR. HAYES: Okay. I understand.

THE COURT: I think they confuse the witness. You need to go step by step.

MR. HAYES: Okay.

THE COURT: To the point that you want to make.

Q: Mr. Singleton, you have a true copy of the note and mortgage that you possessed from the closing; correct?

A: Not in my possession.

Q: But you gave it to your attorney, didn't you?

A: That's correct.

Q: Okay. Couldn't you have gotten that note, the copy of the note that you received from closing, and compared it to the original note in Florida?

A: I suppose so.

Q: Okay. Do you have a copy of that or- -- that note now that you received from closing?

A: I do not.

Q: You don't have a copy. Does your attorney have a copy of it?

A: I gave it to him when the case started.

Q: So ---

THE COURT: Which attorney did you give it to?

MR. SINGLETON: Mr. Sloan.

THE COURT: Mr. Sloan. Okay. Thank you.

Q: Can you get a copy of the note from your attorney that you received at closing?
A: I suppose so.
Q: Could -- would you ask your attorney for a copy of the note?
MR. SLOAN: Your Honor, he wasn't requested here duces tecum.
MR. HAYES: Your Honor, he ---
THE COURT: Well, listen. That's kind of an odd question, Mr. Hayes. I think by virtue of the fact that his lawyer has a copy of the note, he possesses a copy of the note constructively ---
MR. HAYES: Yes, sir.
THE COURT: --- and, therefore, I'm going to direct Mr. Sloan to provide the copy that he was given by Mr. Singleton of the clo- -- of the note that ---
MR. HAYES: Okay.
THE COURT: --- was -- that he -- of the note that he was given at closing. Let's just put ---
MR. HAYES: Okay.
THE COURT: --- it that way. I don't know if it's signed -- a copy of the signed note or just a copy of the blank note.
MR. SLOAN: Your -- Your Honor, we -- we intended to

enter ---

THE COURT: I just want you to bring it to him, Mr. Sloan.

MR. SLOAN: Yes, sir. Thank you.

THE COURT: Let me have it.

MR. HAYES: Yes, sir.

THE COURT: Mr. Sloan, is the best copy you have? I mean this is the -- this is what he actually gave you at the time that the case was initiated?

MR. SLOAN: I -- I -- I cannot say that with certainty. I -- I looked at -- I have three copies of the note and that, by far, is the cleanest of the three copies. I -- I -- I can't say for sure that that was the one that Mr. Singleton gave me and ---

THE COURT: Well, give me all three copies.

MR. SLOAN: Yes, sir.

THE COURT: While we are waiting for Mr. Sloan to find those copies, do you recall, Mr. Hayes or Mr. Barnes, whether or not your -- the Answer or the Amended Answer admitted that the note was -- admitted the note or not, are there any allegations -- allegations that the note existed?

MR. HAYES: Your Honor, I think the -- that the -- the -- it's not whether you admit the note, you admit the signature on the note. I think under the *Deep Keel* and under -- under S.C. Code Section 36-3-308(a), it states, in an action with respect to an instrument, the authenticity of and authority to make each signature on the instrument is admitted unless specifically denied in the pleadings. In the *Deep Keel* they tried to allege that it ---

THE COURT: That was my question. Did he deny it in the -- in the pleadings.

MR. HAYES: He may have generally denied it, but he did not specifically deny it, Your Honor.

THE COURT: So, did you admit or deny the note?

MR. SLOAN: Your Honor, I'm first going to read from the Complaint, Number 7 of the Complaint. Heretofore on or about January 4th, 2006, Jamie Singleton made, executed and delivered a certain adjustable rate note, "Note", in the principal sum of $212,000 payable in monthly installments. And in my -- in our most recent Answer of 2014, Defendant admits that he signed such a promissory note that as mentioned in Number 7. To non-party People's Choice Home

Loans, Inc., Defendant does not admit the validity of such note or that the Plaintiff has any right to enforce said note.

MR. HAYES: That is not a specific denial in my opinion, Your Honor. That is a general denial.

THE COURT: I'm glad you have an opinion, Mr. Hayes.

MR. HAYES: (Laughing.) Thank you.

THE COURT: What paragraph is that, Mr. Sloan?

MR. SLOAN: Your Honor, it's Number 7 of -- of the Complaint.

THE COURT: Number -- oh, no. The Answer.

MR. SLOAN: Oh, it's -- it's Number 7.

THE COURT: Number 7 of your Answer, this is dated -- this was filed October -- October 28, 2014. It's an Amended Answer and Counterclaim and Third Party Complaint.

MR. SLOAN: That -- that is correct, Your Honor.

THE COURT: And paragraph 7 of that Answer states, Defendant admits that he signed such a promissory note as mentioned in Number 7 to the Complaint -- I'll add, it's inferred -- to the -- to non-party People's Choice Home Loans, Inc. Defendant does not admit the validity of such note or that the Plaintiff has any right to enforce said note.

MR. HAYES: They do not specifically deny the signature, Your Honor.

THE COURT: I agree with you, they don't. But they deny the right to enforce it.

MR. HAYES: They also, in their Request to Admit, in paragraph 2, admitted that the copy attached as Exhibit A is a true and accurate copy of the original note. I can provide you with that, too, Your Honor.

THE COURT: Would you publish that for me, please?

MR. HAYES: Yes, Your Honor.

MR. SLOAN: Your Honor, we don't have that. We don't have those Requests to Admit.

MR. HAYES: You answered them.

MR. SLOAN: I understand. I don't have that at my -- at my fingertips like I do the Answer. Let's see. When was this? Is this in the 2022 deposition?

THE COURT: It's a Request to Admit, apparently not the deposition.

MR. SLOAN: Your Honor, it is an Exhibit to Mr. Singleton's 2013 deposition.

THE COURT: All right.

MR. SLOAN: It says admit that Exhibit A is a true and correct copy of the original note

heretofore described copy -- correct copy and of the two allonges to the note. Defendant admits that the note is a true and correct copy. Defendant lacks the personal knowledge to admit or deny the validity of the allonges to the note.

MR. HAYES: So, they have admitted that the true and -- would you like to see that, Your Honor? I can ---

THE COURT: No, no.

MR. HAYES: I can publish it.

THE COURT: That's fine, you can publish it.

MR. HAYES: Okay.

THE COURT: Excuse me. Is there a question.

MR. SLOAN: And, Your Honor, just -- just to clarify that those were in 2013 prior to the time that we have a lost note affidavit.

THE COURT: That's correct.

MS. TAYLOR: That was in the 2018 deposition.

THE COURT: Ms. -- Ms. Taylor, please address your comments to me, please.

MS. TAYLOR: I'm sorry, Your Honor.

MR. SLOAN: Your -- Your Honor, that ---

THE COURT: What did you say? I didn't hear you.

MS. TAYLOR: I -- I believe that was the 2018

deposition of Mr. Singleton.

MR. SLOAN: That may or not be correct, Your Honor. But those -- those were Answers to the Requests to Admit were dated April 26th, 2013.

THE COURT: Thank you.

MR. SLOAN: April 26, 2013.

MR. HAYES: But it's still the original -- the copy of the original note. The note didn't change. There were later allonges, but the note did not change, Your Honor.

THE COURT: Well, you've got to establish that. You can argue that, but you've got to establish it.

MR. HAYES: Your Honor, again, I do not think they can question the authenticity of the signatures on the note because they didn't specifically deny it. Now, they denied the ability to enforce it, but not the signatures, Your Honor.

THE COURT: I agree with you.

MR. HAYES: And I think in *Deep Keel* you have to specifically deny the signatures.

MR. HAYES: Beg your pardon, Your Honor?

THE COURT: Sure.

MR. HAYES: May I look it up?

THE COURT: (No audible response.)

MR. HAYES: We've killed a lot of trees in this

case.

(Off the record discussion.)

MR. HAYES: Your Honor, in *Deep Keel*, they're talking about the admission of the note and the Appellant is saying -- the Court is saying, Atlantic points out, however, that in its Answer, it made reference to the original loan documents and denied any allegations of these paragraphs inconsistent therewith. Atlantic argues this denial was sufficient to contest the validity of the authenticity of Rohlfing's signature on the note. We disagree and find Atlantic -- Atlantic's Answer did not specifically deny the validity of the signatures and was too general to challenge the authenticity of the first five loan documents. They specifically say signature, Your Honor.

THE COURT: What's your point?

MR. HAYES: Well, my point is they can't contest the -- the signatures on the note because they didn't specifically deny it in their Answer.

MR. BARNES: Your Honor, that's a totally ---

THE COURT: That's a far stretch, Mr. Hayes, but I'll hear from Mr. Barnes.

MR. BARNES: Yeah. Judge, that's a -- I agree.

That's a quantum leap. What he's asking him to do is because of an admission that was made back in 2013 of what was obviously a different version of the note presented at the deposition, that this note, which magically appeared at 11:00 o'clock at night the day before the summary judgment hearing, which they now claim is the found original, is something he can't contest, which is not what was previously presented at any time prior to that.

MR. HAYES: Your -- your Honor, I would like Mr. Barnes to back up his statement that a different copy of the note was previously provided.

MR. BARNES: And, Judge, the copy of the note that was presented to him before upon which the Request for Admissions were re- -- were based did not contain a stamp. Your Honor, he can -- again, you -- you can overrule it, but -- obviously -- but my point is it ---

THE COURT: Let me back up a second.

MR. BARNES: Yes, sir.

THE COURT: Let's go basic here. What does authentic- -- authenticate mean?

MR. BARNES: It -- it means that it's authentic.

THE COURT: But doesn't it just simply mean that it represents what it says it represents?

MR. BARNES: Yes, exactly.

THE COURT: All right.

MR. BARNES: So, if ---

THE COURT: But don't you agree that a party can contest or -- or -- or argue or give facts that it's not authentic?

MR. BARNES: Yes, but you specifically have to deny it in the pleadings in order to ---

THE COURT: No, you have to deny the signature?

MR. BARNES: Correct. In the pleadings.

THE COURT: But that's -- that doesn't necessarily mean that the -- that the document isn't -- is authentic ---

MR. BARNES: Yes ---

THE COURT: --- or even allows for this witness to contest its authenticity.

MR. BARNES: Your Honor, I disagree. If you read *Deep Keel*, I disagree, Your Honor. Respectfully, disagree, but I disagree.

THE COURT: Where were you reading from in *Deep Keel*?

MR. BARNES: I'm sorry?

THE COURT: Where were you reading from in *Deep*

Keel?

MR. BARNES: Your Honor, it is shown -- it must be the -- it starts on the S.C. -- 413 S.C. and it starts on 69.

THE COURT: Mr. Hayes, I agree that you have -- this document is in evidence ---

MR. HAYES: Yes, sir.

THE COURT: --- because it's self authenticated.

MR. HAYES: Yes, sir.

THE COURT: I don't agree with you that the Defendant cannot, in reply to it's authenticity, state that he doesn't believe -- believe the document is authentic even though he has not pled that the signature is forged.

MR. HAYES: I understand, Your Honor. I respectfully disagree, but I understand. May I ask ---

THE COURT: Would you -- would you show me the exact language on the signature issue?

MR. HAYES: It's at -- Your Honor, it's right at the -- it's right at the 69 and 70 ---

THE COURT: I just read both of those pages ---

MR. HAYES: --- pages of that ---

THE COURT: --- and can't see the lines ---

MR. HAYES: Because they were trying -- they were

trying to contest the authenticity. And I can show you, if you ---

THE COURT: Well ---

MR. HAYES: --- want to see the Code section.

THE COURT: Give me one second, Mr. Hayes? In *Deep Keel*, the question was whether the note was admitted or not.

MR. HAYES: Right.

THE COURT: Your note is admitted. This -- this ---

MR. HAYES: Right.

THE COURT: --- document is before the -- the Court. It's been authenticated. Now, you're asking him to -- just because it's authenticated, doesn't mean that he can't dispute it's authenticity.

MR. HAYES: Okay. I -- okay, Your Honor. That's -- that's fine.

THE COURT: I mean, I agree with you. In order for Mr. Singleton to say, that's not my signature, those are not my initials, Mr. Sloan and Mr. -- Mr. Barnes would have had to have allege a forgery.

MR. HAYES: Correct.

THE COURT: That they were specifically not his signature.

MR. HAYES: Right.

THE COURT: But in this case, we have admissions from your client that the note was lost.

MR. HAYES: Correct, Your Honor.

THE COURT: And now we have a note that has been found.

MR. HAYES: Correct, Your Honor.

THE COURT: And I think it's fair for this Defendant to be able to say what he thinks about what the note -- what he thinks about the note that has been found, that you have properly had entered into evidence because it's self-authenticated.

MR. HAYES: Okay.

THE COURT: Okay.

MR. HAYES: Your Honor, may I have a copy of the -- may I approach and ---

THE COURT: Sure.

MR. HAYES: --- obtain the copies of the ---

THE COURT: Well, I -- yeah. Let's -- let's do -- the first document you gave me, Mr. Hayes, was the four-page document entitled the Adjustable Rate Note. It has an Exhibit Number 2 and Exhibit Number 4 to the Valanti (ph) deposition. That's what he gave me and then I asked him for the other copies that he had. If

you would let me see those, I'll publish what he ---

MR. HAYES: Yes, sir.

THE COURT: --- gave me. The second copy that he provided to me was a -- excuse me one second. I think I gave you the wrong one.

MR. HAYES: I apologize.

THE COURT: The first one he gave me did not have the exhibit numbers on it, but it was a four-page document and I'll tell you what it looks like.

MR. HAYES: This one -- this one is the -- this one has an exhibit number on it, Your Honor.

THE COURT: Right. I think the first document Mr. Sloan gave me is the one that did not have the exhibit numbers on it.

MR. HAYES: Okay.

THE COURT: Then he gave me two other documents. I don't know if they came in -- they came in together, so I'll just designate the difference between them. One is a four-page document. It has the -- has a designation Exhibit 2 on it. It also an exhibit tab in the Valanti (ph) deposition Number 4. And the third document has a -- is a two-page document, very small

print. It's known as Defendant's Exhibit Number 11. It doesn't say anything further, but it's a two-page document.

MR. HAYES: Okay. May I ---

THE COURT: Yes.

MR. HAYES: --- get these marked and ---

THE COURT: Yes.

(Off the record discussion while marking exhibits.)

(Plaintiff's Exhibit Numbers 28, 29, and 30 were marked for identification purposes.)

Q: Mr. Singleton, I'm providing you with three copies of the note that I believe you, yourself, say that the copies you gave to your attorney at -- William Sloan or Bill Sloan is. Would you look at these? And compare them to the original note, please.

OBJECTION:

MR. BARNES: Object to form.

THE COURT: Sustained.

MR. BARNES: Thank you.

Q: Would you ---

A: I can't see them.

Q: I'm sorry. Would you look at the copies that you provided to your attorney and compare them to the signatures on the note that's marked as

Plaintiff's Exhibit Number 7?

(Plaintiff's Exhibit Number 7 was referenced.)

A: I can't see the signatures on the copy well. It's ---

Q: Okay. Look at the -- let's look at the -- let's look at the signatures. I mean, you -- maybe you can't see the entire signature, but you can see where it goes up and down. Can you see the initials at the bottom of the pages?

A: I see the initials.

Q: Okay. Do they appear to be the same on the copies, the three copies that were given to you, Plaintiff's, I think, 28, 29 and 30 as the signature and initials on Plaintiff's Exhibit Number 7?

A: I can't be for certain. Because a lot of the lines ---

Q: Okay.

A: --- are distorted in the copy.

Q: Okay. Mr. Bar- -- excuse me. I apologize. Mr. Singleton. This case has been going on since 2011 ---

A: I agree.

Q: --- is that correct?

A: I agree.

Q: You have had -- you admit you had documents from the closing, the note and the mortgage?

A: Yes, sir.

Q: Correct? Why is it that you never thought to compare -- you're telling the Court today that you never thought to compare the copies of the mote and mortgage that you knew were of the original note and mortgage with the -- the note and mortgage that were previously given to the -- and -- and remember -- excuse me. The original note was produced in 2016. The -- there's an Order from Judge Chellis actually stating the attorney had the original note. Did you compare the original note that was produced in Court to the copies that you knew were of the original note because you had them at your house?

OBJECTION:

MR. BARNES: Objection.

MR. HAYES: Compound.

MR. BARNES: No, more than that. It's compound, but, in addition, it's -- it's an incomplete question. He just -- counsel just said the original note was produced in Court in 2016.

THE COURT: Yeah, let's -- I'm going to -- I'm going

to sustain the objection. Let's try another way, Mr. Hayes.

MR. HAYES: Okay.

Q: So, you say you can't be sure about the signatures on the -- the note. So, you -- are you denying the note is -- that you signed the note that is admitted into evidence as Plaintiff's Exhibit Number 7? Admitting or denying it?

A: I'm saying that I signed a note originally when I took ---

Q: What I'm asking you is a question.

A: Can I please finish my answer?

Q: Okay.

A: Please.

Q: Go ahead.

A: What I'm saying is that when I took out the loan, I did sign an original note.

Q: Okay. What I'm asking you is to look at Plaintiff's Number 7 and say yes or no, whether that is your signature on that ori- -- that note submitted as Plaintiff's Number 7?

A: I can't be for certain. We have a lost note affidavit. I can't be for certain.

MR. HAYES: (Laughing.) Your Honor.

THE COURT: Mr. Hayes, I don't think it's appropriate to be laughing at the witnesses.

MR. HAYES: That was not a laugh. That was an incredulous -- I apologize.

Q: Do you admit -- so you admit signing the note; correct?

A: Correct.

Q: Okay. And you admit that -- do you admit the terms of the note?

A: Correct.

Q: Okay. The terms of the note being that you borrowed $212,000 and the interest rate was adjustable. It was to be between 16.45 percent and 10.45 percent and that it never has gone above 10.45 percent?

A: That's correct.

Q: Okay. Okay. Have you seen the -- the mortgage in this case? Plaintiff's Number 1. Could you look at that?

(Plaintiff's Exhibit Number 1 was referenced.)

A: (Witness complies.)

MR. HAYES: Your Honor, we're going to need some paper.

THE COURT: What were you asking him to do?

MR. SINGLETON: I just spilled water.

MR. HAYES: He just spilled some water, Your Honor.

THE COURT: Okay. She'll take care of it. But not on the exhibits?

MR. SINGLETON: No. No, sir.

COURT REPORTER: I was about to say the same thing.

(Off the Record)

Q: Would you look at Plaintiff's Exhibit Number 1, Mr. Singleton? Would you look at the bottom of each page and see if those are your initials at the bottom of the page and if that's your signature on the I think next to the last page? I ... That would be on the page -- it would be page 182 would be at the top right of Plaintiff's Exhibit 1, 182 being the page number of the book and page number.

A: Okay. I've looked at it.

Q: Is that your signature on -- on Plaintiff's Exhibit Number 1?

A: It looks similar.

Q: Is that your signature on Plaintiff's Exhibit Number 1.

A: It looks similar.

Q: I'm not asking if it looks similar. I'm asking if that's your signature.

A: That is similar to the way I would sign my

signature.

THE COURT: Mr. Singleton, you're not answering the question. Please answer the question yes or no. Is that your signature or not?

A: Yes.

Q: Okay. Let's go back to the note, the original note.

MR. HAYES: Your Honor, do you have the original note up there, Plaintiff's Number 7 -- oh, here it is.

THE COURT: I'm getting my exercise today.

Q: Plaintiff's Number 7.

(Plaintiff's Exhibit Number 7 was referenced.)

OBJECTION:

MR. BARNES: Judge, so I don't have to keep interrupting things ---

THE COURT: Yes, sir.

MR. BARNES: --- make a standing objection. Mr. Hayes keeps saying the original Note. It's the alleged original Note or claimed original Note at this point.

THE COURT: It's the -- just refer to it as ---

MR. HAYES: It's Plaintiff's Exhibit 7.

THE COURT: Refer to it as Exhibit 7.

MR. HAYES: Okay.

MR. BARNES: Thank you.

MR. HAYES: Exhibit 7.

Q: Look at your signature on Exhibit 7.

THE COURT: And while we're there, let me just enter into -- let me just make this statement. *Deep Keel* says, and they cite a U.S. Supreme Court case ---

MR. HAYES: Yes, sir.

THE COURT: --- United States vs. Vidacak, it's a federal Fourth Circuit case. So, it's not the Supreme Court. Federal Fourth Circuit -- Fourth Circuit. I assume it's an appellate decision. I haven't looked at it. It's a parenthetical statement in citing that particular case. And it says, finding the exhibits properly admitted whether the -- the -- where the Appellant "offered no basis for inferring that the exhibits were forged or altered that would arouse this Court's suspicion as to their authenticity." I would tell you that I think the fact that the note was lost and we have a lost note affidavit or an admission that there was a lost note affidavit ---

MR. HAYES: Yes, sir.

THE COURT: --- and we have a note that was found, arouses the suspicion of the Court as to it's authenticity.

MR. HAYES: Okay.

THE COURT: Okay. And, therefore, I'm allowing Mr. Singleton to testify and -- and -- as to his view of what -- whether or not it's authentic or not.

MR. HAYES: Okay. Thank you, Your Honor.

Q: Mr. Singleton, you have said that the signature on Plaintiff's Number 1 is your signature. Would you look at Plaintiff's Number 7, which is -- would you look at Plaintiff's Number 7 and tell me, yes or no, is that your signature?

A: Again, I don't think that's a matter of a yes or no answer because of the lost note affidavit. I can say it looks similar.

MR. HAYES: Your Honor, I'm asking him yes or no, is it his signature. The Court required him to -- to tell me on the mortgage. I think he's required to tell me on the note, Your Honor.

THE COURT: So, your question is look at the signature on page 4 of the note.

MR. HAYES: Of Number 7, Your Honor. Yes.

THE COURT: Yeah, okay. Exhibit Number 7. Can you

identify that signature as your own? Yes or no?

MR. SINGLETON: Can I compare it to the mortgage?

THE COURT: Sure.

A: (Reviewing the documents.) Your Honor, no, I cannot be 100 percent certain. I can't -- no, I can't be 100 percent certain.

THE COURT: Okay. No, I cannot be 100 percent certain.

MR. HAYES: Okay.

Q: When you took out this loan in I think it was 2000--- it was 2006, when you took that -- you admit taking out the loan on January the 4th, 2006, correct?

A: That's correct.

Q: Okay. And you originally made the payments on time; correct?

A: That's correct.

Q: Okay. For several years. When did you first start missing payments?

A: I believe in 2000- -- if I can remember correctly, sometime after the summer of 2008.

Q: Okay. You originally made payments to People's choice; correct?

A: That's correct.

Q: Okay. The original lender?
A: Correct.
Q: Then you made payment -- mortgage payments to -- when I refer to payments, I'm talking about payments on this note and mortgage, okay. Then you made the Mortgage payments to Ocwen; correct?
A: That's correct.
Q: Okay. And then you made payments to GMAC; is that correct?
A: That's correct.
Q: Okay. And that was about 2008; correct?
A: (No audible response.)
Q: Okay. And in 2008 is when you first started missing payments?
A: That's correct.
Q: Okay. Do you remember why you were missing payments?
A: Absolutely.
Q: I'm sorry?
A: Absolutely, yes.
Q: Okay. Would you -- would you tell me?
A: In 2008, I was in two car accidents within six months.
Q: Okay. And did that cause you to miss work?

