

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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SC Court of Appeals

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

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

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

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

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

12 Q: Okay. Which prior servicer?

13 A: Shellpoint.

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

23 A: Yes, that is correct.

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



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

3 A: Yeah.

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

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

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

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

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

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

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

22 A: Yes.

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

25 A: Yes.



1 Q: Okay. Is it received by someone with knowledge
2 of receiving the information and inputting the
3 information?

4 A: Yes.

5 Q: Okay. And is this -- is this information, did
6 -- did it appear to be accurate?

7 A: Yes.

8 Q: Okay. Did -- did you incorporate this into
9 your -- into SLS' records?

10 A: Yes, we did.

11 Q: Okay. Do you rely on this information in
12 servicing the loan?

13 A: Yes, we do.

14 Q: Okay.

15 **MR. HAYES:** Your Honor, I move that Plaintiff's
16 Number 17 be admitted into evidence.

17 **(Plaintiff's Exhibit Number 17 was offered into**
18 **evidence.)**

19 **MR. BARNES:** No objection.

20 **THE COURT:** 17 -- Exhibit 17 is admitted without
21 objection.

22 **(Plaintiff's Exhibit Number 17 was admitted into**
23 **evidence.)**

24 **MR. HAYES:** Okay. And ---

25 **THE COURT:** Business record, correct?



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

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

5 **A:** The end of the balance for the principal
6 balance and only the principal balance is
7 \$207,389.66.

8 **Q:** Okay.

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

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

12 **MR. HAYES:** Yes, sir.

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

16 **MR. HAYES:** Yes, sir.

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

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

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

24 **MR. HAYES:** I'm sorry?

25 **THE COURT:** I was asking him.



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

3 A: The ending balance back in the -- 2010, was
4 \$208,818.11. At -- when it was received by
5 Shellpoint in 2015, it's \$208,601.00, meaning
6 that a transaction was made that lowered the
7 principal balance, reducing the amounts that
8 were due and owing.

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

11 A: Yes.

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

14 A: Yes, Your Honor. If you -- if you want to see
15 the transaction with the credits being applied
16 ---

17 **THE COURT:** Where is that?

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



1 **THE COURT:** So ---

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

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

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

9 **THE COURT:** Of which ...

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

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

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

18 **THE COURT:** Okay.

19 A: The principal amount is being reduced by
20 116.46. The interest amount is being reduced
21 by \$1816.57. And as you work your way up,
22 you'll see all the different -- the ten
23 different payments being applied, lowering the
24 principal that started at \$208,601, getting
25 lowered down to \$207,389.66.



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

4 Go ahead.

5 **MR. HAYES:** Thank you, Your Honor.

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

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

14 **Q:** Would you elaborate on that?

15 **A:** Well, to the best of my recollection reviewing
16 the loan, there was a -- some kind of an
17 insurance incident, and something around
18 \$19,000.00 were paid out to the borrower. And,
19 if I'm not mistaken, I believe during the case,
20 they had asked for the monies to be applied
21 towards the loan.

22 **Q:** Okay. Okay. Thank you.

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

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



1 Q: Mr. Amaya, you have in your hands what has been
2 marked as Plaintiff's Exhibit 18. Can you
3 identify that document?

4 A: Yes. This is payment history from the prior
5 servicer.

6 Q: Okay. Which prior servicer is it?

7 A: This would be Statebridge, the one that
8 serviced right before Specialized Loan
9 Servicing.

10 Q: Okay. And was this information for this
11 document, was it received by SLS in its regular
12 course of business?

13 A: Yes.

14 Q: Was it -- was the information input or received
15 and input by someone with knowledge of the
16 transaction?

17 A: Yes.

18 Q: Is it -- is it -- d- -- do you make the -- the
19 information received on this document, is that
20 incorporated into the records of SLS?

21 A: Yes, it is.

22 Q: Okay. Do these records for Plaintiff's Number
23 18 appear to be accurate?

24 A: Yes.

25 Q: Okay. Does SLS rely on these records when



1 servicing the -- servicing the loan?

2 A: Yes.

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

6 A: Yes.

7 Q: Okay.

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

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

12 **THE COURT:** Objection?

13 **OBJECTION:**

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



1 **THE COURT:** Okay.

2 **MR. HAYES:** He testified it was Statebridge.

3 **MR. BARNES:** These? This 120 pages?

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

7 **A:** From the prior servicer, Statebridge.

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

10 **THE COURT:** He said Statebridge.

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

13 **A:** That's what I said.

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

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

18 **MR. BARNES:** How does he know that?

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

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

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

25 **Q:** Okay. 11/30 of 2022?



1 A: Yes.

2 Q: From what -- from what servicer did SLS receive
3 the ser- -- the latest servicing records?

4 A: From Statebridge, the prior servicer.

5 Q: Okay. So, Statebridge was the prior servicer
6 and the last date on here, when did you -- SLS
7 receive the information from Statebridge?

8 A: Yes.

9 Q: Was it 11/30/2022?

10 **OBJECTION:**

11 **MR. BARNES:** Leading.

12 **THE COURT:** Sustained.

13 Q: Okay. When did -- when did -- approximately
14 when did SLS receive the