A: Yes.
Q: Is that the reason for the IRS tax lien?
A: That's correct.
Q: So, okay. So, you had an I- -- you had an IRS -- when -- when was the lien from the IRS placed against you?
A: I don't remember exactly when.
Q: Are you still making payments on it?
A: I have not.
Q: Were you mak- ---
OBJECTION:
MR. BARNES: Objection; relevance.
MR. HAYES: Well, it goes to -- I think it goes to his ability to make the payments, Your Honor. He -- there's -- he's given testimony that he -- he is willing and able to make the payments. After, Your Honor -- after the Summary Judgment Order was issued, he offered to pay off the balance that Your Honor said was owed. In the depo- -- in his deposition testimony, he had stated that he -- he has not been saving any of the mortgage payments to apply toward the ---
THE COURT: Well, Mr. Hayes, I -- I appreciate all of that.
MR. HAYES: Okay.

THE COURT: But his objection is relevance. It may be relevant.

MR. HAYES: Okay.

THE COURT: But I don't think you can just make this leap from questioning about an IRS lien. I'm not sure.

MR. HAYES: Okay.

THE COURT: You -- you got to ---

MR. HAYES: I understand.

THE COURT: --- you got to get down to the base question and slowly build up the questions --

MR. HAYES: Okay.

THE COURT: --- until you're at a point where you can make or ask him to draw a conclusion on it. You can -- or I can draw a conclusion.

MR. HAYES: Right. Okay.

THE COURT: All right.

MR. HAYES: Thanks, Your Honor.

THE COURT: It's just sort of a basic principle of --

MR. HAYES: Okay.

THE COURT: --- evidence.

Q: Did -- when you missed payments in 2008, did you receive a letter from GMAC --- I'll refer

to GMAC as G-MAC, if that's okay.

A: That's fine.

Q: When you missed payments in 2008, did you receive a letter from GMAC telling you that they were servicing the loan?

A: That's correct.

Q: Okay. Did you receive monthly statements from GMAC?

A: That's correct.

Q: Okay. And you heard testimony yesterday about there being quite a few service transfers of your loan over the past 19 years?

A: Yes.

Q: Okay. And I think you were previously asked about it in your deposition and you ---

THE COURT: Mr. Hayes ---

MR. HAYES: I apologize, Your Honor.

THE COURT: --- you can't do it that way.

MR. HAYES: Okay.

THE COURT: You've got to -- you ---

MR. HAYES: Okay.

THE COURT: --- you just can't do it that way.

MR. HAYES: Okay.

THE COURT: I mean, let's ---

Q: Did you -- did you receive ---

MR. HAYES: I apologize.

Q: Did you receive letters from all of the servicers, monthly statements, telling you how much was due?

THE COURT: Mr. Hayes. Again, the form of that question is ---

MR. HAYES: Okay.

THE COURT: --- so ---

Q: Did ---

THE COURT: --- broad.

MR. HAYES: Okay.

THE COURT: Why don't you ask him -- I mean, you have the right to -- to -- he's an adverse witness.

MR. HAYES: Right.

THE COURT: You have the right to lead him.

MR. HAYES: Okay.

THE COURT: Why don't you take him through each one?

MR. HAYES: Okay.

Q: Did -- let's go through all the servicers.

THE COURT: Ask him to admit it.

MR. HAYES: Okay.

Q: Did -- do you admit receiving notices from the servicers while you were delinquent?

A: Yes.

Q: Okay. Did all of the servicers send you monthly statements?
A: Yes.
Q: Okay. So, while you were delinquent, you still received monthly statements from the servicers?
A: Correct.
Q: Okay. Do you understand the different between a servicer and a lender or investor?
A: To some degree, yes.
Q: Okay. Would you tell me what your understanding is?
A: The servicer collects the payment, the owner owns the loan.
Q: Okay. Thank you. So, you understand that a loan can be serviced by someone different from who owns it?
A: That's correct.
Q: Okay. All right. And that the servicer -- the servicer and the investor or the note holder could be the same person; correct? Or it could be the same entity; correct? Your -- your -- just your understanding.
A: I imagine so.
Q: Okay. But ---
THE COURT: Mr. Hayes. I'm going to strike that

question and the answer because it just totally yells out calls for speculation.

MR. HAYES: Okay. I apologize.

Q: What -- you understand that a servicer collects the pay- -- monthly payments on the loan; correct?

A: That's correct.

Q: Okay. And you admit receiving monthly statements from the servicers while you were in default?

OBJECTION:

MR. BARNES: Asked and answered.

MR. HAYES: Okay.

THE COURT: Let's move on.

Q: And the -- these monthly statements that you received, did they tell you where to send your monthly payments on the mortgage?

A: Correct.

Q: Okay. You heard testimony yesterday from Mr. Amaya that says a letter was sent to you in May of 2008 regarding your delinquency. Do you remember getting a copy of that letter?

A: I don't remember that letter.

OBJECTION:

MR. BARNES: Assumes facts not in evidence and it's

based upon a document that the Court did not admit into evidence.

THE COURT: Sustained.

Q: Did you receive any doc- ---

MR. HAYES: Your Honor, there -- there is not a letter in evidence, but there was indication that it was sent in the servicer's records on May 16th, 2008. So, the recor- -- there is a record of it being sent. The actual letter is not in evidence.

MR. BARNES: I respectfully disagree. That document -- all it said was Singleton default. It didn't say a letter was sent ---

MR. HAYES: Yes -- yes ---

MR. BARNES: --- it didn't say when it was mailed, it didn't say anything. Nothing whatsoever.

THE COURT: Sustained.

MR. BARNES: Thank you.

MR. HAYES: May I look at the exhibit, Your Honor?

THE COURT: Certainly.

MR. HAYES: (Reviewing document.) Your Honor, there's a notation on 5/16/2008 that says breach, Jamie Singleton.

THE COURT: Do you want to tell me about it?

MR. HAYES: Well, that -- no, it was the testimony

yesterday from Mr. Amaya that the breach letter was sent on May the 16th. And I'm asking -- all I'm asking is if he received the letter.

THE COURT: Let me see what you're referring to.

MR. HAYES: And this was admitted into evidence, Your Honor.

MR. BARNES: Your Honor, respectfully, Mr. Amaya did not say a letter was sent, nor does this document say that. All it says is breach, Jamie Singleton. That's all it says.

THE COURT: Okay.

MR. BARNES: It doesn't say a letter was sent, doesn't say went it was sent, doesn't say anything about that.

THE COURT: I'll -- your objection is sustained.

MR. BARNES: Thank you, Your Honor.

Q: You said you went into default sometime in 2008. Did you bring the loan current at any time after 2008?

A: I tried. I made payments and I never got caught up.

Q: Okay. Did GMAC -- and, again, that's GMAC Mortgage, they filed a foreclosure action against you in July of 2008?

A: That sounds consistent.

Q: Okay. And do you remember if a judgment was entered against you in that foreclosure action that was started by GMAC on July the 11th, 2008?
A: Yes.
Q: Okay. A judgment was entered against you?
A: Yes.
Q: Okay.
A: A default judgment.
Q: Yeah. And you filed bankruptcy on March the 2nd, 2009; correct?
A: That's correct.
Q: Okay. And you included GMAC as a creditor in your bank- -- you filed Chapter 13 bankruptcy; correct?
A: That's correct.
Q: Okay. And you included GMAC as a creditor in your Chapter 13 bankruptcy plan; correct?
A: That's correct.
Q: Okay. And you also -- you understand what a bankruptcy -- a Chapter 13 bankruptcy plan is?
A: Vaguely. I -- I don't know much about bankruptcy.
Q: Okay.
A: I don't.

Q: Would you agree that you -- you pay a certain amount to the Trustee or the Bankruptcy Court ---

A: That's correct.

Q: --- and that they distribute money to the creditors that were owed money prior to the day you filed your pet- -- bankruptcy petition?

A: I understand that, yes.

Q: Okay. And -- and in -- in -- so, in your Chapter 13 bankruptcy plan, you actually provided for payments to GMAC, right

A: I'm not sure I understand. What do you mean?

Q: Okay.

A: Please clarify that.

MR. HAYES: Do you have a copy of that?

MR. BARNES: Your Honor, I've been handed a five-page document by Mr. Hayes. The first page indicates it's a filing in the United States Bankruptcy Court for the District of South Carolina, In Re Jamie Singleton, case number 09-09576-jw, Notice Chapter 13 Plan. And it's single-sided.

THE COURT: Thank you, Mr. Barnes.

MR. HAYES: And, Your Honor, I -- I have -- these are certified copies.

THE COURT: Okay. From the Bankruptcy Court. I see a stamp on the last page. Is that the certification?

MR. HAYES: Yes. The original is -- is right here, Your Honor.

THE COURT: Okay.

MR. HAYES: So, I -- I think they're self-authenticating.

THE COURT: They are. Any objec- -- I don't think you have an objection, do you, Mr. Barnes?

MR. BARNES: No. Not at all.

MR. HAYES: Okay.

THE COURT: So, this is going to be exhibit what?

MR. BARNES: 28?

MR. HAYES: Except I think it's at least 30-something.

COURT REPORTER: 31.

MR. HAYES: 31, Your Honor.

THE COURT: Exhibit 31?

MR. HAYES: Yes, sir.

(Plaintiff's Exhibit Number 31 was marked for identification purposes.)

MR. HAYES: Your Honor, the last four of Mr. Singleton's Social Security Number is on the caption. I don't know if the Court wants to

strike that or redact it?

THE COURT: That's fine.

MR. HAYES: Okay. It is filed with the ---

THE COURT: I mean, it's ---

MR. HAYES: --- Bankruptcy Court.

THE COURT: --- fine. Leave it like it is.

MR. HAYES: Yeah.

THE COURT: It's part of the record of the Court.

MR. HAYES: Okay.

THE COURT: That is to say the Bankruptcy Court.

MR. HAYES: Yes, sir.

Q: Would you look at, Mr. Singleton, on -- on 31, would you look at page 3 down at the bottom, and it says, long term or mortgage debt curing default. Would you agree that it says, arrearage payments and then it says, the trustee shall pay the arrearage as stated in the creditor's claim allowed or as otherwise ordered by the Court to GMAC Mortgage at a rate of $211 or more per month?

A: That's correct.

Q: Okay. So, your understanding was after looking at this, it was included in your bankruptcy?

A: (No audible response.)

Q: And ---

THE COURT: It was included, what are you referring to was included?

MR. HAYES: I'm sorry. The -- the arrearage payment to GMAC for the pre-petition debt ---

THE COURT: Was included ---

MR. HAYES: --- was included. Yes, Your Honor.

THE COURT: All right.

Q: And did -- did GMAC file a -- do you know what a proof of claim is?

A: I don't.

Q: Okay. If I told you that a proof of claim is something that the creditor files in bankruptcy to say they have a claim against the -- the person who filed bankruptcy, would that -- I mean, would that be your understanding, or you have no idea?

A: I don't have any -- I don't have any understanding.

Q: Okay. Do you know if GMAC filed a proof of claim in your bankruptcy case?

A: I don't know.

Q: Okay.

THE COURT: You know, Mr. Hayes, it'd be a lot quicker if you have the document that's from the Court that's self-authenticating, you don't

have to ask him to try to identify ---

MR. HAYES: Okay.

THE COURT: --- or authenticate it.

MR. HAYES: I -- I ---

THE COURT: Just present it as evidence.

MR. HAYES: Okay. That's fine, Your Honor. I don't think I asked him to identify this document.

THE COURT: Well -- well, I mean, are you -- are you -- are you going to try to get in his bankruptcy records into ---

MR. HAYES: Yes, sir.

THE COURT: --- this proceeding? Is there any objection to that, Mr. Barnes?

MR. BARNES: Well, Your Honor, that's kind of a broad-based question. I don't know what bankruptcy documents he's trying to get in and whether they're relevant.

MR. HAYES: Your Honor, it's ---

MR. BARNES: They may be self-authenticating, but are they relevant?

MR. HAYES: It's relevant to show he didn't contest the amount due during the bank- -- well, actually, I think he did contest the amount due during the bankruptcy and then there was an Order of Agreement as to the amount due. So,

I think that's relevant as to the debt that was due at the time in the bankruptcy. And I think that's relevant.

THE COURT: Okay. Let -- you want to go through them one by one?

MR. HAYES: I'll -- I'll do it however the Court wants.

THE COURT: No, I want you to try your case the way you want to try it.

MR. HAYES: Okay.

THE COURT: Do it the way you want to do it and then you've got 31 -- Exhibit 31 before us and this is a certified copy of what?

MR. HAYES: All right. Your Honor, this is a certified copy of a proof of claim ---

THE COURT: Okay.

MR. HAYES: --- filed by GMAC. It's 28 pages. And, again, I'm not -- I'm not going to walk through these word by word. I'm just -- I'm just showing that -- that the claim was filed.

THE COURT: All right.

MR. HAYES: Okay. Okay. All right.

Q: Mr. Singleton, the Plaintiff's, I think, 32, would you look at right here, it says, secured claim. And -- and the amount of the arrearage

is shown as being $27,790.70. Correct?

(Plaintiff's Exhibit Number 32 was marked for identification purposes).

A: Correct.

Q: And attached -- attached to the Proof of Claim, pages twenty- -- excuse me -- page 3 through page 28 are a copy of the note and mortgage, correct, to support the claim?

A: (No audible response.)

Q: GMAC -- these were not filed by you. These were filed by GMAC. I'm not saying these were filed by you.

A: It's a copy.

Q: Okay. Okay. And, again, a copy of the note and mortgage are attached to Plaintiff's Number 32, which is the Proof of Claim from GMAC; correct?

A: Correct.

Q: Would you look at page 3 of the Proof of Claim. I think it's Plaintiff's 32. Okay. Would you go to -- this is an adjustable rate note. Would you go to page 6 -- or, excuse me -- would you -- would you look at the bottom of page 3, the bottom right. And it shows some initials; correct?

A: Correct.
Q: Okay. And at the bottom of page 4, which is page 2 of the note, it shows some in- -- some initials at the bottom of that page, as well; correct?
A: Correct.
Q: Okay. Let's go to page 5 of the Proof of Claim, which would be page 3 of the note, and it shows initials at the bottom right of that one; correct?
A: Page 5?
Q: Excuse me. Page 6. It's right there (indicating). See, it's kind of confusing and stuff. It's page 5 here, page 3 here. What I'm asking is if ---
A: Yes, I'm with you.
Q: Okay. If the -- at the bottom of page 5 of the Proof of Claim, which is Plaintiff's Number 32, shows signature -- excuse me, initials at the bottom right corner.
A: Correct.
Q: Okay. And page 6 of the Proof of Claim, which is Plaintiff's 32, has a signature at the bottom; correct?
A: Correct.

Q: Okay. Would you compare that signature to the signature on the original note that is Plaintiff's Number 7?

THE COURT: Sustained.

MR. BARNES: Thank you.

THE COURT: Objection. Refer to it as Plaintiff's 7, I think it was.

MR. HAYES: Well, I said ---

THE COURT: You called it the original note.

MR. HAYES: Okay.

Q: Would you compare the signature on Plaintiff's Number 7, page 4 of Plaintiff's Number 7, with the signature on page 6 of Plaintiff's Number 32? Do those signatures appear to be similar?

(Plaintiff's Exhibit Number 7 was referenced.)

A: I can't be for certain because I'm -- I'm looking at the L and the L looks a little different.

Q: Okay.

THE COURT: The L in which document? The L in 7 or the L in 32?

MR. SINGLETON: The L in -- this looks a little different.

THE COURT: In your right hand is Exhibit 7.

MR. SINGLETON: Right.

THE COURT: And you're saying the L in Exhibit 7 looks a little different than the L in Exhibit 32?

MR. SINGLETON: Yes, sir, to me.

MR. HAYES: Okay. Thank you.

THE COURT: Clarify the record.

Q: Okay. And the ---

MR. HAYES: I beg your pardon, Your Honor.

Q: Mr. Singleton, on page 2 of Plaintiff's Number 32, there is a sheet and it is entitled Arrearage Statement. Do you see that?

(Plaintiff's Exhibit Number 32 was referenced.)

A: I do.

Q: Okay. The -- the Arrearage Statement, it says, principal balance $209,656.89. Would you agree with that?

A: I see it.

Q: Okay. And it says, at that time that five payments for April 1, 2008 through August 1st, 2008 at $2,134.48 each.

A: That's correct.

Q: Do you see that? And -- and over there to the right of the delinquent five payments, it's showing 10,672.40; correct?

A: Correct.

Q: Okay. And then down below it, it says, six payments for September 1st, 2008 through February 1st, 2009 at $1,978.73 each. Would you agree with that?
A: I agree.
Q: Okay. And then down below the sixth payment, it says one payment for March 1st, 2009 at $1,933.02. Would you agree with that?
A: I agree.
Q: Okay. And then there's an attorney's fee of $300, foreclosure attorney's fees of 720 -- $720, and foreclosure attorney's costs shown on page 2 of Plaintiff's 32 of $1,165.72. Correct?
A: Correct.
Q: Okay. And the total arrearage is shown as being $27,790.70; correct?
A: Correct.
Q: Okay. Did -- do you remember if you objected to that Proof of Claim or not?
A: I don't remember.
Q: Your -- your -- your attorney at that time was Rob Pappa (ph).
A: Rob Pappa (ph).
Q: Rob is -- Mr. Pappa (ph) is no longer

practicing law, is he?

A: I don't know.

Q: Okay.

MR. BARNES: Your Honor, I've been handed an eight-page document, single-sided by Mr. Hayes. It's a filing in the bankruptcy case of Mr. Singleton, called Response to Objection of Claim.

THE COURT: Thank you, Mr. Barnes.

MR. BARNES: You're welcome.

(Plaintiff's Exhibit Number 33 was marked for identification purposes).

Q: Mr. Singleton, Plaintiff's Number 33. You said you don't know if you objected to -- to GMAC's Proof of Claim; correct?

A: I don't remember. I said ---

Q: That's fine. That's fine. Would you agree that this -- this document is entitled Response to Objection to Claim?

A: That's what this says.

Q: Okay. And it includes a -- it appears to include -- if you look at page 3 of the document, at the top of page 3 of Plaintiff's Number 33, it's actually notated as page 1 on the document. Would you agree that from page

1 to page 5 of Plaintiff's Number 33 appears to be a payment history?

OBJECTION:

MR. BARNES: Calls for speculation.

MR. HAYES: I'm -- I'm just asking if -- if he ---

THE COURT: Overruled.

A: Yes.

Q: Okay. Thank you.

MR. BARNES: Just for the record, Your Honor ---

THE COURT: Uh-huh.

MR. BARNES: --- the prior documents that Mr. Hayes handed me have filed stamps on the top of the case number. This one doesn't.

MR. HAYES: It's certified as a true copy, Your Honor.

THE COURT: It is certified as a true copy by the Bankruptcy Clerk -- Deputy Clerk, on page -- on the last page.

MR. HAYES: I think most of these are certified on the last page, Your Honor.

MR. BARNES: Just making a reference.

THE COURT: Thank you.

Q: Okay. Do you remember, Mr. Singleton, if -- you said you didn't reme- -- excuse me. You said that you did not remember whether you

filed an objection to the Proof of Claim or not to GMAC; correct?

A: Correct.

Q: Okay. Do you remember if an agreement was later entered into? Did you amend your Chapter 13 plan?

A: I don't remember.

Q: You don't remember?

A: I don't remember.

Q: Okay.

MR. BARNES: I've been handed a six-page document by Mr. Hayes, again filed in Mr. Singleton's bankruptcy, Filed Amended Plan Number 1.

THE COURT: I'm sorry?

MR. BARNES: I'm sorry, styled Amended Plan Number 1.

(Plaintiff's Exhibit Number 34 was marked for identification purposes).

Q: Mr. Singleton, would you look at Plaintiff's Number 34, which you were just given, and look at the fourth page? And look at paragraph number 3 on Plaintiff's Number 33, page 4. And wouldn't you agree that that paragraph says, is entitled long-term or mortgage debt curing default. A, arrearage payments. The Trustee shall pay the arrearage as stated in the

creditor's claim or as otherwise ordered by the Court to GMAC Mortgage, LLC at the rate of $211 or more per month for 5505 Rowsham, R-O-W-S-H-A-M, Place, North Charleston, South Carolina 29418, along with zero percent interest. Is that correct?

A: That's correct.

Q: Okay. And then paragraph B, it says, maintenance of non-arrearage payments. Are -- are you -- do you understand what arrearage ---

A: Absolutely.

Q: You do? Arrearage payments. Do you understand that when you -- when you file bankruptcy, there's what's called pre-petition, which is the debt owed prior to you filing the petition, the bankruptcy petition. And then there's the post-petition debt, your ongoing regular monthly payments. Do you understand the difference between those?

A: Yes.

Q: Okay. Do you understand that you pay the -- the pre-petition to the bankruptcy trustee, who then distributes it to the creditors and that you pay the post-petition debt to the -- the creditor directly?

A: Correct.

Q: Okay. And ---

OBJECTION:

MR. BARNES: Your Honor, at this point, I make a relevance objection. Where are we going with all of this?

THE COURT: I've got the same question. Mr. Hayes, I don't understand the distinction between the original plan and the amended plan as to the arrearage plan.

MR. HAYES: Your Honor, and -- well ---

THE COURT: It's an amended plan? I mean ---

MR. HAYES: He -- he objected it to the -- he objected -- the difference is when the creditor filed the Proof of Claim, he objected to it. Later, there -- he amended his -- his plan to include the same thing, but he had -- he had already objected to the plan. He had objected to the Proof of Claim by -- filed by GMAC. My point is that he later filed an amended plan and agreed with GMAC's Proof of Claim.

THE COURT: Yeah, so, his original plan included a payment for the arrearage of $211 on the secured property. And that was in paragraph 3(a) of the plan. And then paragraph (b),

maintenance of the regular non-arrearage payments, to me there appear to be exactly the same language. I don't see the distinction between the two and, therefore, I question the relevancy going into all of this.

MR. HAYES: Your Honor ---

THE COURT: I mean, why do I need to look at this?

MR. BARNES: Judge, my -- these -- I don't -- my -- my objection was a little bit different. I'm sorry if I didn't articulate it. What does this bankruptcy have to do with the issues and defenses in this foreclosure case? How is this in any way marginally relevant?

THE COURT: I think he's trying to establish that at the time of filing the bankruptcy, that the principle debt was a specific number.

MR. BARNES: But that's in the payment history, which is already in evidence.

THE COURT: I agree.

MR. BARNES: So, it's redundant.

MR. HAYES: Well, I think there's -- we're allowed to show that he -- that the -- he agreed ---

THE COURT: Right.

MR. HAYES: --- during the bankruptcy what the debt was ---

THE COURT: Right.

MR. HAYES: --- and what he was supposed to pay ---

THE COURT: Right.

MR. HAYES: --- both pre-petition and post-petition. And that's my point, Your Honor.

THE COURT: Okay.

MR. HAYES: And then I think that's relevant.

THE COURT: All right. I -- I agree with that. It's a little laborious ---

MR. HAYES: Okay.

THE COURT: --- way of going about it. But you can continue.

MR. HAYES: I just want to make sure I have the records in there, Your Honor.

THE COURT: Sure.

MR. HAYES: Okay.

THE COURT: That's perfectly fine and your right.

MR. HAYES: Okay. And -- and, I apologize. This is not going a lot longer.

THE COURT: Thank you.

Q: If you look at Plaintiff's Number 34, page 4 of Plaintiff's 34, under the paragraph number 3, it says, B, maintenance of regular non-arrearage payments. Beginning April 2009, the debtor shall pay directly to the creditor non-

arrearage payments arising under the agreement with the secured creditor. The creditor shall apply each payment under this paragraph solely to the post-petition obligations that accrue during or after the month specified. Correct?

A: Correct.

Q: Okay. Do you remember if you defaulted on the payments in the bankruptcy?

A: Actually, I did. What happened was GMAC contacted me about working out a modification payment.

Q: Okay.

A: During that process, we were going back and forth, we finally agreed to dismiss it and part of the agreement was if you will dismiss your bankruptcy, we will work out this -- this modification agreement with you.

Q: Okay.

A: Okay. So, at that point, I acquired of Mr. Pappa (ph) at that appoint. I said, Ron, GMAC wants to work out a deal with me. I think I should do it. It will help me lower my payments. Mr. Pappa (ph) said, Mr. Singleton, don't do it. Over him, I decided to do it. So, I called down to the Trustee's office, they

told me there's two ways to have it dismissed, either stop making the payments or have the attorney formally dismiss it. I didn't pay the -- I didn't want to pay the money to have the attorney do it, so I quit making the payments. It got dismissed. GMAC transferred my servicer to WealthBridge at that point.

Q: Okay.

A: WealthBridge sent me the first modification agreement.

THE COURT: What company?

MR. SINGLETON: WealthBridge.

THE COURT: WealthBridge.

MR. HAYES: I think there was testimony about that yesterday.

(Multiple speakers.)

A: Right after the incident.

MR. BARNES: Your Honor, I've been handed -- I can't count the number of pages in this document, but it's another filing in Mr. Singleton's bankruptcy called Notice of Motion Seeking 11 U.S.C. Section 362 (D) Relief.

THE COURT: Thank you, Mr. Barnes.

MR. BARNES: Attached is a Motion to Modify Stay.

THE COURT: Thank you, Mr. Barnes.

MR. BARNES: You're welcome.

(Plaintiff's Exhibit Number 35 was marked for identification purposes).

Q: Okay. Mr. Singleton, and I think you said you -- you said you voluntarily stopped making the payments to the trustee? Is that correct?

A: After GMAC contacted me.

Q: All right. And would you agree that this is a motion from GMAC that -- by it, I mean Plaintiff's Number 35, it's a motion from GMAC to lift the bankruptcy stay. Now, I'm not sure if you know what bankruptcy stay is, but wouldn't you agree that it's entitled Motion to Modify Stay on the second paragraph?

A: That's correct.

Q: Okay. And wouldn't you agree in paragraph 4 it says, currently monthly payments due for and after April 1st, 2009 have not been received outside the plan resulting in a total amount due of $4,059.34, as of May 29th, 2009?

A: That's what it says.

Q: Okay.

(Plaintiff's Exhibit Number 36 was marked for identification purposes).

MR. BARNES: Your Honor, I've been handed a five-

page document by Mr. Hayes in Mr. Singleton's bankruptcy. This is styled, Objection to 362 Motion of GMAC Mortgage, LLC.

THE COURT: Thank you, Mr. Barnes

MR. BARNES: You're welcome.

Q: Mr. Singleton, you said that you voluntarily stopped making the mortgage payments to -- directly to GMAC because they said they were going to enter into some agreement with you or said they would consider you?

A: Yes.

Q: Okay. Is -- and -- and do you know why you would have filed -- they had filed a Motion to Lift the Bankruptcy Stay, which is Plaintiff's Number 35. Do you -- do you know why if they filed the Motion to Relieve -- to Lift the Bankruptcy Stay and you voluntarily did that, that you would have filed an objection to their Motion to Lift the Bankruptcy Stay?

A: I don't know.

Q: It -- would you agree that Plaintiff's Number 36, on the first page, in bankruptcy case -- in the bankruptcy case, 200901576, it says, Objection to Section 362 Motion of GMAC Mortgage, LLC?

A: I see that.
Q: Okay.
(Plaintiff's Exhibit Number 37 was marked for identification purposes).
MR. BARNES: Your Honor, I've been handed a four-page document by Mr. Hayes styled Settlement Order filed in Mr. Singleton's bankruptcy, although his name is not mentioned on the cover page.
Q: Mr. Singleton, would you agree that Plaintiff's Number 37 on the first page, it says, it's from the U.S. Bankruptcy Court, District of South Carolina, and it says Settlement Order?
A: Correct. That's what it says.
Q: And below Settlement Order, it says, the relief set forth on the following pages for a total of three pages, including this page, is hereby ordered; correct?
A: Where are you at on the page?
Q: I'm sorry. Right -- right below Settlement Order. It says, the relief set forth on the following pages ...
A: Correct.
Q: Okay. And it appears to be signed by -- it says U.S. Bankruptcy Court Judge; correct?

A: Correct.
Q: And it was filed on July -- excuse me, June the 24th, 2009? On the first page.
A: Yes.
Q: Okay. Look at the second page. The second page, would you agree, is entitled Settlement Order?
A: Correct.
Q: Okay. And wouldn't you agree that it says, second paragraph, it says, Now, therefore, upon Motion of movement -- movant and with the consent of counsel for the debtor, it is hereby ordered that 1) debtor shall cure the post-petition arrearage and pay the attorney's fees and costs in the total amount of $6,889.01. This total amount consists of post-petition payments for the months of April 2009 through June fir- -- excuse me, April 1st, 2009 through June 1st, 2009 in the amount of $1,933.02, late charges of $96.65 and attorney's fees in the amount of $650 and costs in the amount of $150?
A: That's what it says.
Q: Okay. And I'm not going to get -- and then wouldn't you agree in paragraph 1A of Plaintiff's 37 that it says you shall make six

monthly installment payments of $1,148.17 in addition to the regular monthly payments currently in the amount of $1,933.02 beginning July the 1st, 2009 and continuing to December the 1st, 2009 and that you shall continue to make the mon- -- regular monthly payments after the arrearage is cured on December the 1st, 2009?

A: That's what it says.

Q: Okay. Would -- would you agree that you entered into this Settlement Order or your attorney, Rob Pappa (ph), did on your behalf?

A: It looks like it.

Q: Okay.

MR. BARNES: Your Honor, just a housekeeping question. Given the hour ---

THE COURT: Yes, sir.

MR. BARNES: --- we've been going three straight hours, plus.

THE COURT: You want to take a break now?

MR. BARNES: Well, I -- I don't know how -- Mr. Hayes originally indicated this wouldn't take long. It's been over three hours, so.

THE COURT: That's right. I agree with you. He did say that. Mr. Hayes, one point I have --

question I have, you -- you say the purpose of entering all of these bankruptcy records was to establish that he agreed that the balance due at a certain date was a certain amount.

MR. HAYES: Yes, sir. And ---

THE COURT: We've gone way beyond that.

MR. BARNES: How many more do we have?

MS. TAYLOR: Two.

MR. HAYES: That's -- I mean, we have two more after this one.

THE COURT: What is the relevance of this repayment order?

MR. HAYES: That he agreed ---

THE COURT: Settlement Order.

MR. HAYES: That he agreed to make the payments pursuant to the payment -- the Settlement Order. I mean ---

THE COURT: What does that have to do with the amount due that you were claiming the relevance ---

MR. HAYES: Well, it has to do with the default, Your Honor. I mean, if he agreed to make these payments and he didn't make them, he defaulted on them.

THE COURT: Okay. So, you're really now reaching

into his credibility; is that what you're doing?

MR. HAYES: That -- that's correct, Your Honor. He entered into an agreement that was confirmed by a Bankruptcy Court Judge's Order.

THE COURT: Okay.

MR. HAYES: That's my point.

THE COURT: All right.

MR. HAYES: Again, I -- I apologize for all the documents.

THE COURT: That's all right.

(Plaintiff's Exhibit Number 38 was marked for identification purposes).

MR. BARNES: I've been handed a three-page by Mr. Hayes also filed in Mr. Singleton's bankruptcy, styled Trustee's Motion to Dismiss Chapter 13 Case for Non-payment.

THE COURT: Thank you, Mr. Barnes.

Q: Okay. Mr. Singleton, you have -- your -- you've been handed Plaintiff's Number 38, which is -- would you agree is entitled Trustee's Motion to Dismiss Chapter 13 Case for Non-Payment?

A: That's what it says.

Q: Okay. And would you agree that in -- in

paragraph 13 it says you're past due $1,252 as of July the -- of 2009?

A: That's what it says.

Q: Okay. And, again, it lists the payments that are delinquent in paragraph 3. I'm not going to run through them. But wouldn't you agree there's payments listed there?

A: That's correct.

Q: Okay.

(Plaintiff's Exhibit Number 39 was marked for identification purposes).

MR. BARNES: Your Honor, I've been handed a two-page document by Mr. Hayes filed in Mr. Singleton's bankruptcy, styled Order.

THE COURT: Thank you, Mr. Barnes.

MR. BARNES: You're welcome.

Q: Mr. Singleton, looking at Plaintiff's Number 39, wouldn't you agree it's entitled Order?

THE COURT: This is Exhibit 40, I believe.

MR. HAYES: Yeah. Is it -- 30- ---

THE COURT: It's 39.

MR. BARNES: 39.

MR. HAYES: 39.

THE COURT: Where do they get off-numbered?

MR. HAYES: Do you want me to let you find it, Your

Honor?

THE COURT: Just hold one second.

MR. HAYES: Okay.

THE COURT: Okay. Go ahead.

Q: Mr. Singleton, on Plaintiff's Number 39, would you look at the X by P-III, III, not -- and doesn't it say the relief sought is denied based upon an agreement between the trustee and the debtor and/or the attorneys for the debtor whereby this case may be dismissed upon request of the trustee without further notice of hearing if the debtor fails to comply with the terms of this agreement. Would you agree with that?

A: That's what it says.

Q: Okay.

MR. BARNES: You said you had two more exhibits. Three exhibits are coming in.

MS. TAYLOR: No, we said in addition two ---

MR. HAYES: Yeah.

(Plaintiff's Exhibit Number 40 was marked for identification purposes).

MR. BARNES: I've been handed a one-page document, Your Honor. It's got the file of Mr. Singleton's bankruptcy, Motion to Dismiss Case

for Noncompliance Pursuant to Settlement Agreement.

THE COURT: Thank you, Mr. Barnes.

MR. BARNES: You're welcome.

Q: Mr. Singleton, you've been handed what's been marked as Plaintiff's Exhibit Number 40 and it's entitled Mo- -- again, Motion to Dismiss Case for Noncompliance Pursuant to Settlement Agreement and prior P-III -- P-III Order of the Court Non-Payment. And it appears to be signed by James M. Wyman, Chapter 13 Trustee. And the second paragraph says, the debtor has failed to make the payments pursuant to the Settlement Agreement and pursuant to the Court's prior P-III Order without further notice or hearing. The Trustee seeks dismissal of this case. Would you agree with that?

A: That's what it says.

Q: Okay. Thank you. Did -- do you remember, the Bankruptcy Court dismissed your bankruptcy case for failure to make -- your failure to make the bankruptcy plan payments; correct?

A: Again, I go back to what I said. This whole time, GMAC had contacted me about dismissing to work out this agreement. Once this got -- the

date is consistent. WealthBridge took over the servicing, basically the forbearance modification agreement.

Q: If -- if you were doing this intentionally, why did you twice enter into agreements to repay it? I mean, it's a matter of record that there were two motions to dismiss and you contested both of them until it was finally dismissed. Why would you contest the dismissal if you were doing it voluntarily?

OBJECTION:

MR. BARNES: Objection to form and also argumentative at this point.

THE COURT: It is argumentative. I agree. You might want to change the form of the question.

MR. HAYES: Okay.

Q: You -- you agree the bankruptcy case was dismissed for your failure to make the payments; correct?

A: That -- that -- yes.

Q: Okay. And your statement is that you did that voluntarily; is that correct?

A: Upon talking to GMAC about working out a forbearance and modification.

Q: Okay. Did you stop making the pa- --

bankruptcy payments voluntarily?
A: After speaking to GMAC -- yes, after speaking to GMAC.
Q: Okay.
A: Uh-huh.
Q: My question is if you dismissed -- if you stopped making the payments voluntarily, why contest the dismissal of your bankruptcy case twice?
A: I don't remember all of the details of everything that happened throughout the bankruptcy proceeding.
Q: Okay. And ---
A: I don't want to testify to something that I don't remember ---
Q: I don't want you to.
A: --- with a definite answer.
Q: Okay. Did -- after the bankruptcy case was dismissed, did the -- was the lender GMAC at the time the bankruptcy case was dismissed?
A: When -- when the case was dismissed, GMAC immediately transferred to WealthBridge.
Q: Okay. Did the next servicer, Weal- -- you said it was WealthBridge?
A: That's correct.

Q: Did they try to work something out with you?
A: They sent me a forbearance to a modification agreement.
Q: Okay. Is -- is that the same one that was shown to you in your deposition in 2022; do you remember?
A: I don't remember.
THE COURT: Here's what I want to do, let's take a break now.
MR. HAYES: Okay.
THE COURT: Let's go to lunch. For some reason my dinner bell rings about 12:00 o'clock.
(Laughter)
THE COURT: So, we're going to take a break for an hour. Y'all go get some lunch. I'll get me some lunch for myself and then we'll get back together at 1:15.
MR. SLOAN: Yes, sir.
THE COURT: Now, before we go there, Mr. Hayes, you made a representation to the Court that you'd be a few minutes. You've been questioning this witness for about two hours I think.
MR. SLOAN: More. Closer to three.
MR. HAYES: I think my statement was much longer. The few minutes was referring to the bankruptcy

documents, Your Honor.

THE COURT: Well, anyway, I told y'all yesterday that at lunch break we would try to determine where we were time-wise in terms of the progress of the case.

MR. HAYES: Yes, sir.

THE COURT: Would you give me a guesstimate on what you think is ---

MR. HAYES: Your Honor, I ---

THE COURT: --- how much more? You're still on your case. How much more do you have on your case?

MR. HAYES: Your Honor, I -- I think I will be done in -- depending on -- I think within two hours I will be completely finished.

THE COURT: Okay.

MR. HAYES: Or an hour and a half maybe.

THE COURT: Mr. Barnes, what -- what length of time is your case going to take?

MR. BARNES: Not long at all. Probably one-tenth of what his took.

MR. HAYES: Okay.

MR. BARNES: And I'll be done with Mr. Singleton. I -- I have maybe 15 minutes of questions with him. I have a couple of questions for Mr. Amaya, maybe a couple of Mr. Singleton.

THE COURT: Okay.

MR. BARNES: In the poll that will take probably less than an hour.

THE COURT: So, it looks like we might be able to finish this afternoon.

MR. HAYES: I hope so.

THE COURT: All right. Let's take our break. Everybody get refreshed.

MR. HAYES: Thank you, Your Honor.

(Off the record from 12:15 p.m. until 1:34 p.m.)

THE COURT: Mr. Singleton, you're still under oath.

MR. SINGLETON: Yes, sir.

MR. SINGLETON - CONTINUED DIRECT EXAMINATION BY MR. HAYES:

Q: Mr. Singleton, we were talking about your bankruptcy and the bankruptcy being dismissed. At the time your bankruptcy dismissed, I think you said that the loan was assigned either shortly before it was dismissed or shortly thereafter to WealthBridge?

A: That's correct.

Q: Did -- did you deal with WealthBridge any regarding forbearance or loan modification or anything?

A: Yes.

Q: Okay. Do you know if you si- -- actually signed a forbearance agreement with them?

A: I did.

Q: Okay. Thank you. Did you -- you signed -- did you sign the forbearance agreement with WealthBridge in October of 2009?

A: That sounds consistent without having it in front of me, yes.

Q: Do you want me to -- I mean, I can provide it if you want me to.

THE COURT: Do you have the sealed transcript?

MR. HAYES: No, sir. We do not have the sealed transcript on this one. The -- Michael Taylor was not the attorney of record at the time this was taken. There's -- unfortunately, Your Honor, this thing has been through a lot of attorneys.

THE COURT: Now you're experiencing my consternation.

MR. HAYES: Okay. I apologize, Your Honor. I'm just asking him -- he can look at the -- the forbearance agreement that is attached to this document. All I'm asking is to confirm that he actually entered into a forbearance agreement with WealthBridge. That's all I'm asking.

MR. BARNES: He already said he didn't.

MR. HAYES: But I asked him about the date, I said October of 2009 and he said he didn't know.

MR. BARNES: Well, is the simple purpose being to refresh his recollection as to when?

MR. HAYES: Yes.

MR. BARNES: Is that all it's for?

MR. HAYES: Yes.

MR. BARNES: If that's all it's for, I don't have a problem with that.

THE COURT: Okay.

MR. HAYES: Okay.

Q: Would you look at ---

MR. HAYES: Which exhibit is that, do you remember?

MS. TAYLOR: 5.

MR. HAYES: 5.

Q: Would you look ... And it's pretty far back, Mr. Singleton. And it has a 5 at the bottom.

(Looking through documents.)

Q: I guess this is Plaintiff's ---

MR. HAYES: Is this 41?

(No audible response.)

Q: Plaintiff's 41.

MR. BARNES: Well, wait a minute. What's 41?

MR. HAYES: Well, it's -- it's just being used for

the -- for the identification of the date.

THE COURT: You just want him to recollect his memory, correct?

MR. HAYES: Okay. Correct. That's it.

THE COURT: All right. So, let me help you out. Mr. Singleton, look this thick document that was given to us, at the very back of it is an Exhibit Number 5. It's entitled Forbearance to Modification Agreement and has four pages and -- and then attached -- also attached to this is a forbearance agreement dated April 16, 2010. April 16th, 2010, okay. I'm just going to give you some context, Mr. Singleton. The exhibit dismissing your bankruptcy was dated October -- I believe October 29, 2009. To be precise, it was October 5th, 2009. So, it would be October, November, December. We get into the next year, 2010. And it appears on the fourth page there is a date, October -- it looks like October 30th, 2009. Is that consistent with your recollection ---

MR. SINGLETON: Yes, sir.

THE COURT: --- of the date of the forbearance agreement and --

MR. SINGLETON: Yes, sir.

THE COURT: --- the modification ---

MR. SINGLETON: Yes, sir.

THE COURT: --- Modi-- excuse me. The modification agreement would have been earlier than that because this forbearance and modification. And it appears that ...

MR. HAYES: And, Your Honor, all I'm asking is if he signed the -- the forbearance agreements for -- in 2009 and 2010. And ---

THE COURT: Was that -- does that refresh your recollection?

MR. SINGLETON: Yes, sir.

THE COURT: All right.

MR. HAYES: Okay. Thank you.

Q: When was the last time you made a payment on the loan, do you remember, Mr. Singleton?

A: Please ask the question again.

Q: When ---

MR. BARNES: So, we're not marking this?

THE COURT: Apparently not.

MR. HAYES: Okay.

Q: When was the last time you made a payment on the loan?

A: 2013, I believe.

Q: Okay. Did you -- the -- the forbearance

agreements we were just talking about in 2009, 2010, did you make the payments on those or did you default? Do you ---

A: I made five on-time payments.

Q: Okay.

A: The last payment was going to be, I believe, one or two days late.

Q: Okay.

A: They didn't want to accept it, so they put me back into another agreement.

Q: And that was the one in -- the one -- you said they put you back into another one. By that, you mean the one in 2010, is that correct?

A: That's correct.

Q: Okay. Do you remember when the ---

THE COURT: Hold on a second. When you say they put me back in, what do you mean by that?

MR. SINGLETON: They, WealthBridge.

THE COURT: Did what?

MR. SINGLETON: Well, I made five out of six payments.

THE COURT: Yes, sir. I've got that.

MR. SINGLETON: The last one was going to be a day or two late.

THE COURT: Okay.

MR. SINGLETON: I called them and let them know, listen, I'm going to put this in the FedEx. They said, well, if we get it, it's going to be marked late. So, at that point, I believe the guy, my contact over there, was Matthew Bolt. He said he would talk to his boss, whoever that was, and he will be in touch. Well, they called me back and they put me back into another agreement. WealthBridge did.

THE COURT: Is that the forbearance to the modification agreement?

MR. SINGLETON: This first one was the forbearance to modification.

THE COURT: Okay.

MR. SINGLETON: The next one was the modification agreement.

Q: Mr. Singleton, I asked when you made the last payment on the loan. Did you say 2013 or 2010?

A: 2013.

Q: Okay. Who did you make it to, do you remember?

A: AMS Servicing.

Q: Okay. Did you make all the payments between 2011 and 2013?

A: At that point, I didn't. I was supposed to have gotten a modification, which they didn't

give me.
Q: Okay. Do you have any documents from that modification that they offered you in 2013 or 2011?
A: My attorneys do. Excuse me, what -- I'm sorry. What year did you say?
Q: Okay. You said you made your last payment in 2013.
A: Correct.
Q: Okay. I think you also said you -- you defaulted on the 2010 agreement, correct?
A: Correct.
Q: Okay. And did -- after 2010, were you offered another forbearance agreement or loan modification by the servicer?
A: Yes.
Q: Okay. Which servicer was that?
A: Also WealthBridge.
Q: It was WealthBridge. Do you have a copy of that document?
A: We do.
Q: Okay. Okay. I have not seen it. The -- and -- and this -- after the -- after, I think it was GMAC, filed the foreclosure action and got the judgment, they set it aside and in 2011,

April 2011, this foreclosure action was filed ---

A: That's correct.

Q: --- against you? Okay. At that time, was AMS servicing your loan?

A: Yes.

Q: Okay.

MR. BARNES: Sorry, Judge. May I?

THE COURT: Sure.

MR. BARNES: Thank you.

MR. HAYES: Okay. That's fine.

MR. BARNES: Thank you, Judge.

MR. HAYES: Thank you, Judge.

(Off the record from 1:45 p.m. until 1:53 p.m.)

(Plaintiff's Exhibit Number 41 was marked for identification purposes during the break.)

THE COURT: All right. Let's go back on the record. Okay?

MR. HAYES: Yes, sir.

Q: Mr. Singleton, I think the last question was at the time this foreclosure action was filed, AMS was servicing your loan and you said -- I believe you said correct.

A: Correct.

Q: And you received notice that they were

servicing your loan from AMS, correct?

A: From?

Q: AMS. They told you they were servicing ---

A: Yes.

Q: Okay. And when the foreclosure action was filed, you filed a -- this foreclosure action was filed that we're dealing with today, I think you filed a Motion to Dismiss and you requested foreclosure intervention; is that correct?

A: I don't remember how it went about.

Q: Okay. I understand. But -- but when the for-- -- this foreclosure was filed, you did want to -- to enter foreclosure intervention?

A: That's correct.

Q: Okay. Okay. Okay.

THE COURT: Excuse me one second. I just want to clarify something. Mr. Barnes, you were out of the room when we decided to mark the exhibit to the deposition, mark it for identification only for the purposes of Mr. Singleton's recollection of the date of the forbearance agreement.

MR. BARNES: Okay.

THE COURT: Okay.

MR. BARNES: Thanks, Judge.

THE COURT: Yes, sir.

MR. BARNES: But it is going to be in the same sequence?

THE COURT: It's Number 41, that's right.

MR. HAYES: Okay.

THE COURT: For identification only.

(Plaintiff's Exhibit Number 42 was marked for identification purposes).

Q: And, Mr. Singleton, you've been handed what I believe is Plaintiff's 42. And this is a letter, I believe, from your attorney, William Sloan, to the foreclosure attorney at that time, Robert Davis with Rogers, Townsend and Thomas requesting foreclosure intervention. Wouldn't you agree with that?

A: (No audible response.)

Q: Okay. Thank you. Did the lender review you for foreclosure intervention?

A: (No audible response.)

Q: Do you remember?

A: I don't remember.

Q: Okay. Let me -- I think we have this -- I think the Order was issued -- if -- if there's an Order in the Court's file that says that you

were considered for foreclosure intervention and denied foreclosure intervention, would you dispute that?

A: Can I see the document?

Q: Sure. Sure.

A: Is it ---

Q: Yeah. Please. I'm not sure if it's in there or not, but there's an Order that was -- we had earlier today that was admitted from this case that says you were considered for foreclosure intervention. Oh, sorry. It's Plaintiff's Number 27. Let's see. All right.

(Plaintiff's Exhibit Number 27 was referenced.)

A: I've never seen this.

Q: Okay. But you don't deny this is filed with the Court in this case?

A: I mean, it's clocked in. I don't deny that.

Q: And after that, you filed a Motion to Disburse Insurance Proceeds, Motion for More Definite Statement -- excuse me, a Motion for a More Definite Statement, Motion to Dismiss and a Motion to -- to Dismiss for Failure to Join the Necessary Party. Do you remember filing those or your attorney filing those on your behalf?

A: I don't remember all the specific filing, but

I know he did file some things on my behalf.
Q: Okay.
THE COURT: Just for clarification, Mr. Hayes.
MR. HAYES: Sure.
THE COURT: Did you refer to Plaintiff's 27?
MR. HAYES: Yes, sir.
THE COURT: As an Order?
MR. HAYES: Well, it -- I'm sorry. It wasn't an Order, Your Honor. It was a statement, a notice that if I stated -- said it was an Order, I misstated. It was a statement that -- -
THE COURT: Clarification.
MR. HAYES: Correct, Your Honor. I apologize.
THE COURT: Thank you.
(Plaintiff's Exhibit Number 43 was marked for identification purposes).
Q: And this is Plaintiff's Number 43; is that correct? 43. Mr. Singleton, this is just an Order that denies your motion. This is actually by the -- the prior Master-In-Equity, Judge Murphy. Do you deny that -- that the motions were dismissed or ...
THE COURT: Mr. Hayes, let me just interfere and interrupt. I'm gonna take judicial notice of

any Orders ---

MR. HAYES: Okay.

THE COURT: --- in this case.

MR. HAYES: Okay.

THE COURT: Which would include Judge Murphy's Order dated October 30th, 2012.

MR. HAYES: Okay. So, any orders issued in this case, judicial notice, Your Hon- -- I mean ---

THE COURT: Well, anything. I mean, that's a matter of law that ---

MR. HAYES: Okay.

THE COURT: The Court is on judicial notice of any orders that's ever issued in this -- in this courtroom or in this Court. So, I don't think I can avoid that.

MR. HAYES: Okay. All right. Thank you, Your Honor.

THE COURT: Yes, sir.

MR. HAYES: Beg the Court's indulgence.

THE COURT: Sure.

MR. HAYES: Judge, does that -- taking judicial notice of all the orders -- the Order that was issued on May the 13th, 2014, can it become part of the record that -- because it's the one that states the -- the -- Your Honor said that

the original note was in the Plaintiff's hand in the courtroom.

THE COURT: I'll take judicial notice of the Order as I stated. I'm not sure the characterization is correct, but to the extent it's in the file, I'll take judicial notice of it.

MR. HAYES: Okay. All right. Thank you.

Q: Mr. Amaya (sic), have you been ---

MR. BARNES: Mr. Amaya?

MR. HAYES: I'm sorry. I apologize.

Q: Mr. Singleton, have you been paying insurance premiums on this property the whole time, even after you've been in default?

A: Absolutely.

Q: Okay. You personally have been paying those insurance premiums?

A: Absolutely.

Q: Okay. Have you been paying the taxes?

A: They started paying the taxes. Taxes come out October ---

Q: Right.

A: --- of each year. It's due on the 18th of January. When I go down to the County office to pay the tax, they inform me it's paid. I acknowledge it's my responsibility to pay it,

but somebody's been paying.

Q: Okay. Would you dispute that that someone paying it could have been the mortgage company?

OBJECTION:

MR. BARNES: Objection calls for speculation.

Q: So, you don't know who's been paying your insur- -- your taxes -- property taxes on your property at issue in this case?

A: I haven't been.

Q: Okay. Do you know who your current servicer is?

A: SLS.

Q: Okay. Did you know who your current servicer was at the time of your deposition in 2022?

A: StateBridge, I believe.

Q: Okay. And would you dispute that during that deposition, you said that StateBridge was your servicer and you knew who it was?

A: At that time I did.

Q: Yeah. Okay. Have you been -- as far as the -- the payments, you -- there's an affidavit that was entered that said you wanted -- I think this was after Your Honor issued the Order granting summary judgment. I believe there was an affidavit in which you said that you wanted

to make -- you wanted to pay the amount that judg- -- the Order stated was due.

THE COURT: Mr. Hayes, let me ask you this. You have a tendency to characterize a document.

MR. HAYES: Okay.

THE COURT: Why don't you present him with the document. I think that'd be better.

MR. HAYES: Okay.

THE COURT: I would prefer that you present him with the document that you -- I'm not sure what the purpose of that is, are you trying to impeach his credibility or are you trying to get him to admit something further or exactly what. But it would be better that you, rather than trying to characterize the contents of the document just as you did with my Order, I would prefer that you just simply refer to the document, you know, let him read it and then you can question him or do with it as you please. But I would prefer that you not characterize a document.

MR. HAYES: Okay.

THE COURT: Because it tends to put you in a position of testifying.

MR. HAYES: Okay.

THE COURT: All right. Thank you.

MR. HAYES: Okay. Thank you.

Q: Mr. Singleton, you said you had been making hazard insurance premiums on your property. Have you informed the servicer that you're making those hazard insurance premium payments?

A: Absolutely.

Q: Okay. Do you have any documents that show you've provided that information to the servicer?

A: When they sent -- sent it to me, I sent it to my attorney. He asked me to send them the declaration page with the insurance in tact. I sent it to my attorney and he forwarded it to whoever was the opposing attorney.

Q: Okay. The -- do you have the money to reinstate the loan the -- the amount that -- the amount of arrearage payments that we claim -- the Plaintiff claims is due?

OBJECTION:

MR. BARNES: Objection, Your Honor. Lack of foundation. What is this amount, where did it come from?

MR. HAYES: Well, the -- the amount was stated in the ---

THE COURT: Well, I'm going to sustain the

objection. I think you need to come at it a little bit differently, Mr. Hayes.

MR. HAYES: An amount. Yes, sir.

MR. BARNES: Your Honor, also, what that appears to be is a Rule 408 settlement discussion subject, which would be inadmissible to prove any claim or defense in this case.

THE COURT: My understanding, Mr. Barnes, is he's looking for the amount that he's claiming that was presented by Mr. Amaya.

MR. BARNES: Amaya.

MR. HAYES: Amaya.

MS. TAYLOR: Amaya.

THE COURT: Amaya.

MR. HAYES: Yes, sir.

THE COURT: Is that what you're looking for?

MR. HAYES: Yes, sir.

MR. BARNES: And the question is, does he have the money to pay it.

THE COURT: Pay it. Yeah.

MR. BARNES: That's -- I don't even think that's relevant, so I would object on that ground, as well. Or any post-judgment execution.

MR. HAYES: Your -- Your Honor, he said he's just -- in his deposition and in -- well, in his

affidavit that was filed with the Court, he stated that he wanted to pay it and what I'm trying to find out is if he has the money that is owed -- that we say is owed on the debt.

MR. BARNES: What affidavit? The one he hasn't shown him?

MR. HAYES: Sure.

THE COURT: Mr. Hayes, it's sort of akin to a question, let's say I was trying a car wreck case and I, as the plaintiff's lawyer, put up $750,000 in actual damages, including all specials, lost wages, so forth and so on, and you asked -- and the plaintiff's lawyer asking the defendant do you have the ability to pay my -- what I claim is the -- should be in the judgment.

MR. HAYES: Okay.

THE COURT: I just don't think it's proper.

MR. HAYES: Okay. Your Honor ---

THE COURT: It strikes me as an improper question. I don't think it's really relevant.

MR. HAYES: Okay.

THE COURT: You're asking or presuming that I'm going to issue a judgment. Your going to ---

MR. HAYES: Your Honor, I think a better -- what my

question was getting to has he been setting aside his mortgage payment -- the amount that would go to the mortgage payment to pay any amount that ---

THE COURT: All right. Well, I mean, that's your line of questioning, that's a little different. But ---

MR. HAYES: Okay.

THE COURT: --- that's not how you asked it.

MR. HAYES: That -- okay. I apologize.

OBJECTION:

MR. BARNES: Judge, again, that would call for speculation on his part and that's assuming that they're going to get a judgment for the full amount, which has -- which hasn't been proven. And then, as you said, the affidavit related to the -- Mr. Singleton's essentially offered to pay the amount that Your Honor awarded, which he was prepared to do and he told me that.

MR. HAYES: Your Honor, I can ask him if he's been setting -- I believe, that he can -- I can ask him if he's been setting aside ---

MR. BARNES: Right.

MR. HAYES: --- the payments that would go to the

mortgage payment. I think that's proper.

THE COURT: That's probably ---

Q: Mr. Singleton ---

THE COURT: I'll let you ask that question.

Q: --- have you been setting aside the pa- -- the money that would go to pay your mortgage? Have you been setting aside that to apply to the mortgage payment after it is determined what you owe, if anything? Okay. Have you been setting aside the payments the -- have you been setting aside the money that would go to pay your mortgage since your default?

THE COURT: All right.

OBJECTION:

MR. BARNES: Objection.

THE COURT: Let's back up a second. You asked two questions, you didn't allow him to answer ---

MR. HAYES: Okay.

THE COURT: --- the first question. So, do you want to strike the first question?

MR. HAYES: Ye- -- yes, sir.

THE COURT: All right. The first question's struck.

MR. HAYES: Okay.

THE COURT: Now, I think his question is, Mr.

Singleton, you have a -- he is -- you -- he's claiming that you have an enforceable Note that sets out a payment, monthly payment. He wants to know are you setting aside that monthly payment into some form of an account for purposes of -- of satisfying what he presumes to be the obligation under the note.

MR. BARNES: Judge, the objection would be, what is that monthly payment amount? He didn't say what it was.

THE COURT: That's -- that's a true statement.

MR. HAYES: Okay.

THE COURT: So, do you want to sharpen up the question?

MR. HAYES: Okay.

THE COURT: His question was ...

MR. HAYES: The monthly statement -- the monthly payment amount would be set forth in the -- the bankruptcy Orders, Your Honor. The monthly payments.

THE COURT: Why wouldn't they be set forth in the note?

MR. HAYES: No, they would be set forth in -- but the -- the amount was set forth in the bankruptcy Orders, too. It's also set forth in

the note.

MR. BARNES: The bankruptcy was dismissed.

Q: Mr. Singleton, have you been setting aside $1,931.33 per month to pay the mortgage payments on the loan?

A: I have saved a lot of money to satisfy what the Court determines that I owe.

Q: I'm -- I'm sorry?

A: I've saved a lot of money to satisfy what the Court determines that I owe.

Q: Okay. May I ask what that amount is?

A: I don't have it ---

Q: Okay.

A: --- off the top of my head.

Q: Mr. Singleton, you -- you had -- was it a fire or something that you had at your house?

A: Correct.

Q: Okay. Did you file a -- you said you were paying the insurance yourself. Did you file a claim with the insurance company?

A: That's correct.

Q: Okay. Did the insurance company give you money for filing the claim?

A: They sent me 19,000 and I believe $183 and some change.

Q: Okay. Was that -- the claim, was that filed -- the insurance claim filed with the insurance company that you, personally, were making the payments to? The premium.
A: Absolutely.
Q: Okay. Have you been receiving notice from SLS about where to send your monthly payments?
A: I have.
Q: Okay.
A: I have.
Q: But you haven't made any payments since 2010; correct?
A: I have made a payment since 2010.
Q: Okay. All right. Do you have any proof of that because the -- the payment history we have shows that the last payment was made in 2010?
A: There's one in Mr. Barnes' hand.
Q: Okay. Just to -- have you been receiving any notices from any other servicers about where to send your monthly payments?
A: It's been so many with -- I don't understand. Are you talking about currently? I don't understand what you're saying. It's been so many servicers.
Q: Okay. Okay. Okay.

MR. HAYES: Beg the Court's indulgence.

Q: Look at Plaintiff's Number 41, page 15. And look at line 10 through line 12.

(Plaintiff's Exhibit Number 41 was referenced.)

THE COURT: Wait a minute, now. You haven't admitted this.

MR. HAYES: It's not admitted, but I'm trying to refresh his memory just like I was about the ...

THE COURT: Then let's -- let's -- let's try to rephrase the question so that it's clear on the record that you're questioning him for the purposes of refreshing his recollection ---

MR. HAYES: Okay.

THE COURT: --- of a document that's been marked for identification, but not yet in evidence.

MR. HAYES: Okay.

Q: Mr. Singleton, you testified, I believe, that your last payment was made in 2013; correct?

A: Correct.

Q: Okay. Would you look at Plaintiff's Number 41, page 15, and look at lines 10 through 12, and see if this refreshes your memory?

THE COURT: Just so there's no confusion, Exhibit 41 is marked for identification only.

MR. HAYES: Correct.

THE COURT: The purpose of this question is to refresh the witness' recollection as to a date and time of payment.

MR. HAYES: Correct.

THE COURT: That's on page 13?

MR. HAYES: 15, Your Honor.

THE COURT: 15. What line?

MR. HAYES: 15, 11 -- excuse me, 10 through 12.

Q: Does that refresh your memory, Mr. ---

A: Yeah. At the time of my deposition, that's what I remember. In preparation for trial, me and my wife on Sunday night started looking through everything to make sure I had everything I needed to bring and that's when we discovered that one payment.

Q: Okay.

MR. HAYES: Your Honor, I don't have any further questions.

THE COURT: Thank you, Mr. Hayes.

MR. SLOAN: Your Honor, may Mr. Barnes and I have a two-minute ---

THE COURT: Sure.

MR. SLOAN: --- discussion outside? Thank you.

THE COURT: Take a break, two minutes.

(Off the record from 2:20 p.m. until 2:24 p.m.)

THE COURT: Are you going to cross your own witness or -- I mean, your own client, or how do you want to handle this?

MR. BARNES: Well, there's -- I'd like to ask a favor.

THE COURT: Yes, sir.

MR. BARNES: I wasn't involved in this case from the beginning, Mr. Sloan was through this foreclosure intervention thing. Do you mind if Mr. Sloan asks Mr. Singleton a few questions about that process that were not asked of him yet and I would do the rest?

THE COURT: I don't have a problem with that.

MR. BARNES: Thank you, Judge.

THE COURT: Y'all have any objection to that?

MR. HAYES: No, sir.

THE COURT: Okay. Go ahead.

MR. SLOAN: Thank you, Your Honor. The first thing -- missing one of these, it is -- I was going to ask Madame Court Reporter for -- it could be one of Plaintiff's exhibits, it would be in the upper 20s. It would be a document dated December -- are all the Plaintiff's Exhibits up there?

THE COURT: They're up there.

MR. SINGLETON - CROSS EXAMINATION BY MR. SLOAN:

Q: Mr. Singleton, do you see Plaintiff's Exhibit, which is the AMS modification offer of December 15th, 2010? Do you see ---

THE COURT: That hasn't been entered.

MR. SLOAN: Okay. All right. Madame Court Reporter, what is -- what would the Defendant's Exhibit ---

COURT REPORTER: I was just checking on that. I believe it's 8, but let me confirm, please.

MR. SLOAN: Okay. Absolutely. The bailiff ---

THE COURT: Now, make sure I understand that some of these Defendant's exhibits have not been entered. They're only for identification -- for purposes of identification. So, we're going to mark it 8 for identification?

MR. SLOAN: At this point, yes, Your Honor.

THE COURT: Okay. Go ahead.

(Defendant's Exhibit Number 8 was marked for identification purposes.)

MR. SLOAN: Would you had that to ---

COURT REPORTER: Sure.

MR. SLOAN: Okay.

MR. SLOAN: Would you hand that to Mr. Singleton,

please?

Q: Mr. Singleton, I'm handing you what looks like a seven or eight-page document; is that familiar to you?

A: Yes, sir.

Q: Can you please tell the Court the document that I just handed to you?

A: This is the modification agreement once I completed the second modification with WealthBridge.

Q: So, you had a second modification with WealthBridge. I don't want to lead you, but you -- you testified a little bit earlier you had a modification in late '09, early '10 and you missed a payment by one or two days, so you had to start over?

A: That's correct.

Q: Okay. And -- and you had a second trial. Did you have a second trial modification with ---

A: That's correct.

Q: Okay.

A: WealthBridge.

Q: And what happened at the end of that six-month period.

A: At the fifth payment, I got -- between the

fifth and sixth payment I got a letter saying that the servicer -- the servicing was now going over to AMS. So, I called WealthBridge and I said, listen, where do you guys want me to send this last payment? After talking, they said, send it to us. So, I sent it to WealthBridge and then the servicing went to AMS.

Q: Okay. And did AMS -- and did you complete all those trial modification payments?

A: Absolutely.

Q: And what happened -- what did AMS do after they offered you -- after you completed all those trial modification payments?

A: Well, what happened was once the loan servicing was going to AMS, I called AMS the day they supposed to take the loan. And they said they didn't have the loan yet. Call back in a week. I called back every day and the third day, I got John Malibar (ph), Maliber, Malibar. Whatever his name is. I got him on the phone and he said, yes, we see that you're up for this modification. We'll get this over to you.

Q: Did they get it over to you?

A: That's this.

Q: And that's what's marked as Defendant's Exhibit 8 for identification?
A: Correct.
Q: Okay. Can -- can you briefly describe what Defendant's -- Defendant's 8 is?
A: It's a loan modification from AMS Servicing, Walden Avenue, Depew, New York, that gives a loan number, my address, my name. And it says, Dear Mortgager. Congratulations. Since you have successfully completed the requirements of your special forbearance program, we are now able to offer you a modification. All big letters, with no fees.
Q: Okay. Did you ultimately sign that modification?
A: I didn't.
Q: I'm sorry, you did?
A: I did not.
Q: Okay. And without divulging the private communications you and I had, can you tell the Court why you ultimately did not do that?
A: Sure. While the amount that they were saying in the facts section that I owed, I thought that there was a discrepancy. Then it named a DV502007 Trust, who I never -- didn't even know

anything about. And then -- it was one of these, number 11, it says, release of claim. And they were asking me for my understanding as a condition for me to accept this modification, I commented not to sue anybody before AMS or thereafter or have any claims going forward about this loan. And I thought, who would put something in an agreement like this, let alone who would sign this.

Q: So, that made you uncomfortable to the point where you ---

A: Very.

Q: --- wouldn't sign it?

A: Very.

Q: Okay. All right. I hate to back track.

MS. TAYLOR: We've never seen any of this.

MR. HAYES: Yeah, we've never seen these documents.

MR. SLOAN: I'm not necessarily going to enter them into evidence, but I want to show it to Mr. Singleton to refresh his memory. Found it Sunday night before the trial Monday morning.

MR. HAYES: It's convenient.

MS. TAYLOR: Yeah, it's convenient.

OBJECTION:

MR. HAYES: Judge, these are doc- -- these last two

documents are documents that have not been produced until today in Court. I think discovery was served. Mr. Sloan said that Mr. Singleton found them Sunday night, but I think at the very least they had an obligation to turn them over to us prior to the trial today under the discovery rule.

THE COURT: Well, we've got a bit of a quandary here, Mr. Hayes.

MR. HAYES: I'm sorry?

THE COURT: You -- you called the witness.

MR. HAYES: Right.

THE COURT: Correct.

MR. HAYES: Yes.

THE COURT: And he doesn't know before you question the witness what his cross examination of the witness is going to be. So, how would he know what documents he needed to provide you before he knows what your cross examination is -- I mean, your direct examination?

MR. HAYES: If we ask them for doc- -- documents that they may -- that may be used as exhibits at trial, I mean, if they had something like this, they should have shown it to us.

MR. SLOAN: Your Honor, Mr. Hayes called Mr.

Singleton first and was asking him about attempts to modify the loan. I -- I have Defendant's 8 as issues to the modification attempts. I initially wasn't planning on discussing the modification attempts prior to the filing of this lawsuit, but I'm using it on cross examination of my client based on the testimony that the plaintiff -- the plaintiff has solicited from my client.

MR. HAYES: But my point is, Your Honor, we -- those documents were requested previously. If they found them Sunday night, they should have turned them over to us Monday morning. That's my point, Your Honor. Instead of right now.

MR. SLOAN: Well, Your Honor, I'm not moving to enter Defendant's 8 for -- into evidence, I'm simply asking -- having it to refresh Mr. Singleton's memory.

THE COURT: You have a document you want to refresh his memory with?

MR. SLOAN: That was -- that was the attempted loan modification. And, Your Honor, I had -- I had zero plans on introducing this letter, which -- which appears to be a letter from Mr. -- from Mr. Pappa to the Trustee, James Wyman, related

to Mr. Singleton's bankruptcy because Mr. Hayes asked a long litany of questions about Mr. Singleton's bankruptcy and the letter from Mr. Pappa says, I represent the defendant, Mr. Singleton. Mr. Singleton is attempting to work out with counselor, NACA, Neighborhood Assistance Corporation of America. And Mr. Wyman has a hand -- there's -- Mr. Wyman writes back handwritten, Rob, I have no objection to you or Mr. Singleton contacting GMAC or a counselor with NACA on behalf of Mr. Singleton.

MR. HAYES: Your Honor, Mr. Barnes asked Mr. Amaya yesterday regarding foreclosure intervention, so they knew it was an issue prior to today. My point being that should have been turned over to us.

THE COURT: I'm going to overrule the objection and let the evidence come in as a -- I mean, he was probably just as surprised by your cross examination as -- I mean, by your direct examination of his client on the bankruptcy. I think it's fair game for him -- you've opened that door and I think it's fair game for him to provide whatever he thinks necessary to further inform the Court as to the facts of this case.

MR. HAYES: Okay. But we did let them know prior to the hearing that were going to introduce bankruptcy documents.

THE COURT: Okay. Thank you. Nonetheless, I'm going to overrule the objection and it may help me decide the case.

MR. HAYES: Okay.

THE COURT: Thank you.

MR. SLOAN: Madame Court Reporter, could you please identify that for identification as Defendant's 9?

(Defendant's Exhibit Number 9 was marked for identification purposes.)

Q: Mr. Singleton, I am handing you a one-page letter. Does -- does it look familiar to you?

A: Yes, sir.

Q: Okay. Can -- can you briefly summarize what the letter states?

A: It goes back to -- it says, Dear -- Dear Gentleman. I represent the Defendant Jamie Singleton in the above-referenced case. Mr. Singleton is attempting to work with a counselor at NACA, Neighborhood Assistance Corporation of America. They have requested a letter from you granting them permission to

contact GMAC Mortgage regarding possible modification on Mr. Singleton's mortgage. Please let me know if this is possible. With kind regards I am, Papa, Ungaro Falkiewicz, Rob Papa.

Q: Okay. Is there anything else written on that piece of paper?

A: Yes. A response from James Wyman. Rob, I have -- I have no objection to you or Mr. Singleton contacting GMAC or counselor with NACA on behalf of Mr. Singleton. Signed by James Wyman.

Q: All right. Thank you, Mr. Singleton. Let's continue our trip down memory lane to 2011. After you declined to sign the modification offer, did AMS send you a communication shortly thereafter?

A: Yes. They sent me, I believe a month or two later, a one-page document USPS overnight asking me to modify my loan with my tax return.

Q: Okay.

A: I'd just completed a modification they didn't give to me.

Q: And you -- you have previously testified, and this is of record in this case, that this

lawsuit was filed April 25th, 2011. Is that consistent with your memory?

A: Correct.

Q: Okay. Did you hire me from day one to represent you in this case?

A: I did.

Q: Okay. And as shown by the court documents, were you interested in getting foreclosure intervention?

A: I wanted to put this nightmare behind me. My wife and I, we had just gotten married in 2010. She inherited this case. It's not her fault. She walked into it. We did everything that was asked of me to do. GMAC asked me to come out of bankruptcy to do this. Never got it done. They kept wanting to put in modification agreements and I didn't know when it was ever going to end. I just wanted to get into my loan and move on with my life.

Q: And in 2011, did you, through counsel, did you engage in foreclosure intervention with the Plaintiffs at the time, the Plaintiff's attorney?

A: I did.

Q: And did -- and did you engage with the

servicer, AMS?
A: I did.
Q: And did you -- and -- and you mentioned a John Maliber (ph). Did you engage in foreclosure intervention with Mr. Maliber (ph) during 2011?
A: I don't remember exactly what date, but I know him and I talked quite a few about getting this modification done.
Q: And how did that ultimately end out?
A: He -- he kind of got frustrated and said sign the agreement or I'm going to foreclose.
Q: Did they -- did Mr. Maliber (ph) give you a specific offer or did he -- or did he outline terms? What -- what -- what did he do?
A: I don't remember the exact conversation at that point. I remember this and me and him having a conversation about the figures in Number 11 of the agreement. And he said he's not changing it.
Q: I'm not going to put words in your mouth. I'm not going to testify for you. Did you just say you had an issue with the numbers in -- in a proposed modification?
A: Correct.
Q: Okay.

MR. SLOAN: Madame Court Reporter, what -- the 2012 Order ---

THE COURT: When you use the word numbers, are you talking about the amount of dollars?

MR. SINGLETON: Yes, sir.

THE COURT: Okay. That's all I need.

(Off the record discussion.)

Q: Mr. Singleton, on the Plaintiff's exhibits, do you see what's probably Number 39, which is an Order of the Court when Judge Murphy was the judge of this case from 2012?

A: 39 was a bankruptcy order.

Q: Okay. Page 1 looks like this (indicating). That's a Form 4 on top of it.

A: It's form -- 43.

Q: 43. Do you have it in front of you, Mr. Singleton?

(Plaintiff's Exhibit Number 43 was referenced.)

A: (No audible response.)

Q: Okay. Please flip -- I promise I will not make you read the entire Order. Please turn -- do you see in bold, paragraph B; it's numbered page 4? It begins, alternatively because the Defendant has an adequate remedy of law. Do you see that?

A: I do.
Q: Okay. Skip down to -- skip down to the last paragraph.
A: Yes.
Q: And read only for me the first sentence of that Order.
A: The Court finds that the disbursement of the insurance proceeds is governed exclusively -- exclusively by the mortgage contract.
Q: Okay. Thank you. Grab for me, please, Mr. Singleton, Exhibit Number -- Plaintiff's Exhibit Number 1, the mortgage.
(Plaintiff's Exhibit Number 1 was referenced.)
A: (Witness complies.)
Q: Please flip to what's numbered page 4 of 15.
THE COURT: What's the book and page number?
MR. SLOAN: Oh. I may have the wrong page, Your Honor.
THE COURT: Book and page is at the top.
MR. SLOAN: The first page of the mortgage is Book 5142, page 168.
THE COURT: Are you referring to paragraph 5 on page 173?
MR. SLOAN: Yes, Your Honor.
THE COURT: Okay. Go ahead.

MR. SLOAN: Thank you, Your Honor.

Q: Mr. Singleton -- I was going to say scroll down. Go down to the last paragraph on that page, which begins with in the event of loss. And read one, two, three, four, the first four and a half lines up until the last word that ends the sentence, lessened, please.

A: In the event of loss, borrower shall give prompt notice to the insurance carrier and lender. Lender may make proof of loss if not made promptly by borrower. Unless lender and borrower otherwise agree in writing, any insurance proceeds whether or not the underlying insurance was acquired by lender shall be applied to restoration of repairs of the property if the rest- -- if the restoration or repairs is economically feasible and lender's security is not lessened.

Q: Thank you, Mr. Singleton. What -- what happened at your house on or around Father's Day 2012, eleven ---

A: Fa- ---

Q: --- years ago?

A: Father's Day, my wife and I, we were upstairs along with our at the time Jayden (ph), my 18-

month-old son, and the smoke detectors went off. My and me, we ran downstairs. So, I grabbed my son and I ran down behind her. And when I got downstairs, the kitchen was in smoke. So, I got my wife and my son out of the house and I ran back in and there was a pot on the stove. So, I grabbed it and ran it, threw it outside in the front yard. And it was a mess. The kitchen was a mess.

Q: Did -- did -- did you file an insurance claim?

A: I did.

Q: And who was your insurance company at the time?

A: Liberty Mutual.

Q: Okay. Did you -- did you give prompt notice to Liberty and to -- who -- who was the loan servicer at the time?

A: The loan servicer was AMS.

Q: It was still AMS. Did you give prompt notice of this incident to AMS?

A: Absolutely.

Q: Okay. And what happened next?

A: I called -- Liberty Mutual gave me a claim number and told me someone would contact me. They contacted me the next day. And I told them what happened. And they said they would

send out Service Master, I believe ---
Q: Okay.
A: --- to do some cleaning and ---
Q: Uh-huh.
A: --- inspection and see what happened.
Q: Uh-huh.
A: They did that. And after that, they took pictures and they sent it to the claims adjuster in Florida for Liberty Mutual.
Q: Okay. And what happened next vis-a-vis AMS Loan Servicing.
A: Okay. After going through the process with the mortgage company, they settled, they sent their check. They sent me a check. I had my wife endorse the check. I brought the check to your office and we sent it to AMS.
Q: What happened next?
A: After that, we -- we tried to get the money from them to fix the kitchen.
Q: Did they give you the money to fix the kitchen?
A: They didn't.
Q: What did they say?
A: They said they wouldn't give me the money.
Q: Did you agree in writing to use any insurance proceeds to the -- to the application of any --

any loan payments on this loan?

A: No.

Q: Okay.

MR. SLOAN: I beg the Court's indulgence, Your Honor. Okay. Your Honor, I thank the Court. I wanted to walk Mr. Singleton through the time I was his sole attorney. For the Court's indulgence, I'm going to turn the examination over to Mr. Barnes.

THE COURT: Thank you. We're still on cross-examination of the Plaintiff's witness.

MR. BARNES: Correct.

THE COURT: Okay.

MR. BARNES: I don't have much, Your Honor.

MR. SINGLETON - CONTINUED CROSS EXAMINATION BY MR. BARNES:

Q: Mr. Singleton, during the course of your questioning by Mr. Hayes concerning payments you made or the last payment you made on the loan, you testified that you made a payment to AMS Servicing in 2013?

A: That's correct.

Q: Okay. Did you maintain any records of that payment?

A: Only what I have there.

Q: Okay. Now ---

MR. BARNES: You've seen this, right?

MR. HAYES: Yeah. I mean, that's the first time I've seen it, it wasn't provided to us previously.

MR. BARNES: Well, as he testified to, he just found it Sunday night. May I approach the witness?

THE COURT: Sure.

MR. BARNES: I guess we'll mark this as Number 10 for identification.

(Defendant's Exhibit Number 10 was marked for identification purposes.)

Q: Mr. Singleton, I'm showing you a -- what appears to be a receipt for a cashier's check in the amount of 1,688.89 paid to the order of AMS Servicing, LLC. And the purchaser is Jamie Singleton. Is -- is this the payment that you were speaking about to Mr. Hayes?

A: Yes, sir.

Q: Okay. Is it a regular practice of you to keep records of payments that you made?

A: I generally do keep good records.

Q: Okay. So, this would be something you would keep in the ordinary course of your personal business?

A: Yes.
Q: And is this a true and accurate representation of the cashier's check that was sent to AMS which you discussed with Mr. Hayes and Mr. Sloan?
A: Yes, sir.
Q: And do you have personal knowledge of the fact that that amount was sent to AMS?
A: I did it myself. It's out of my account.
Q: Okay.
MR. BARNES: We move this into evidence, Judge, as Defendant's 10.
(Defendant's Exhibit Number 10 was offered into evidence.)
THE COURT: Any objection?
MR. HAYES: I'm sorry.
MR. BARNES: We move this into evidence as Defendant's 10.
OBJECTION:
MR. HAYES: I object. I mean, it -- we weren't provided until today with any information regarding that check.
THE COURT: Overruled.
MR. BARNES: I don't know if we've got separate piles here or whatever.

THE COURT: Let's put that on a sheet of paper.

MS. TAYLOR: Can we see that check?

MR. BARNES: Yeah.

THE COURT: Can you hand her a piece of copy paper and she can use this tape? Do y'all object if we tape it to a piece of paper?

MR. BARNES: Not at all.

COURT REPORTER: Do you have the check?

MR. BARNES: They have it. They're looking at it.

THE COURT: How much is that check for?

MR. BARNES: How much? 16- ---

MR. HAYES: 1,688.89, Your Honor. $1,688.89.

MR. BARNES: I knew it had a lot of eights in it.

MR. HAYES: Well ---

MR. BARNES: For cashier's check, that's how you got to characterize it.

MR. HAYES: Yeah, it's not a -- it's technically not a cashier's check. It's a ---

MR. BARNES: That's not what I called it.

MR. HAYES: It's a coupon that comes with it, I believe. Or not a coupon ...

MS. TAYLOR: We don't know.

THE COURT: It's a receipt ---

MR. HAYES: Receipt, yeah.

THE COURT: --- of a cashier's check.

MR. BARNES: Correct. That's exactly how I asked it.

(Defendant's Exhibit Number 10 was admitted into evidence.)

THE COURT: All right. Just for the record, this is a purchaser's copy of a cashier's check issued by Wells Fargo Bank paid to the order of AMS Servicing, LLC in the amount of $1,688.89 dated June the 1st, 2013.

Q: Mr. Singleton, could I ask you to pull up Plaintiff's Exhibit 32, GMAC's Proof of Claim? It would have a green sticker.

A: What number?

Q: 32.

A: 32. I don't see a 32.

Q: Here's 31. No, I'm looking for 32. Okay. I know we asked him several questions.

A: I got it.

Q: Got it? Wonderful. Okay.

MR. BARNES: Your Honor, may I?

THE COURT: Of course. Go for it.

MR. BARNES: Okay.

Q: Mr. Singleton, if you would turn to page 2 of this document where it says, arrearage summary.

(Plaintiff's Exhibit Number 32 was referenced.)

A: Yes.
Q: If you go to the first line up from the bottom, it says, interest rate on mortgage note, 11.75 percent. Do you see that?
A: I do.
Q: Now, you heard Mr. Amaya testify that this interest rate on this loan never ever went above 10.5 percent; correct?
A: That's correct.
Q: So, this is -- would you say that this is inaccurate -- an inaccurate statement?
A: Yes, sir.
Q: Okay. Now, if you would turn to the first page, I don't know if you're able to read it, but at the very, very bottom underneath the line, it starts with the word penalty. Can you read that? All the way down the first page.
A: Okay.
Q: All the way at the bottom. Very small print.
A: Yes.
Q: Could you read that sentence, please, that whole line?
A: Penalty for presenting fraudulent claim. Fine of up to 500,000 or imprisonment for up to five years or both. Then it gives some 181 U.S.C.

code.

Q: Now, Mr. Singleton, given the fact that your note has a 10.5 interest rate on it and given Mr. Amaya's sworn testimony under oath that the interest rate on this loan never deviated from 10.5 percent, is this Proof of Claim that says the interest rate on the note is eleven and three-quarter percent a fraudulent claim?

A: I would say so.

Q: Thank you. Now, I want to talk a little bit about what happened in Florida. Did you make arrangements to review what was supposed to be presented to you as the original note?

A: I did.

Q: And did you travel to Florida to do that?

A: I did.

Q: Did you do so at your own expense?

A: I did.

Q: Okay. Now, where was this inspection done?

A: Delray Beach, Florida, I believe.

Q: Okay. And do you remember who was present?

A: It was myself, a examiner and, I believe, the attorney said her name was Ms. Deacon, I believe.

Q: Okay.

A: I think so.
Q: What documents were presented to you at that meeting?
A: It was what they called a note and allonges.
Q: Okay. Could you describe the condition of the paper of the documents that were presented to you?
A: That note looked just like you would print off on regular white paper. No age at all on that document. Not at all.
Q: Okay. And was that represented to you to be the original note?
A: As I understood it. Yes.
Q: Okay. And, so, when you reviewed that document, which was represented to be the original note, did any of the pages presented to you contain the stamp?
A: I didn't see a stamp.
Q: Okay. Now, I want you to look at Plaintiff's Exhibit 7.
(Plaintiff's Exhibit Number 7 was referenced.)
A: (Witness complies.)
Q: Now, you've looked at this a couple of times. Is this the document which was presented to you in Florida?

A: I am not a hundred percent certain it is.
Q: Well, let's go through this a little bit. Are there staple holes -- are there punch holes on the top of this document?
A: Yes.
Q: Is this document a little bit wrinkled? Are there tears in it?
A: More -- more than I saw in Florida. Yes.
Q: Okay. So, what you're telling me is the document that you were shown in Florida was different in terms of signs of wear, punch holes, tears and paper quality than Exhibit 7?
A: 100 percent.
Q: Now, going back to Exhibit 32, if you would turn to the -- that's the one we looked at a moment ago. The third page, beginning on the third page where it says, adjustable rate note. If you'd go to the pages of the note, first, second, third and fourth page.
A: Second? First, second, third?
Q: Just look at them. First, second, third and fourth page and tell me if there's any stamp on any of those pages?
A: No, sir.
Q: Looking through the rest of this document, are

there stamp -- does that stamp, which the Plaintiff calls an endorsement, which I call a stamp, appear anywhere in this series of documents?

A: No, sir.

Q: All right. Now, let's go to Exhibit 41, which was marked for identification only. Do you have a copy of it there with you?

(Plaintiff's Exhibit Number 41 was referenced.)

A: Yes, sir, I've got it.

Q: It's kind of thick. Okay, great. If you'll flip to -- the easy way to do this, the deposition ends on page 24 at the top right. I want to look at Exhibit 1, which follows that, which is also styled adjustable rate note.

A: Exhibit 1.

Q: Yeah. If you go to page 24, it starts on the very next page.

A: Got it.

Q: If you'll flip through those pages, please, and tell me if you see any page that has the stamp?

A: I do not.

Q: Okay. So, just to summarize, then, no stamp on the document you were shown in Florida; right?

A: Correct.
Q: No stamp on the document you were shown in your deposition; right?
A: Correct.
Q: And no stamp on the Proof of Claim that was filed under severe penalties of fraudulent claim in your bankruptcy by GMAC; right?
A: Correct.
Q: Okay. Now, when Judge Chellis previously entered the summary judgment, I think it was back in October of last year, it was -- Judge Chellis had determined at that time that you owe, I believe it was around 208, 209, maybe $211,000?
A: I think it was 207, 208,000 or something.
Q: Yeah. I may be off a few thousand. But it was something of that range?
A: That's correct.
Q: Okay. Were you fully prepared and able to pay that at the time?
A: Absolutely.
Q: Did you instruct without waiver of privilege -- did you instruct your attorneys to convey that offer to pay that in full to Plaintiff's counsel?

A: Absolutely.
Q: And to your knowledge, was that done?
A: No.
Q: Okay. And to your knowledge, was that offer to pay that amount refused?
A: Yes.
Q: And, in fact, Mr. Singleton, are you -- do you recollect that a motion was filed which sought to vacate that summary judgment which accused Judge Chellis of being biased?
A: Yes.
Q: Okay.
MR. BARNES: That's all I have, Judge.
THE COURT: Any re-direct. Still an adverse witness.
MR. HAYES: Yes, sir.
MR. SINGLETON - RE-DIRECT EXAMINATION BY MR. HAYES:
Q: Mr. Singleton, the -- on Defendants' Number 8, would you look at the first page of that?
(Defendant's Exhibit Number 8 was referenced.)
A: (Witness complies.)
Q: What is the -- what's the modified interest rate on that shown on the bottom?
A: 5.375 percent.
Q: Is that a lot lower than 10.45 percent?

A: It's lower.

Q: Okay. And what is your modified payment shown here? The new net payment.

OBJECTION:

MR. BARNES: Beyond the scope.

MR. HAYES: He was asking about this document, Your Honor. We first saw this document just a few minutes ago, Your Honor.

MR. BARNES: Which document are you talking about?

MR. HAYES: I'm talking about Defendants' Number 8. This was not produced.

MR. BARNES: You're talking about something Mr. Sloan asked him about?

MR. HAYES: Yes.

MR. BARNES: Okay. Just want to be clear.

THE COURT: I wasn't sure either what he was talking about.

MR. BARNES: I wasn't either.

MR. HAYES: Okay. I said Defendants' Number 8, Your Honor.

THE COURT: All right.

MR. HAYES: Okay.

THE COURT: Can I see that? I have not seen it yet.

MR. HAYES: I think Your Honor has a copy of it. I didn't -- I can bring it up because you were

asking him about it, Your Honor. I believe.

THE COURT: Okay. Go ahead. I don't have a copy of that.

MR. HAYES: Oh, you do not?

THE COURT: I don't.

MR. HAYES: Okay. I thought you did. I apologize.

THE COURT: Thank you.

Q: Mr. ---

THE COURT: He didn't give you a copy?

MR. HAYES: Yes, they gave me a copy. Did -- did you give Judge Chellis a copy?

MR. SLOAN: I thought I had given y'all a copy of it yesterday because I'm -- I'm -- I did not give a copy of it to Your Honor, because ---

MR. HAYES: Here; I'll let Judge ---

MR. SLOAN: --- I was one down. I thought I had given it to y'all yesterday.

MR. HAYES: If you want to look at it ---

MR. SLOAN: I'm not certain about that.

THE COURT: What is that document? Defendant'S 8, let me look back at my notes.

MR. HAYES: Yes, sir.

THE COURT: This isn't the Court record. This is the ---

MR. HAYES: Yeah. I think that was for -- was it

for identification only?

MR. SLOAN: I did not move to enter it into evidence, Your Honor.

THE COURT: All right. All right. I remember now. Yes. Do you need it back?

MR. HAYES: I was just going to ask him -- no, I can ask him about this one.

Q: On -- on this Defendants' Number 8, would you not agree that it shows the new net payment -- monthly payment being $1,689.45?

A: That's correct.

Q: Okay. Okay. And, Mr. -- you were talking about the -- the note and the -- the stamp. The stamp ...

MR. HAYES: May I see Number 7, please?

Q: The note consists of four pages and the stamp is on the back; is it not?

(Plaintiff's Exhibit Number 7 was referenced.)

A: (No audible response.)

Q: So, if someone's making a copy of the note unless they make it co- -- make a concerted effort to make a copy of the back of page four, all you're going to see is the first four pages; correct?

OBJECTION:

MR. BARNES: Judge, that assumes facts not in evidence. There's been no testimony as to who made copies, how they made copies, what did they look at before they made copies. This is all supposition.

MR. HAYES: Your Honor, I'm just stating that the stamp is on the back of page 4, not on the front. That's what I'm asking him.

THE COURT: Just ask him that question. Just ask him that.

Q: Mr. Singleton, is the stamp that Mr. Barnes was asking about, is it on the back of page 4 and not on the front?

A: It's a pay to the order of, yes, stamp.

Q: It's on the back of page 4; is that correct?

A: That's correct.

Q: Okay.

MR. HAYES: Your Honor, I don't have anything else.

THE COURT: Any re-direct?

MR. SLOAN: None, Your Honor, from me.

THE COURT: Re-cross. Re-cross. Excuse me, re-cross.

MR. SLOAN: I did -- no re-cross, Your Honor.

THE COURT: Okay. Mr. Hayes -- Mr. Singleton, I have one question.

MR. SINGLETON - QUESTIONS BY THE COURT:

Q: You said the numbers, I think I recall you saying something the numbers aren't right on the modification.

A: Yes, sir.

Q: And that was the AMS modification?

A: Yes, sir.

Q: And it's been marked as Defendant's Exhibit 8 ---

A: Yes, sir.

Q: --- for identification?

(Defendant's Exhibit Number 8 was referenced.)

A: Yes, sir.

Q: Do you recall based on your review of this exhibit marked for identification, do you recall what you found in the numbers to objectionable?

A: Well, we -- when I called Mr. Maliber, he said that the figures -- he -- he admitted himself that it didn't look correct. I told him I didn't think it would be at $264,000. And he said that the numbers, you know, he -- he can't explain anything from another servicer, but he didn't know if it was correct or not.

Q: Okay.

A: And by him saying that, I didn't feel comfortable signing it.

Q: Okay.

THE COURT: All right. You may step back down, Mr. Singleton.

MR. SINGLETON: Thank you, sir.

THE COURT: Mr. Hayes.

MR. HAYES: Your Honor. What are you asking me -- that's the end of my presentation, Your Honor.

THE COURT: The Plaintiff rests?

MR. HAYES: Yes.

THE COURT: Plaintiff rests. Any motions?

MR. BARNES: Yes, Your Honor.

MOTION:

MR. BARNES: We move pursuant to Rule 41(b) for an involuntary non-suit for several reasons.

Number one, in any foreclosure action, as a condition perceived to instituting a foreclosure, the party seeking to foreclose must comply with paragraph 22 of the mortgage, which is a standard provision which provides as follows. Give me a minute. Acceleration and remedies. And I quote, lenders shall give notice to borrower prior to acceleration following borrower's breach of any covenant or

agreement in this security instrument, but not prior to acceleration under Section 18 unless applicable law provides otherwise. The notice shall specify (a) the default, (b) the action required to cure the default, (c) a date not less than 30 days from the date the notice is given to the borrower by which the default must be cured, and (d) that failure to cure the default on or before the date specified in the notice may result in acceleration of the sum secured by this security instrument, foreclosure by judicial proceeding and sale of the property. The notice shall further inform the borrower of the right to reinstate after acceleration and the right to assert in the foreclosure proceeding the nonexistence of a default or any other defense of borrower to acceleration and foreclosure. If the default is not cured on or before the date specified in the notice, lender at it's option may require immediate payment in full of all sums secured by this security instrument without further demand and may foreclose this security instrument by judicial proceeding. Lender shall be entitled to collect all expenses

including incurred in pursuing the remedies provided in this Section 22, including but not limited to reasonable attorney's fees and costs of title evidence, all of which shall be additional sums secured by this security instrument. As the Court is well aware, Plaintiff attempted to introduced a paragraph 22 letter. That -- that proposed exhibit was not admitted into evidence. Therefore, Judge, there is absolutely no evidence whatsoever of compliance with paragraph 22 of the mortgage, which is a mandatory condition precedent which must be satisfied prior to the institution of judicial foreclosure. That was not done here. There is no evidence of that of record. There is no evidence of that in this trial. As a matter of law, failure of a condition precedent should result in the dismissal of this action because it did not fulfill that condition precedent. That's ground number one.

Ground number two, Judge, is essentially a -- relates to the various evidentiary rulings. Now, there's a -- there is very little law on this standard of evidence that needs to be satisfied to sustain a claim. Your

Honor -- excuse me. That -- I'm citing to the case of H-O-I-S-T, *Hoist v. KCI Cr* -- I'm sorry -- K-O-N-E C-R-A-N-E-S International Corp, 390 S.C. 29, 699 SE2d 715; S.C. Court of Appeals 2010. What happened in that case is that summary judgment was affirmed on appeal because the Court found that the plaintiff failed to present competent evidence of a negligence claim. The standard is competent evidence. So, what is the evidence we have here? Number one, by Mr. Amaya's own admission, we have incomplete evidence. We have -- we do not have all the records of the servicers. We do not have dates on the allonges. We do not have all of the documents with regard to that mortgage loan purchase agreement that was not admitted into evidence. There's no evidence surrounding -- concerning the circumstances surrounding the loss of the note and how it was found. Nobody knows when it was lost. Mr. Amaya testified, well, it was lost when some law firm had it. We don't know what law firm, we don't know how it was lost, where it was lost or when it was lost with any cer- -- with any reasonable certainty. We also have no evidence of when or

how or under what circumstances it was found other than the undisputed fact that it was allegedly located at 11:00 o'clock at night the night before the summary judgment hearing back in October. Mr. Amaya testified that he was told that it was found. And when I specifically asked him if he had any personal knowledge of how it was found or when it was found, he just -- he said, no. They just told me they found the original. Mr. Amaya himself could -- which is their only witness for the Plaintiff, other than Mr. Singleton, who obviously can't verify anything surrounding the loss, Mr. Amaya could not verify whether or not that particular document that is Exhibit 7 was the one that was found. He was just told that, so that's hearsay. We also have another problem, Judge. We don't have the lost note affidavit. The lost note affidavit was specifically referred to in the second checked box of, I believe, it was Exhibit 14. I mean, Exhibit 8 or 9. I may have the number off, but I can pull it if you want. But of that exhibit, which was attachment to a bailee letter, it specifically said, original lost

note affidavit. That lost note affidavit was not produced, even though there is a reference in SLS' business records that an original lost note affidavit was transmitted. SO, the question becomes why wasn't that transmitted? You know, was there Brady evidence in it? Was there exculpatory information, which would show that this original -- alleged original note is not an original? Did it directly contradict their claim that this Exhibit 7 is an original note? We don't know. Because it wasn't disclosed. So, that's incomplete evidence. And it's also very prejudicial. There is no bailee letter regarding all of the transfers except one. There's only one bailee letter concerning one transfer of all the various transfers. There's none from People's Choice to GMAC and from GMAC forward, there was only one. There was no evidence, as Your Honor recollects, Your Honor entered an Order many years ago requiring the Plaintiff to -- as -- with regard to every one of these transfers to show various things. Transfer date, transferee, transferor and consideration paid. I asked Mr. Amaya, was -- do you have any

evidence of consideration paid for the transfers. He had none. Had no knowledge of it whatsoever. So, not only are they not in compliance with the Court -- Order of the Court, they have no evidence of consideration paid. And the lost note affidavit, of course, was not attached to the bailee letter, although the bailee letter did refer to it.

Next issue is we have Mr. Amaya's repeated reference to admitted mistakes in these -- the documents that were produced. The allonge to WestVue, which I believe was Exhibit 12. That was a mistake. While they're trying to foreclose on my client's house based on at least one document, they admit is a mistake. That was done in error. And another document, Exhibit 14, they admitted that they had the wrong borrower. So, again, Judge, just as you do when you -- you make a determination that somebody's not being candid with the Court, you have the right to disregard the veracity of anything else they say, there's two mistakes admitted under oath on the record. There's an allonge that's a mistake, oh, it shouldn't have been in there. And there's a wrong borrower

document in there. Although those documents were presented by the Plaintiff in alleged support of their claim. So, how many mistakes are there? I would proffer that those two are only the tip of the iceberg. And we have another mistake that came up during Mr. Singleton's deposition. We have a proof of claim that was filed in the bankruptcy under a severe penalty filing a fraudulent claim that absolutely misrepresents the interest rate by a point and a quarter.

And next is, Judge, we have two prongs of unclean hands. One is kind of an off-shoot. It's a failure to mitigate. Now, first off, Judge, with regard to the insurance money, the Order that was presented by the Plaintiff specifically states that the distribution of the insurance proceeds is governed specifically by the mor- -- exclusively, excuse me, by the mortgage. And paragraph five of the mortgage is very, very clear. Except as otherwise provided in section two -- I'm sorry. If the lender requires a payment from the borrower -- oh, wait a minute. I'm sorry. Wrong paragraph. Here it is. The su- -- paragraph

five, last full paragraph on recorded page ending in 173. Unless lender and borrower otherwise agree in writing, any insurance proceeds, whether or not the underlying insurance was required by the lender, shall be applied to restoration or repair of the property if the restoration or repair is economically feasible and lender's security is not lessened. Well, Judge, none of that was done. I asked Mr. Amaya, did you ever send inspectors out to do the -- to inspect the damage or repairs? No. Do you have any evidence that that was done? No. But when I pressed him on it, on that schedule where it showed that $19,000 being broken up into ten payments, 90 percent which of each payment was applied towards interest, he admitted but then attempted to retract the fact that that $19,000, which came from nowhere else but the insurance money, was used to pay the claim -- the alleged arrearage claim. It was not used to pay for repairs as specifically required by the mortgage. So, here's a second instance where the Plaintiff itself is breaching the terms of the mortgage, yet trying to turn

around and foreclose on that same mortgage. That's called unclean hands. You can't come to court and attempt to enforce a lien created by a mortgage when you, yourself, aren't complying with the mortgage. And unclean hands is a defense to a foreclosure, as the Court is well aware.

Now, Judge, we also have the -- the issue of failure to mitigate. And then this is -- came, in large part, from the Court's questioning of the witness about the -- the participation in HAMP and the offering of a loan modification. Mr. Amaya candidly admitted that had the investor or the servicer participated in the extension of the loan, modifying the loan, not only would it be beneficial to both parties because the borrower could keep their house, the servicer and the investor would make more money. More money than they would if they left everything as it was or if they tried to pursue a foreclosure or left the -- the note in place without any modification. They would make more money. So, the question becomes why didn't they do that. And I would submit, Your Honor, that especially

given the length of these proceedings and as Your Honor noted, the fact that this case was previously set for trial at least twice, which had to be cancelled because the Plaintiff decided at the last minute to transfer the loan again and again. That what they were trying to do, and I'm going to be real candid here, is milk this file for attorney's fees. That's it. They got the -- they got the cake. Now they want the crumbs and the icing and they want to milk the file for fees. There was absolutely no good faith in trying to resolve the dispute provided by this contract. And as the Court knows, there is an implied covenant of good faith and fair dealing in every contract. The mortgage is a contract; the note is a contract. Mr. Singleton's testimony was unrebutted that he made numerous attempts to try to resolve this without success, without cooperation. And when they finally came down to giving him a loan mod document, they wanted him to waive any defense he may ever have against AMS or anybody else. That's a contract of adhesion. A take it or leave it. There was no negotiation. That's why it was not accepted. That's not

good faith. That's not negotiating in good faith. That is not engaging in good faith and fair dealing, which is an implied covenant in every contract.

And finally, Judge, as Mr. Singleton testified, Your Honor said to Mr. Singleton, Mr. Singleton, you owe the Plaintiff $208,000. Mr. Singleton said, fine. Here's the check. Tell me where to send it. And what was the response? What was the response? A motion to vacate the summary judgment filed by the Plaintiff, which accused this Court of being biased and prejudiced. I find that personally revolting. I know that's not a legal concept. But, again, this goes to the concept of failure to mitigate. They could've mitigated this alleged loss twelve years ago. They didn't want to do it. They gave it from law firm to law firm, from servicer to servicer, from investor to investor to keep making money on it. That's what they did here rather than complying with their obligations of good faith implied in these contracts under the law.

So, Judge, we not only have absolute legal bases based upon the failure of proof, the lack

of evidence, the misleading evidence, the mistaken evidence and nefarious to fulfill a condition foreseen, which would justify a Rule 41(b) non-suit, we also have -- we're sitting here on equity. We have equitable grounds, as well, including unclean hands and a failure to mitigate. All these matters are of record, Your Honor. We will respectfully request under the evidence presented and under the law and by principles of equity that this Court involuntarily non-suit this case. Thank you.

THE COURT: Thank you, Mr. Barnes. Mr. Hayes?

RESPONSE TO MOTION:

MR. HAYES: Your Honor, there is in the record a -- an indication on 5/16/2008 of a breach letter. We don't have the letter in evidence, but we do have evidence, I believe that one was sent. As far as Mr. Singleton trying to work it out, the record shows clearly that he was not only in bankruptcy, but outside of bankruptcy offered multiple loan modifications or workouts or plans to pay this off and repeatedly defaulted on those, Your Honor. As far as the insurance proceeds, at least -- there's some -- some confusion about that. At least -- at the very

least, they were applied to the debt owed under the terms of the contract, under the terms of the mortgage and note. As far as the note being lost, Your Honor, things are lost all the time. Things are found. Just like Mr. Amaya said. And the insurance issue was also dealt with by Judge Murphy's Order, which I believe we took judicial notice of. And as far as the attorney's fees, if Mr. -- if Mr. Barnes wants to talk about that, I -- would be nice to put this into -- this deposition into evidence about how much his attor- -- his, Mr. Singleton has paid his attorneys and it's much less than what -- I mean, excuse me, much more than what the Plaintiff's attorneys fees are.

THE COURT: All right. Anything else?

MR. HAYES: No, sir.

RULING BY THE COURT:

THE COURT: I'm gonna deny the motion, Mr. Barnes.

MR. BARNES: I would call Mr. Amaya.

THE COURT: Mr. Amaya.

MR. AMAYA: Still under oath or swear again?

THE COURT: Mr. Amaya, you were previously sworn. So, therefore, you're still under oath. And I will let you -- you don't need to take --

again, you're still under oath and answer any questions Mr. Barnes may have, please.

MR. AMAYA: Yes, Your Honor.

THE COURT: It's good to see you again.

MR. AMAYA: Thank you.

MR. AMAYA - DIRECT EXAMINATION BY MR. BARNES:

Q: Mr. Amaya, could you please pull up Exhibit 7?

(Plaintiff's Exhibit Number 7 was referenced.)

A: Yes.

Q: And attached to that, I believe, is Exhibit 12, that last allonge?

A: The last allonge is 13.

Q: I'm very sorry. 13. The one of WestVue?

(Plaintiff's Exhibit Number 13 was referenced.)

A: Yes.

Q: Now, Mr. Amaya, when you were questioned about this document, you testified that this was -- and I don't want to paraphrase, so correct me if I'm wrong, this was a mistake or done in error. And you said, this happens sometimes?

A: I don't know if those were the exact words that I used, but I did say that this endorsement appears to be an -- allonge appears to be attached as a mistake; yes.

Q: Okay. I recollect you saying this happens

sometimes. Did you not say that?
A: That is your recollection. I might've said something along the lines of I've seen similar things happen in the past ---
Q: Okay.
A: --- with -- I've seen similar things happen in the past.
Q: Okay.
A: I believe I described a specific incident, type of incident.
Q: Well, tell me this. Tell me how many times in the past this did happen, to your knowledge?
A: Well, let's see. I saw one time when they attached the copy to the original and not the original and then I had to fix that. And I saw one time where there was actually a crossed out stamp and a new stamp added because it was done in error.
Q: Any others you recollect?
A: No. In my many years, that's about -- oh, this one.
Q: Okay. How about the -- the exhibit which attaches the -- and I don't recollect the number off-hand, but it attaches information for a borrower named Kaney, K-A-N-E-Y?

A: Oh. I believe that was -- let me look for it, I believe that ---

Q: Oh, sure.

A: --- was a breach letter, a bailee letter.

Q: Bailee letter.

A: Yes. That is the Exhibit 14.

(Plaintiff's Exhibit Number 14 was referenced.)

Q: So, would that be another instance of where mistakes have been made in business records?

A: Are you asking me about mistakes in business records or are you asking about these endorsements?

Q: Well, what you said was that you've seen things done in error on prior occasions. And, again, I'm paraphrasing. Is this another example?

A: Your paraphrase is throwing me off because you're using words that I don't use that change. I was specifically relating to the endorsements and I gave the only two other examples I have.

Q: Okay. So, that's -- okay. So, now with regard to Exhibit 14, which lists the borrower as someone named Kaney, has that sort of mistake happened before in other cases? Other loan files?

A: Well, this appears to be a -- the completely wrong one because it doesn't match the front.
Q: Okay.
A: That someone attached the wrong list to the wrong bailee letter.
Q: Has that happened before?
A: Not that I'm aware of. This is, I think, the first time I've seen this one. Something like this. The previous things I mentioned I -- I had seen in the past.
Q: Okay.
A: But there is such as thing as human error. Not everyone's perfect; I apologize.
Q: I move to strike the editorial comment.
THE COURT: Sustained.
MR. BARNES: Give me a minute, Judge. Your Honor, I have no questions for -- other questions for Mr. Amaya unless Mr. Hayes does and I may want to re-direct.
THE COURT: Thank you very much. Mr. Hayes.
MR. HAYES: No questions for this witness, Your Honor.
THE COURT: May Mr. ---
MR. BARNES: No re-direct.
THE COURT: --- Amaya be released?

MR. BARNES: He may. He can catch his plane.

THE COURT: Plaintiffs have any objection? Release him?

MR. HAYES: No, no.

MS. TAYLOR: Yes.

MR. HAYES: It's fine with us to release him. Yes.

MR. AMAYA: Thank you, Your Honor. I was just trying to put the exhibits back in order (laughing).

THE COURT: Thank you. Mr. Amaya, I want to thank you for your testimony and your ...

MR. HAYES: This is just one of the exhibits that we didn't have a copy of that they introduced and I had it at my desk. I just wanted to ...

THE COURT: Thank you. Mr. Amaya, thank you for trying to put that together. I appreciate it. Again, thank you for your attendance during the course of the hearing. Thank you for your candor, appreciate your testimony. I'm sure your lawyers are satisfied with what you had to say.

MR. AMAYA: Thank you, Your Honor.

THE COURT: Take care of yourself and be careful.

MR. AMAYA: Thank you, Your Honor, likewise.

(Off the record discussion.)

THE COURT: Do you have another witness, Mr. Barnes?

MR. BARNES: No, we do not, Your Honor. I was going to call Mr. Singleton, but the items that I was going to ask him about I covered with my cross examination of him when Mr. Hayes called him and through Mr. Sloan. So, we rest and we renew our motion.

THE COURT: All right. Thank you very much. Mr. Hayes, anything from you?

MR. HAYES: No, sir.

CLOSING REMARKS:

THE COURT: Okay. Thank you very much. I want to thank Plaintiff's counsel, Mr. Hayes and Ms. Taylor, for your presentation in the case. Mr. Barnes and Mr. Sloan, thank you for your representation of your client, as well. I thank all of the parties that participated in this trial. What I intend to do is to take this case under consideration. I'm going to begin my deliberation once I leave the courtroom. I will describe to you what I do. My mind continually works. I may not have documents in front of me, but I may be thinking about this case from time to time even though I don't have the transcript in front of me. I

still retain knowledge of the testimony and most of what was said during the trial. But I do want to wait to make my final decisions in terms of the facts of the case and my conclusions of law until after I receive the transcript in its written form so that I can recollect my memory, make sure it's accurate. And so, with that consideration, I'm going -- before -- I won't make that decision until after I've received the transcript and gone back through the evidence and also given it thought as I tell you I will do, which is called rumination of the mind. Otherwise known as cogitation.

(Laughter)

MR. SLOAN: Yes, sir.

THE COURT: Thank you very much.

MR. BARNES: Your Honor, I didn't hear you make -- we had renewed our Rule 41 motion after I rested.

THE COURT: Yes, sir.

MR. BARNES: Are you going to reserve on that?

THE COURT: I'm going to reserve that until I ---

MR. BARNES: That's what I thought, but I wanted to be clear.

THE COURT: That's good. Thank you.

MR. HAYES: And, Judge, thank you for your patience.

MR. BARNES: Yes, thank you for ---

THE COURT: My pleasure.

MR. BARNES: --- eleven years of dedicated service. You get early release for good behavior.

(Laughter)

THE COURT: Thank you.

MR. SLOAN: Thank you, sir.

(There being nothing further, the hearing concluded at 3:39 p.m.)

BK 5142PG168

Return To:
PEOPLE'S CHOICE HOME LOAN, INC.
7515 IRVINE CENTER DR.
IRVINE, CA 92618

FILED-RECORDED
RMC / ROD
2006 JAN 12 PM 2:52
MARGARET L. BAILEY
DORCHESTER COUNTY, SC

Prepared By:
Hand Law Offices, LLC
105 Wappoo Creek Drive Suite 3B
Charleston, SC 29412

10281247 / SINGLETON

[Space Above This Line For Recording Data]

MORTGAGE

MIN 100273900102812475

DEFINITIONS

Words used in multiple sections of this document are defined below and other words are defined in Sections 3, 11, 13, 18, 20 and 21. Certain rules regarding the usage of words used in this document are also provided in Section 16.

(A) "Security Instrument" means this document, which is dated January 4, 2006, together with all Riders to this document.
(B) "Borrower" is JAMIE SINGLETON

Borrower is the mortgagor under this Security Instrument.
(C) "MERS" is Mortgage Electronic Registration Systems, Inc. MERS is a separate corporation that is acting solely as a nominee for Lender and Lender's successors and assigns. **MERS is the mortgagee under this Security Instrument.** MERS is organized and existing under the laws of Delaware, and has an address and telephone number of P.O. Box 2026, Flint, MI 48501-2026, tel. (888) 679-MERS.

PLAINTIFF'S EXHIBIT
1

(D) "**Lender**" is People's Choice Home Loan, Inc.

Lender is a CORPORATION
organized and existing under the laws of WYOMING
Lender's address is 7515 IRVINE CENTER DR., IRVINE, CA 92618

(E) "**Note**" means the promissory note signed by Borrower and dated January 4, 2006
The Note states that Borrower owes Lender TWO HUNDRED TWELVE THOUSAND AND 00/100 Dollars
(U.S. $212,000.00) plus interest. Borrower has promised to pay this debt in regular Periodic Payments and to pay the debt in full not later than February 1, 2036 .
(F) "**Property**" means the property that is described below under the heading "Transfer of Rights in the Property."
(G) "**Loan**" means the debt evidenced by the Note, plus interest, any prepayment charges and late charges due under the Note, and all sums due under this Security Instrument, plus interest.
(H) "**Riders**" means all Riders to this Security Instrument that are executed by Borrower. The following Riders are to be executed by Borrower [check box as applicable]:

[X] Adjustable Rate Rider	[ ] Condominium Rider	[ ] Second Home Rider
[ ] Balloon Rider	[X] Planned Unit Development Rider	[ ] 1-4 Family Rider
[ ] VA Rider	[ ] Biweekly Payment Rider	[ ] Other(s) [specify]

(I) "**Applicable Law**" means all controlling applicable federal, state and local statutes, regulations, ordinances and administrative rules and orders (that have the effect of law) as well as all applicable final, non-appealable judicial opinions.
(J) "**Community Association Dues, Fees, and Assessments**" means all dues, fees, assessments and other charges that are imposed on Borrower or the Property by a condominium association, homeowners association or similar organization.
(K) "**Electronic Funds Transfer**" means any transfer of funds, other than a transaction originated by check, draft, or similar paper instrument, which is initiated through an electronic terminal, telephonic instrument, computer, or magnetic tape so as to order, instruct, or authorize a financial institution to debit or credit an account. Such term includes, but is not limited to, point-of-sale transfers, automated teller machine transactions, transfers initiated by telephone, wire transfers, and automated clearinghouse transfers.
(L) "**Escrow Items**" means those items that are described in Section 3.
(M) "**Miscellaneous Proceeds**" means any compensation, settlement, award of damages, or proceeds paid by any third party (other than insurance proceeds paid under the coverages described in Section 5) for: (i) damage to, or destruction of, the Property; (ii) condemnation or other taking of all or any part of the Property; (iii) conveyance in lieu of condemnation; or (iv) misrepresentations of, or omissions as to, the value and/or condition of the Property.
(N) "**Mortgage Insurance**" means insurance protecting Lender against the nonpayment of, or default on, the Loan.
(O) "**Periodic Payment**" means the regularly scheduled amount due for (i) principal and interest under the Note, plus (ii) any amounts under Section 3 of this Security Instrument.
(P) "**RESPA**" means the Real Estate Settlement Procedures Act (12 U.S.C. Section 2601 et seq.) and its implementing regulation, Regulation X (24 C.F.R. Part 3500), as they might be amended from time to time, or any additional or successor legislation or regulation that governs the same subject matter. As used

in this Security Instrument, "RESPA" refers to all requirements and restrictions that are imposed in regard to a "federally related mortgage loan" even if the Loan does not qualify as a "federally related mortgage loan" under RESPA.

(Q) "Successor in Interest of Borrower" means any party that has taken title to the Property, whether or not that party has assumed Borrower's obligations under the Note and/or this Security Instrument.

TRANSFER OF RIGHTS IN THE PROPERTY

This Security Instrument secures to Lender: (i) the repayment of the Loan, and all renewals, extensions and modifications of the Note; and (ii) the performance of Borrower's covenants and agreements under this Security Instrument and the Note. For this purpose, Borrower does hereby mortgage, grant and convey to MERS (solely as nominee for Lender and Lender's successors and assigns) and to the successors and assigns of MERS, the following described property located in the COUNTY of ~~CHARLESTON~~ Dorchester :

[Type of Recording Jurisdiction] [Name of Recording Jurisdiction]

SEE LEGAL DESCRIPTION ATTACHED HERETO AND MADE A PART HEREOF AS EXHIBIT 'A'

Parcel ID Number: 181-10-06-037
5505 ROWSHAM PLACE
NORTH CHARLESTON
("Property Address"):

which currently has the address of [Street]

[City] , South Carolina 29418 [Zip Code]

TO HAVE AND TO HOLD this property unto MERS (solely as nominee for Lender and Lender's successors and assigns,) and to the successors and assigns of MERS, forever, together with all the improvements now or hereafter erected on the property, and all easements, appurtenances, and fixtures now or hereafter a part of the property. All replacements and additions shall also be covered by this Security Instrument. All of the foregoing is referred to in this Security Instrument as the "Property." Borrower understands and agrees that MERS holds only legal title to the interests granted by Borrower in this Security Instrument, but, if necessary to comply with law or custom, MERS (as nominee for Lender and Lender's successors and assigns) has the right: to exercise any or all of those interests, including, but not limited to, the right to foreclose and sell the Property; and to take any action required of Lender including, but not limited to, releasing and canceling this Security Instrument.

BORROWER COVENANTS that Borrower is lawfully seised of the estate hereby conveyed and has the right to grant and convey the Property and that the Property is unencumbered, except for encumbrances of record. Borrower warrants and will defend generally the title to the Property against all claims and demands, subject to any encumbrances of record.

10281247

THIS SECURITY INSTRUMENT combines uniform covenants for national use and non-uniform covenants with limited variations by jurisdiction to constitute a uniform security instrument covering real property.

UNIFORM COVENANTS. Borrower and Lender covenant and agree as follows:

1. Payment of Principal, Interest, Escrow Items, Prepayment Charges, and Late Charges. Borrower shall pay when due the principal of, and interest on, the debt evidenced by the Note and any prepayment charges and late charges due under the Note. Borrower shall also pay funds for Escrow Items pursuant to Section 3. Payments due under the Note and this Security Instrument shall be made in U.S. currency. However, if any check or other instrument received by Lender as payment under the Note or this Security Instrument is returned to Lender unpaid, Lender may require that any or all subsequent payments due under the Note and this Security Instrument be made in one or more of the following forms, as selected by Lender: (a) cash; (b) money order; (c) certified check, bank check, treasurer's check or cashier's check, provided any such check is drawn upon an institution whose deposits are insured by a federal agency, instrumentality, or entity; or (d) Electronic Funds Transfer.

Payments are deemed received by Lender when received at the location designated in the Note or at such other location as may be designated by Lender in accordance with the notice provisions in Section 15. Lender may return any payment or partial payment if the payment or partial payments are insufficient to bring the Loan current. Lender may accept any payment or partial payment insufficient to bring the Loan current, without waiver of any rights hereunder or prejudice to its rights to refuse such payment or partial payments in the future, but Lender is not obligated to apply such payments at the time such payments are accepted. If each Periodic Payment is applied as of its scheduled due date, then Lender need not pay interest on unapplied funds. Lender may hold such unapplied funds until Borrower makes payment to bring the Loan current. If Borrower does not do so within a reasonable period of time, Lender shall either apply such funds or return them to Borrower. If not applied earlier, such funds will be applied to the outstanding principal balance under the Note immediately prior to foreclosure. No offset or claim which Borrower might have now or in the future against Lender shall relieve Borrower from making payments due under the Note and this Security Instrument or performing the covenants and agreements secured by this Security Instrument.

2. Application of Payments or Proceeds. Except as otherwise described in this Section 2, all payments accepted and applied by Lender shall be applied in the following order of priority: (a) interest due under the Note; (b) principal due under the Note; (c) amounts due under Section 3. Such payments shall be applied to each Periodic Payment in the order in which it became due. Any remaining amounts shall be applied first to late charges, second to any other amounts due under this Security Instrument, and then to reduce the principal balance of the Note.

If Lender receives a payment from Borrower for a delinquent Periodic Payment which includes a sufficient amount to pay any late charge due, the payment may be applied to the delinquent payment and the late charge. If more than one Periodic Payment is outstanding, Lender may apply any payment received from Borrower to the repayment of the Periodic Payments if, and to the extent that, each payment can be paid in full. To the extent that any excess exists after the payment is applied to the full payment of one or more Periodic Payments, such excess may be applied to any late charges due. Voluntary prepayments shall be applied first to any prepayment charges and then as described in the Note.

Any application of payments, insurance proceeds, or Miscellaneous Proceeds to principal due under the Note shall not extend or postpone the due date, or change the amount, of the Periodic Payments.

3. Funds for Escrow Items. Borrower shall pay to Lender on the day Periodic Payments are due under the Note, until the Note is paid in full, a sum (the "Funds") to provide for payment of amounts due for: (a) taxes and assessments and other items which can attain priority over this Security Instrument as a lien or encumbrance on the Property; (b) leasehold payments or ground rents on the Property, if any; (c) premiums for any and all insurance required by Lender under Section 5; and (d) Mortgage Insurance premiums, if any, or any sums payable by Borrower to Lender in lieu of the payment of Mortgage Insurance premiums in accordance with the provisions of Section 10. These items are called "Escrow Items." At origination or at any time during the term of the Loan, Lender may require that Community Association Dues, Fees, and Assessments, if any, be escrowed by Borrower, and such dues, fees and assessments shall be an Escrow Item. Borrower shall promptly furnish to Lender all notices of amounts to be paid under this Section. Borrower shall pay Lender the Funds for Escrow Items unless Lender waives Borrower's obligation to pay the Funds for any or all Escrow Items. Lender may waive Borrower's obligation to pay to Lender Funds for any or all Escrow Items at any time. Any such waiver may only be

in writing. In the event of such waiver, Borrower shall pay directly, when and where payable, the amounts due for any Escrow Items for which payment of Funds has been waived by Lender and, if Lender requires, shall furnish to Lender receipts evidencing such payment within such time period as Lender may require. Borrower's obligation to make such payments and to provide receipts shall for all purposes be deemed to be a covenant and agreement contained in this Security Instrument, as the phrase "covenant and agreement" is used in Section 9. If Borrower is obligated to pay Escrow Items directly, pursuant to a waiver, and Borrower fails to pay the amount due for an Escrow Item, Lender may exercise its rights under Section 9 and pay such amount and Borrower shall then be obligated under Section 9 to repay to Lender any such amount. Lender may revoke the waiver as to any or all Escrow Items at any time by a notice given in accordance with Section 15 and, upon such revocation, Borrower shall pay to Lender all Funds, and in such amounts, that are then required under this Section 3.

Lender may, at any time, collect and hold Funds in an amount (a) sufficient to permit Lender to apply the Funds at the time specified under RESPA, and (b) not to exceed the maximum amount a lender can require under RESPA. Lender shall estimate the amount of Funds due on the basis of current data and reasonable estimates of expenditures of future Escrow Items or otherwise in accordance with Applicable Law.

The Funds shall be held in an institution whose deposits are insured by a federal agency, instrumentality, or entity (including Lender, if Lender is an institution whose deposits are so insured) or in any Federal Home Loan Bank. Lender shall apply the Funds to pay the Escrow Items no later than the time specified under RESPA. Lender shall not charge Borrower for holding and applying the Funds, annually analyzing the escrow account, or verifying the Escrow Items, unless Lender pays Borrower interest on the Funds and Applicable Law permits Lender to make such a charge. Unless an agreement is made in writing or Applicable Law requires interest to be paid on the Funds, Lender shall not be required to pay Borrower any interest or earnings on the Funds. Borrower and Lender can agree in writing, however, that interest shall be paid on the Funds. Lender shall give to Borrower, without charge, an annual accounting of the Funds as required by RESPA.

If there is a surplus of Funds held in escrow, as defined under RESPA, Lender shall account to Borrower for the excess funds in accordance with RESPA. If there is a shortage of Funds held in escrow, as defined under RESPA, Lender shall notify Borrower as required by RESPA, and Borrower shall pay to Lender the amount necessary to make up the shortage in accordance with RESPA, but in no more than 12 monthly payments. If there is a deficiency of Funds held in escrow, as defined under RESPA, Lender shall notify Borrower as required by RESPA, and Borrower shall pay to Lender the amount necessary to make up the deficiency in accordance with RESPA, but in no more than 12 monthly payments.

Upon payment in full of all sums secured by this Security Instrument, Lender shall promptly refund to Borrower any Funds held by Lender.

4. Charges; Liens. Borrower shall pay all taxes, assessments, charges, fines, and impositions attributable to the Property which can attain priority over this Security Instrument, leasehold payments or ground rents on the Property, if any, and Community Association Dues, Fees, and Assessments, if any. To the extent that these items are Escrow Items, Borrower shall pay them in the manner provided in Section 3.

Borrower shall promptly discharge any lien which has priority over this Security Instrument unless Borrower: (a) agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Lender, but only so long as Borrower is performing such agreement; (b) contests the lien in good faith by, or defends against enforcement of the lien in, legal proceedings which in Lender's opinion operate to prevent the enforcement of the lien while those proceedings are pending, but only until such proceedings are concluded; or (c) secures from the holder of the lien an agreement satisfactory to Lender subordinating the lien to this Security Instrument. If Lender determines that any part of the Property is subject to a lien which can attain priority over this Security Instrument, Lender may give Borrower a notice identifying the

lien. Within 10 days of the date on which that notice is given, Borrower shall satisfy the lien or take one or more of the actions set forth above in this Section 4.

Lender may require Borrower to pay a one-time charge for a real estate tax verification and/or reporting service used by Lender in connection with this Loan.

5. Property Insurance. Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage," and any other hazards including, but not limited to, earthquakes and floods, for which Lender requires insurance. This insurance shall be maintained in the amounts (including deductible levels) and for the periods that Lender requires. What Lender requires pursuant to the preceding sentences can change during the term of the Loan. The insurance carrier providing the insurance shall be chosen by Borrower subject to Lender's right to disapprove Borrower's choice, which right shall not be exercised unreasonably. Lender may require Borrower to pay, in connection with this Loan, either: (a) a one-time charge for flood zone determination, certification and tracking services; or (b) a one-time charge for flood zone determination and certification services and subsequent charges each time remappings or similar changes occur which reasonably might affect such determination or certification. Borrower shall also be responsible for the payment of any fees imposed by the Federal Emergency Management Agency in connection with the review of any flood zone determination resulting from an objection by Borrower.

If Borrower fails to maintain any of the coverages described above, Lender may obtain insurance coverage, at Lender's option and Borrower's expense. Lender is under no obligation to purchase any particular type or amount of coverage. Therefore, such coverage shall cover Lender, but might or might not protect Borrower, Borrower's equity in the Property, or the contents of the Property, against any risk, hazard or liability and might provide greater or lesser coverage than was previously in effect. Borrower acknowledges that the cost of the insurance coverage so obtained might significantly exceed the cost of insurance that Borrower could have obtained. Any amounts disbursed by Lender under this Section 5 shall become additional debt of Borrower secured by this Security Instrument. These amounts shall bear interest at the Note rate from the date of disbursement and shall be payable, with such interest, upon notice from Lender to Borrower requesting payment.

All insurance policies required by Lender and renewals of such policies shall be subject to Lender's right to disapprove such policies, shall include a standard mortgage clause, and shall name Lender as mortgagee and/or as an additional loss payee. Lender shall have the right to hold the policies and renewal certificates. If Lender requires, Borrower shall promptly give to Lender all receipts of paid premiums and renewal notices. If Borrower obtains any form of insurance coverage, not otherwise required by Lender, for damage to, or destruction of, the Property, such policy shall include a standard mortgage clause and shall name Lender as mortgagee and/or as an additional loss payee.

In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower. Unless Lender and Borrower otherwise agree in writing, any insurance proceeds, whether or not the underlying insurance was required by Lender, shall be applied to restoration or repair of the Property, if the restoration or repair is economically feasible and Lender's security is not lessened. During such repair and restoration period, Lender shall have the right to hold such insurance proceeds until Lender has had an opportunity to inspect such Property to ensure the work has been completed to Lender's satisfaction, provided that such inspection shall be undertaken promptly. Lender may disburse proceeds for the repairs and restoration in a single payment or in a series of progress payments as the work is completed. Unless an agreement is made in writing or Applicable Law requires interest to be paid on such insurance proceeds, Lender shall not be required to pay Borrower any interest or earnings on such proceeds. Fees for public adjusters, or other third parties, retained by Borrower shall not be paid out of the insurance proceeds and shall be the sole obligation of Borrower. If the restoration or repair is not economically feasible or Lender's security would be lessened, the insurance proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with

the excess, if any, paid to Borrower. Such insurance proceeds shall be applied in the order provided for in Section 2.

If Borrower abandons the Property, Lender may file, negotiate and settle any available insurance claim and related matters. If Borrower does not respond within 30 days to a notice from Lender that the insurance carrier has offered to settle a claim, then Lender may negotiate and settle the claim. The 30-day period will begin when the notice is given. In either event, or if Lender acquires the Property under Section 22 or otherwise, Borrower hereby assigns to Lender (a) Borrower's rights to any insurance proceeds in an amount not to exceed the amounts unpaid under the Note or this Security Instrument, and (b) any other of Borrower's rights (other than the right to any refund of unearned premiums paid by Borrower) under all insurance policies covering the Property, insofar as such rights are applicable to the coverage of the Property. Lender may use the insurance proceeds either to repair or restore the Property or to pay amounts unpaid under the Note or this Security Instrument, whether or not then due.

6. Occupancy. Borrower shall occupy, establish, and use the Property as Borrower's principal residence within 60 days after the execution of this Security Instrument and shall continue to occupy the Property as Borrower's principal residence for at least one year after the date of occupancy, unless Lender otherwise agrees in writing, which consent shall not be unreasonably withheld, or unless extenuating circumstances exist which are beyond Borrower's control.

7. Preservation, Maintenance and Protection of the Property; Inspections. Borrower shall not destroy, damage or impair the Property, allow the Property to deteriorate or commit waste on the Property. Whether or not Borrower is residing in the Property, Borrower shall maintain the Property in order to prevent the Property from deteriorating or decreasing in value due to its condition. Unless it is determined pursuant to Section 5 that repair or restoration is not economically feasible, Borrower shall promptly repair the Property if damaged to avoid further deterioration or damage. If insurance or condemnation proceeds are paid in connection with damage to, or the taking of, the Property, Borrower shall be responsible for repairing or restoring the Property only if Lender has released proceeds for such purposes. Lender may disburse proceeds for the repairs and restoration in a single payment or in a series of progress payments as the work is completed. If the insurance or condemnation proceeds are not sufficient to repair or restore the Property, Borrower is not relieved of Borrower's obligation for the completion of such repair or restoration.

Lender or its agent may make reasonable entries upon and inspections of the Property. If it has reasonable cause, Lender may inspect the interior of the improvements on the Property. Lender shall give Borrower notice at the time of or prior to such an interior inspection specifying such reasonable cause.

8. Borrower's Loan Application. Borrower shall be in default if, during the Loan application process, Borrower or any persons or entities acting at the direction of Borrower or with Borrower's knowledge or consent gave materially false, misleading, or inaccurate information or statements to Lender (or failed to provide Lender with material information) in connection with the Loan. Material representations include, but are not limited to, representations concerning Borrower's occupancy of the Property as Borrower's principal residence.

9. Protection of Lender's Interest in the Property and Rights Under this Security Instrument. If (a) Borrower fails to perform the covenants and agreements contained in this Security Instrument, (b) there is a legal proceeding that might significantly affect Lender's interest in the Property and/or rights under this Security Instrument (such as a proceeding in bankruptcy, probate, for condemnation or forfeiture, for enforcement of a lien which may attain priority over this Security Instrument or to enforce laws or regulations), or (c) Borrower has abandoned the Property, then Lender may do and pay for whatever is reasonable or appropriate to protect Lender's interest in the Property and rights under this Security Instrument, including protecting and/or assessing the value of the Property, and securing and/or repairing the Property. Lender's actions can include, but are not limited to: (a) paying any sums secured by a lien which has priority over this Security Instrument; (b) appearing in court; and (c) paying reasonable

attorneys' fees to protect its interest in the Property and/or rights under this Security Instrument, including its secured position in a bankruptcy proceeding. Securing the Property includes, but is not limited to, entering the Property to make repairs, change locks, replace or board up doors and windows, drain water from pipes, eliminate building or other code violations or dangerous conditions, and have utilities turned on or off. Although Lender may take action under this Section 9, Lender does not have to do so and is not under any duty or obligation to do so. It is agreed that Lender incurs no liability for not taking any or all actions authorized under this Section 9.

Any amounts disbursed by Lender under this Section 9 shall become additional debt of Borrower secured by this Security Instrument. These amounts shall bear interest at the Note rate from the date of disbursement and shall be payable, with such interest, upon notice from Lender to Borrower requesting payment.

If this Security Instrument is on a leasehold, Borrower shall comply with all the provisions of the lease. If Borrower acquires fee title to the Property, the leasehold and the fee title shall not merge unless Lender agrees to the merger in writing.

10. Mortgage Insurance. If Lender required Mortgage Insurance as a condition of making the Loan, Borrower shall pay the premiums required to maintain the Mortgage Insurance in effect. If, for any reason, the Mortgage Insurance coverage required by Lender ceases to be available from the mortgage insurer that previously provided such insurance and Borrower was required to make separately designated payments toward the premiums for Mortgage Insurance, Borrower shall pay the premiums required to obtain coverage substantially equivalent to the Mortgage Insurance previously in effect, at a cost substantially equivalent to the cost to Borrower of the Mortgage Insurance previously in effect, from an alternate mortgage insurer selected by Lender. If substantially equivalent Mortgage Insurance coverage is not available, Borrower shall continue to pay to Lender the amount of the separately designated payments that were due when the insurance coverage ceased to be in effect. Lender will accept, use and retain these payments as a non-refundable loss reserve in lieu of Mortgage Insurance. Such loss reserve shall be non-refundable, notwithstanding the fact that the Loan is ultimately paid in full, and Lender shall not be required to pay Borrower any interest or earnings on such loss reserve. Lender can no longer require loss reserve payments if Mortgage Insurance coverage (in the amount and for the period that Lender requires) provided by an insurer selected by Lender again becomes available, is obtained, and Lender requires separately designated payments toward the premiums for Mortgage Insurance. If Lender required Mortgage Insurance as a condition of making the Loan and Borrower was required to make separately designated payments toward the premiums for Mortgage Insurance, Borrower shall pay the premiums required to maintain Mortgage Insurance in effect, or to provide a non-refundable loss reserve, until Lender's requirement for Mortgage Insurance ends in accordance with any written agreement between Borrower and Lender providing for such termination or until termination is required by Applicable Law. Nothing in this Section 10 affects Borrower's obligation to pay interest at the rate provided in the Note.

Mortgage Insurance reimburses Lender (or any entity that purchases the Note) for certain losses it may incur if Borrower does not repay the Loan as agreed. Borrower is not a party to the Mortgage Insurance.

Mortgage insurers evaluate their total risk on all such insurance in force from time to time, and may enter into agreements with other parties that share or modify their risk, or reduce losses. These agreements are on terms and conditions that are satisfactory to the mortgage insurer and the other party (or parties) to these agreements. These agreements may require the mortgage insurer to make payments using any source of funds that the mortgage insurer may have available (which may include funds obtained from Mortgage Insurance premiums).

As a result of these agreements, Lender, any purchaser of the Note, another insurer, any reinsurer, any other entity, or any affiliate of any of the foregoing, may receive (directly or indirectly) amounts that derive from (or might be characterized as) a portion of Borrower's payments for Mortgage Insurance, in exchange for sharing or modifying the mortgage insurer's risk, or reducing losses. If such agreement provides that an affiliate of Lender takes a share of the insurer's risk in exchange for a share of the premiums paid to the insurer, the arrangement is often termed "captive reinsurance." Further:

(a) Any such agreements will not affect the amounts that Borrower has agreed to pay for Mortgage Insurance, or any other terms of the Loan. Such agreements will not increase the amount Borrower will owe for Mortgage Insurance, and they will not entitle Borrower to any refund.

(b) Any such agreements will not affect the rights Borrower has - if any - with respect to the Mortgage Insurance under the Homeowners Protection Act of 1998 or any other law. These rights may include the right to receive certain disclosures, to request and obtain cancellation of the Mortgage Insurance, to have the Mortgage Insurance terminated automatically, and/or to receive a refund of any Mortgage Insurance premiums that were unearned at the time of such cancellation or termination.

11. Assignment of Miscellaneous Proceeds; Forfeiture. All Miscellaneous Proceeds are hereby assigned to and shall be paid to Lender.

If the Property is damaged, such Miscellaneous Proceeds shall be applied to restoration or repair of the Property, if the restoration or repair is economically feasible and Lender's security is not lessened. During such repair and restoration period, Lender shall have the right to hold such Miscellaneous Proceeds until Lender has had an opportunity to inspect such Property to ensure the work has been completed to Lender's satisfaction, provided that such inspection shall be undertaken promptly. Lender may pay for the repairs and restoration in a single disbursement or in a series of progress payments as the work is completed. Unless an agreement is made in writing or Applicable Law requires interest to be paid on such Miscellaneous Proceeds, Lender shall not be required to pay Borrower any interest or earnings on such Miscellaneous Proceeds. If the restoration or repair is not economically feasible or Lender's security would be lessened, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with the excess, if any, paid to Borrower. Such Miscellaneous Proceeds shall be applied in the order provided for in Section 2.

In the event of a total taking, destruction, or loss in value of the Property, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with the excess, if any, paid to Borrower.

In the event of a partial taking, destruction, or loss in value of the Property in which the fair market value of the Property immediately before the partial taking, destruction, or loss in value is equal to or greater than the amount of the sums secured by this Security Instrument immediately before the partial taking, destruction, or loss in value, unless Borrower and Lender otherwise agree in writing, the sums secured by this Security Instrument shall be reduced by the amount of the Miscellaneous Proceeds multiplied by the following fraction: (a) the total amount of the sums secured immediately before the partial taking, destruction, or loss in value divided by (b) the fair market value of the Property immediately before the partial taking, destruction, or loss in value. Any balance shall be paid to Borrower.

In the event of a partial taking, destruction, or loss in value of the Property in which the fair market value of the Property immediately before the partial taking, destruction, or loss in value is less than the amount of the sums secured immediately before the partial taking, destruction, or loss in value, unless Borrower and Lender otherwise agree in writing, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument whether or not the sums are then due.

If the Property is abandoned by Borrower, or if, after notice by Lender to Borrower that the Opposing Party (as defined in the next sentence) offers to make an award to settle a claim for damages, Borrower fails to respond to Lender within 30 days after the date the notice is given, Lender is authorized to collect and apply the Miscellaneous Proceeds either to restoration or repair of the Property or to the sums secured by this Security Instrument, whether or not then due. "Opposing Party" means the third party that owes Borrower Miscellaneous Proceeds or the party against whom Borrower has a right of action in regard to Miscellaneous Proceeds.

Borrower shall be in default if any action or proceeding, whether civil or criminal, is begun that, in Lender's judgment, could result in forfeiture of the Property or other material impairment of Lender's interest in the Property or rights under this Security Instrument. Borrower can cure such a default and, if acceleration has occurred, reinstate as provided in Section 19, by causing the action or proceeding to be dismissed with a ruling that, in Lender's judgment, precludes forfeiture of the Property or other material impairment of Lender's interest in the Property or rights under this Security Instrument. The proceeds of any award or claim for damages that are attributable to the impairment of Lender's interest in the Property are hereby assigned and shall be paid to Lender.

All Miscellaneous Proceeds that are not applied to restoration or repair of the Property shall be applied in the order provided for in Section 2.

12. Borrower Not Released; Forbearance By Lender Not a Waiver. Extension of the time for payment or modification of amortization of the sums secured by this Security Instrument granted by Lender to Borrower or any Successor in Interest of Borrower shall not operate to release the liability of Borrower or any Successors in Interest of Borrower. Lender shall not be required to commence proceedings against any Successor in Interest of Borrower or to refuse to extend time for payment or otherwise modify amortization of the sums secured by this Security Instrument by reason of any demand made by the original Borrower or any Successors in Interest of Borrower. Any forbearance by Lender in exercising any right or remedy including, without limitation, Lender's acceptance of payments from third persons, entities or Successors in Interest of Borrower or in amounts less than the amount then due, shall not be a waiver of or preclude the exercise of any right or remedy.

13. Joint and Several Liability; Co-signers; Successors and Assigns Bound. Borrower covenants and agrees that Borrower's obligations and liability shall be joint and several. However, any Borrower who co-signs this Security Instrument but does not execute the Note (a "co-signer"): (a) is co-signing this Security Instrument only to mortgage, grant and convey the co-signer's interest in the Property under the terms of this Security Instrument; (b) is not personally obligated to pay the sums secured by this Security Instrument; and (c) agrees that Lender and any other Borrower can agree to extend, modify, forbear or make any accommodations with regard to the terms of this Security Instrument or the Note without the co-signer's consent.

Subject to the provisions of Section 18, any Successor in Interest of Borrower who assumes Borrower's obligations under this Security Instrument in writing, and is approved by Lender, shall obtain all of Borrower's rights and benefits under this Security Instrument. Borrower shall not be released from Borrower's obligations and liability under this Security Instrument unless Lender agrees to such release in writing. The covenants and agreements of this Security Instrument shall bind (except as provided in Section 20) and benefit the successors and assigns of Lender.

14. Loan Charges. Lender may charge Borrower fees for services performed in connection with Borrower's default, for the purpose of protecting Lender's interest in the Property and rights under this Security Instrument, including, but not limited to, attorneys' fees, property inspection and valuation fees. In regard to any other fees, the absence of express authority in this Security Instrument to charge a specific fee to Borrower shall not be construed as a prohibition on the charging of such fee. Lender may not charge fees that are expressly prohibited by this Security Instrument or by Applicable Law.

If the Loan is subject to a law which sets maximum loan charges, and that law is finally interpreted so that the interest or other loan charges collected or to be collected in connection with the Loan exceed the permitted limits, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any sums already collected from Borrower which exceeded permitted limits will be refunded to Borrower. Lender may choose to make this refund by reducing the principal owed under the Note or by making a direct payment to Borrower. If a refund reduces principal, the reduction will be treated as a partial prepayment without any prepayment charge (whether or not a prepayment charge is provided for under the Note). Borrower's acceptance of any such refund made by direct payment to Borrower will constitute a waiver of any right of action Borrower might have arising out of such overcharge.

15. Notices. All notices given by Borrower or Lender in connection with this Security Instrument must be in writing. Any notice to Borrower in connection with this Security Instrument shall be deemed to have been given to Borrower when mailed by first class mail or when actually delivered to Borrower's notice address if sent by other means. Notice to any one Borrower shall constitute notice to all Borrowers unless Applicable Law expressly requires otherwise. The notice address shall be the Property Address unless Borrower has designated a substitute notice address by notice to Lender. Borrower shall promptly notify Lender of Borrower's change of address. If Lender specifies a procedure for reporting Borrower's change of address, then Borrower shall only report a change of address through that specified procedure. There may be only one designated notice address under this Security Instrument at any one time. Any notice to Lender shall be given by delivering it or by mailing it by first class mail to Lender's address stated herein unless Lender has designated another address by notice to Borrower. Any notice in connection with this Security Instrument shall not be deemed to have been given to Lender until actually received by Lender. If any notice required by this Security Instrument is also required under Applicable Law, the Applicable Law requirement will satisfy the corresponding requirement under this Security Instrument.

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16. Governing Law; Severability; Rules of Construction. This Security Instrument shall be governed by federal law and the law of the jurisdiction in which the Property is located. All rights and obligations contained in this Security Instrument are subject to any requirements and limitations of Applicable Law. Applicable Law might explicitly or implicitly allow the parties to agree by contract or it might be silent, but such silence shall not be construed as a prohibition against agreement by contract. In the event that any provision or clause of this Security Instrument or the Note conflicts with Applicable Law, such conflict shall not affect other provisions of this Security Instrument or the Note which can be given effect without the conflicting provision.

As used in this Security Instrument: (a) words of the masculine gender shall mean and include corresponding neuter words or words of the feminine gender; (b) words in the singular shall mean and include the plural and vice versa; and (c) the word "may" gives sole discretion without any obligation to take any action.

17. Borrower's Copy. Borrower shall be given one copy of the Note and of this Security Instrument.

18. Transfer of the Property or a Beneficial Interest in Borrower. As used in this Section 18, "Interest in the Property" means any legal or beneficial interest in the Property, including, but not limited to, those beneficial interests transferred in a bond for deed, contract for deed, installment sales contract or escrow agreement, the intent of which is the transfer of title by Borrower at a future date to a purchaser.

If all or any part of the Property or any Interest in the Property is sold or transferred (or if Borrower is not a natural person and a beneficial interest in Borrower is sold or transferred) without Lender's prior written consent, Lender may require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if such exercise is prohibited by Applicable Law.

If Lender exercises this option, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is given in accordance with Section 15 within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

19. Borrower's Right to Reinstate After Acceleration. If Borrower meets certain conditions, Borrower shall have the right to have enforcement of this Security Instrument discontinued at any time prior to the earliest of: (a) five days before sale of the Property pursuant to Section 22 of this Security Instrument; (b) such other period as Applicable Law might specify for the termination of Borrower's right to reinstate; or (c) entry of a judgment enforcing this Security Instrument. Those conditions are that Borrower: (a) pays Lender all sums which then would be due under this Security Instrument and the Note as if no acceleration had occurred; (b) cures any default of any other covenants or agreements; (c) pays all expenses incurred in enforcing this Security Instrument, including, but not limited to, reasonable attorneys' fees, property inspection and valuation fees, and other fees incurred for the purpose of protecting Lender's interest in the Property and rights under this Security Instrument; and (d) takes such action as Lender may reasonably require to assure that Lender's interest in the Property and rights under this Security Instrument, and Borrower's obligation to pay the sums secured by this Security Instrument, shall continue unchanged. Lender may require that Borrower pay such reinstatement sums and expenses in one or more of the following forms, as selected by Lender: (a) cash; (b) money order; (c) certified check, bank check, treasurer's check or cashier's check, provided any such check is drawn upon an institution whose deposits are insured by a federal agency, instrumentality or entity; or (d) Electronic Funds Transfer. Upon reinstatement by Borrower, this Security Instrument and obligations secured hereby shall remain fully effective as if no acceleration had occurred. However, this right to reinstate shall not apply in the case of acceleration under Section 18.

20. Sale of Note; Change of Loan Servicer; Notice of Grievance. The Note or a partial interest in the Note (together with this Security Instrument) can be sold one or more times without prior notice to Borrower. A sale might result in a change in the entity (known as the "Loan Servicer") that collects Periodic Payments due under the Note and this Security Instrument and performs other mortgage loan servicing obligations under the Note, this Security Instrument, and Applicable Law. There also might be one or more changes of the Loan Servicer unrelated to a sale of the Note. If there is a change of the Loan Servicer, Borrower will be given written notice of the change which will state the name and address of the new Loan Servicer, the address to which payments should be made and any other information RESPA

requires in connection with a notice of transfer of servicing. If the Note is sold and thereafter the Loan is serviced by a Loan Servicer other than the purchaser of the Note, the mortgage loan servicing obligations to Borrower will remain with the Loan Servicer or be transferred to a successor Loan Servicer and are not assumed by the Note purchaser unless otherwise provided by the Note purchaser.

Neither Borrower nor Lender may commence, join, or be joined to any judicial action (as either an individual litigant or the member of a class) that arises from the other party's actions pursuant to this Security Instrument or that alleges that the other party has breached any provision of, or any duty owed by reason of, this Security Instrument, until such Borrower or Lender has notified the other party (with such notice given in compliance with the requirements of Section 15) of such alleged breach and afforded the other party hereto a reasonable period after the giving of such notice to take corrective action. If Applicable Law provides a time period which must elapse before certain action can be taken, that time period will be deemed to be reasonable for purposes of this paragraph. The notice of acceleration and opportunity to cure given to Borrower pursuant to Section 22 and the notice of acceleration given to Borrower pursuant to Section 18 shall be deemed to satisfy the notice and opportunity to take corrective action provisions of this Section 20.

21. Hazardous Substances. As used in this Section 21: (a) "Hazardous Substances" are those substances defined as toxic or hazardous substances, pollutants, or wastes by Environmental Law and the following substances: gasoline, kerosene, other flammable or toxic petroleum products, toxic pesticides and herbicides, volatile solvents, materials containing asbestos or formaldehyde, and radioactive materials; (b) "Environmental Law" means federal laws and laws of the jurisdiction where the Property is located that relate to health, safety or environmental protection; (c) "Environmental Cleanup" includes any response action, remedial action, or removal action, as defined in Environmental Law; and (d) an "Environmental Condition" means a condition that can cause, contribute to, or otherwise trigger an Environmental Cleanup.

Borrower shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances, or threaten to release any Hazardous Substances, on or in the Property. Borrower shall not do, nor allow anyone else to do, anything affecting the Property (a) that is in violation of any Environmental Law, (b) which creates an Environmental Condition, or (c) which, due to the presence, use, or release of a Hazardous Substance, creates a condition that adversely affects the value of the Property. The preceding two sentences shall not apply to the presence, use, or storage on the Property of small quantities of Hazardous Substances that are generally recognized to be appropriate to normal residential uses and to maintenance of the Property (including, but not limited to, hazardous substances in consumer products).

Borrower shall promptly give Lender written notice of (a) any investigation, claim, demand, lawsuit or other action by any governmental or regulatory agency or private party involving the Property and any Hazardous Substance or Environmental Law of which Borrower has actual knowledge, (b) any Environmental Condition, including but not limited to, any spilling, leaking, discharge, release or threat of release of any Hazardous Substance, and (c) any condition caused by the presence, use or release of a Hazardous Substance which adversely affects the value of the Property. If Borrower learns, or is notified by any governmental or regulatory authority, or any private party, that any removal or other remediation of any Hazardous Substance affecting the Property is necessary, Borrower shall promptly take all necessary remedial actions in accordance with Environmental Law. Nothing herein shall create any obligation on Lender for an Environmental Cleanup.

NON-UNIFORM COVENANTS. Borrower and Lender further covenant and agree as follows:

22. Acceleration; Remedies. Lender shall give notice to Borrower prior to acceleration following Borrower's breach of any covenant or agreement in this Security Instrument (but not prior to acceleration under Section 18 unless Applicable Law provides otherwise). The notice shall specify: (a) the default; (b) the action required to cure the default; (c) a date, not less than 30 days from the date the notice is given to Borrower, by which the default must be cured; and (d) that failure to cure the default on or before the date specified in the notice may result in acceleration of the sums secured by this Security Instrument, foreclosure by judicial proceeding and sale of the Property. The notice shall further inform Borrower of the right to reinstate after acceleration and the right to assert in the foreclosure proceeding the non-existence of a default or any other defense of Borrower to acceleration and foreclosure. If the default is not cured on or before the date specified in the notice, Lender at its option may require immediate payment in full of all sums secured by this Security Instrument without further demand and may foreclose this Security Instrument by judicial proceeding. Lender shall be entitled to collect all expenses incurred in pursuing the remedies provided in this Section 22, including, but not limited to, reasonable attorneys' fees and costs of title evidence, all of which shall be additional sums secured by this Security Instrument.

23. Release. Upon Payment of all sums secured by this Security Instrument, this Security Instrument shall become null and void. Lender shall release this Security Instrument. Borrower shall pay any recordation costs. Lender may charge Borrower a fee for releasing this Security Instrument, but only if the fee is paid to a third party for services rendered and the charging of the fee is permitted under Applicable Law.

24. Homestead Waiver. Borrower waives all rights of homestead exemption in the Property to the extent allowed by Applicable Law.

25. Waiver of Appraisal Rights. The laws of South Carolina provide that in any real estate foreclosure proceeding a defendant against whom a personal judgment is taken or asked may within 30 days after the sale of the mortgaged property apply to the court for an order of appraisal. The statutory appraisal value as approved by the court would be substituted for the high bid and may decrease the amount of any deficiency owing in connection with the transaction. TO THE EXTENT PERMITTED BY LAW, THE UNDERSIGNED HEREBY WAIVES AND RELINQUISHES THE STATUTORY APPRAISAL RIGHTS WHICH MEANS THE HIGH BID AT THE JUDICIAL FORECLOSURE SALE WILL BE APPLIED TO THE DEBT REGARDLESS OF ANY APPRAISED VALUE OF THE MORTGAGED PROPERTY. This waiver shall not apply so long as the Property is used as a dwelling place as defined in Section 12-37-250 of the South Carolina Code of Laws.

26. Future Advances. The lien of this Security Instrument shall secure the existing indebtedness under the Note and any future advances made under this Security Instrument up to 150% of the original principal amount of the Note plus interest thereon, attorneys' fees and court costs.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Security Instrument and in any Rider executed by Borrower and recorded with it.

Signed, sealed and delivered in the presence of:

JAMIE SINGLETON (Seal) -Borrower

(Seal) -Borrower

(Seal) -Borrower (Seal) -Borrower

(Seal) -Borrower (Seal) -Borrower

(Seal) -Borrower (Seal) -Borrower

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STATE OF SOUTH CAROLINA,
County of Charleston

Personally appeared before me Kirkland Smith and made oath that he/she saw the within named Borrower sign, seal, and as his/her/their act and deed, deliver the within written Mortgage; and that he/she with Joseph Hand, witnessed the execution thereof.

Sworn to before me this 4th day of January, 2005.

My Commission Expires: 8/04/10

Notary Public for South Carolina

10281247

Loan Number 10281247

ADJUSTABLE RATE RIDER
(LIBOR Six-Month Index (As Published In The Wall Street Journal)-Rate Caps)

THIS ADJUSTABLE RATE RIDER is made this 4th day of January, 2006 , and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust, or Security Deed (the "Security Instrument") of the same date given by the undersigned ("Borrower") to secure Borrower's Adjustable Rate Note (the "Note") to PEOPLE'S CHOICE HOME LOAN, INC. a WYOMING CORPORATION ("Lender") of the same date and covering the property described in the Security Instrument and located at:

5505 ROWSHAM PLACE, NORTH CHARLESTON, SOUTH CAROLINA 29418
[Property Address]

THE NOTE CONTAINS PROVISIONS ALLOWING FOR CHANGES IN THE INTEREST RATE AND THE MONTHLY PAYMENT. THE NOTE LIMITS THE AMOUNT BORROWER'S INTEREST RATE CAN CHANGE AT ANY ONE TIME AND THE MAXIMUM RATE BORROWER MUST PAY.

ADDITIONAL COVENANTS. In addition to the covenants and agreements made in the Security Instrument, Borrower and Lender further covenant and agree as follows:

A. INTEREST RATE AND MONTHLY PAYMENT CHANGES

The Note provides for an initial interest rate of 10.450%. The Note provides for changes in the interest rate and the monthly payments, as follows:

4. INTEREST RATE AND MONTHLY PAYMENT CHANGES

(A) Change Dates

The interest rate I will pay may change on the 1st day of February, 2008 and on that day every 6 month(s) thereafter. Each date on which my interest rate could change is called a "Change Date."

(B) The Index

Beginning with the first Change Date, my interest rate will be based on an Index. The "Index" is the average of interbank offered rates for six month U.S. dollar-denominated deposits in the London market ("LIBOR"), as published in The Wall Street Journal. The most recent Index figure available as of the date 45 days before each Change Date is called the "Current Index."

If the Index is no longer available, the Note Holder will choose a new index that is based upon comparable information. The Note Holder will give me notice of this choice.

(C) Calculation of Changes

Before each Change Date, the Note Holder will calculate my new interest rate by adding six and nine tenth(s) percentage points (6.900%)to the Current Index. The Note Holder will then round the result of this addition to the nearest one-eighth of one percentage point (0.125%). Subject to the limits stated in Section 4(D) below, this rounded amount will be my new interest rate until the next Change Date.

The Note Holder will then determine the amount of the monthly payment that would be sufficient to repay the unpaid principal that I am expected to owe at the Change Date in full on the Maturity Date at my new interest rate in substantially equal payments. The result of this calculation will be the new amount of my monthly payment.

(D) Limits on Interest Rate Changes

The interest rate I am required to pay at the first Change Date will not be greater than 13.450 % or less than 10.450 %. Thereafter, my interest rate will never be increased or decreased on any single Change Date by more than one percentage points (1.000%) from the rate of interest I have been paying for the preceding 6 months. My interest rate will never be greater than 16.450%. My interest rate will never be less than 10.450%.

(E) Effective Date of Changes

My new interest rate will become effective on each Change Date. I will pay the amount of my new monthly payment beginning on the first monthly payment date after the Change Date until the amount of my monthly payment changes again.

(F) Notice of Changes

The Note Holder will deliver or mail to me a notice of any changes in my interest rate and the amount of my monthly payment before the effective date of any change. The notice will include information required by law to be given to me and also the title and telephone number of a person who will answer any question I may have regarding the notice.

B. TRANSFER OF THE PROPERTY OR A BENEFICIAL INTEREST IN BORROWER

Uniform Covenant 18 of the Security Instrument is amended to read as follows:

Transfer of the Property or a Beneficial Interest Borrower. As used in this Section 18, "Interest in the Property" means any legal or beneficial interest in the Property, including, but not limited to, those beneficial interests transferred in a bond for deed, contract for deed, installment sales contract or escrow agreement, the intent of which is the transfer of title by Borrower at a future date to a purchaser.

If all or any part of the Property or any Interest in the Property is sold or transferred (or if Borrower is not a natural person and a beneficial interest in Borrower is sold or transferred) without Lender's prior written consent, Lender may require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if such exercise is prohibited by Applicable Law. Lender also shall not exercise this option if: (a) Borrower causes to be submitted to Lender information required by Lender to evaluate the intended transferee as if a new loan were being made to the transferee; and (b) Lender reasonably determines that Lender's security will not be impaired by the loan assumption and that the risk of a breach of any covenant or agreement in this Security Instrument is acceptable to Lender.

To the extent permitted by Applicable Law, Lender may charge a reasonable fee as a condition to Lender's consent to the loan assumption. Lender also may require the transferee to sign an assumption agreement that is acceptable to Lender and that obligates the transferee to keep all the promises and agreements made in the Note and in this Security Instrument. Borrower will continue to be obligated under the Note and this Security Instrument unless Lender releases Borrower in writing.

If Lender exercises the option to require immediate payment in full, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is given in accordance with Section 15 within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

5. BORROWER'S RIGHT TO PREPAY

I have the right to make payments of Principal at any time before they are due. A payment of Principal only is known as a "Prepayment." When I make a Prepayment, I will tell the Note Holder in writing that I am doing so. I may not designate a payment as a Prepayment if I have not made all the monthly payments due under this Note.

The Note Holder will use my Prepayments to reduce the amount of Principal that I owe under this Note. However, the Note Holder may apply my Prepayment to the accrued and unpaid interest on the Prepayment amount before applying my Prepayment to reduce the Principal amount of this Note. If I make a partial Prepayment, there will be no changes in the due dates of my monthly payments unless the Note Holder agrees in writing to those changes. My partial Prepayment may reduce the amount of my monthly payments after the first Change Date following my partial Prepayment. However, any reduction due to my partial prepayment may be offset by an increase in the interest rate.

If within Twenty-four (24) months from the date of execution of the Security Instrument, I make full Prepayment or partial Prepayment, and the total of such Prepayment(s) in any 12-month period exceeds twenty percent (20%) of the original Principal amount of the loan, I will pay a Prepayment charge in an amount equal to 6 months' advance interest on the amount by which the total of my Prepayment(s) within that 12-month period exceeds twenty percent (20%) of the original Principal amount of the loan.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Adjustable Rate Rider.

Jamie Singleton (Seal)
JAMIE SINGLETON -Borrower

_____ (Seal)
-Borrower

_____ (Seal)
-Borrower

_____ (Seal)
-Borrower

_____ (Seal)
-Borrower

_____ (Seal)
-Borrower

_____ (Seal)
-Borrower

PLANNED UNIT DEVELOPMENT RIDER

THIS PLANNED UNIT DEVELOPMENT RIDER is made this 4th day of January, 2006, and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust, or Security Deed (the "Security Instrument") of the same date, given by the undersigned (the "Borrower") to secure Borrower's Note to People's Choice Home Loan, Inc.

(the "Lender") of the same date and covering the Property described in the Security Instrument and located at:
5505 ROWSHAM PLACE, NORTH CHARLESTON, SOUTH CAROLINA 29418

[Property Address]

The Property includes, but is not limited to, a parcel of land improved with a dwelling, together with other such parcels and certain common areas and facilities, as described in

(the "Declaration"). The Property is a part of a planned unit development known as Indigo Fields

[Name of Planned Unit Development]

(the "PUD"). The Property also includes Borrower's interest in the homeowners association or equivalent entity owning or managing the common areas and facilities of the PUD (the "Owners Association") and the uses, benefits and proceeds of Borrower's interest.

PUD COVENANTS. In addition to the covenants and agreements made in the Security Instrument, Borrower and Lender further covenant and agree as follows:

A. PUD Obligations. Borrower shall perform all of Borrower's obligations under the PUD's Constituent Documents. The "Constituent Documents" are the (i) Declaration; (ii) articles of incorporation, trust instrument or any equivalent document which creates the Owners Association; and (iii) any by-laws or other rules or regulations of the Owners Association. Borrower shall promptly pay, when due, all dues and assessments imposed pursuant to the Constituent Documents.

B. Property Insurance. So long as the Owners Association maintains, with a generally accepted insurance carrier, a "master" or "blanket" policy insuring the Property which is satisfactory to Lender and which provides insurance coverage in the amounts (including deductible levels), for the periods, and against loss by fire, hazards included within the term "extended coverage," and any other hazards, including, but not limited to, earthquakes and floods, for which Lender requires insurance, then: (i) Lender waives the provision in Section 3 for the Periodic Payment to Lender of the yearly premium installments for property insurance on the Property; and (ii) Borrower's obligation under Section 5 to maintain property insurance coverage on the Property is deemed satisfied to the extent that the required coverage is provided by the Owners Association policy.

What Lender requires as a condition of this waiver can change during the term of the loan.

Borrower shall give Lender prompt notice of any lapse in required property insurance coverage provided by the master or blanket policy.

In the event of a distribution of property insurance proceeds in lieu of restoration or repair following a loss to the Property, or to common areas and facilities of the PUD, any proceeds payable to Borrower are hereby assigned and shall be paid to Lender. Lender shall apply the proceeds to the sums secured by the Security Instrument, whether or not then due, with the excess, if any, paid to Borrower.

C. Public Liability Insurance. Borrower shall take such actions as may be reasonable to insure that the Owners Association maintains a public liability insurance policy acceptable in form, amount, and extent of coverage to Lender.

D. Condemnation. The proceeds of any award or claim for damages, direct or consequential, payable to Borrower in connection with any condemnation or other taking of all or any part of the Property or the common areas and facilities of the PUD, or for any conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender. Such proceeds shall be applied by Lender to the sums secured by the Security Instrument as provided in Section 11.

E. Lender's Prior Consent. Borrower shall not, except after notice to Lender and with Lender's prior written consent, either partition or subdivide the Property or consent to: (i) the abandonment or termination of the PUD, except for abandonment or termination required by law in the case of substantial destruction by fire or other casualty or in the case of a taking by condemnation or eminent domain; (ii) any amendment to any provision of the "Constituent Documents" if the provision is for the express benefit of Lender; (iii) termination of professional management and assumption of self-management of the Owners Association; or (iv) any action which would have the effect of rendering the public liability insurance coverage maintained by the Owners Association unacceptable to Lender.

F. Remedies. If Borrower does not pay PUD dues and assessments when due, then Lender may pay them. Any amounts disbursed by Lender under this paragraph F shall become additional debt of Borrower secured by the Security Instrument. Unless Borrower and Lender agree to other terms of payment, these amounts shall bear interest from the date of disbursement at the Note rate and shall be payable, with interest, upon notice from Lender to Borrower requesting payment.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and provisions contained in this PUD Rider.

Jamie Singleton (Seal)
JAMIE SINGLETON -Borrower

_____ (Seal)
-Borrower

_____ (Seal)
-Borrower

_____ (Seal)
-Borrower

_____ (Seal)
-Borrower

_____ (Seal)
-Borrower

_____ (Seal)
-Borrower

10281247



PAY TO THE ORDER OF

WITHOUT RECOURSE
PEOPLE'S CHOICE HOME LOAN, INC.
A Wyoming Corporation

By _____
DANA LANTRY
Title: Asst. Vice President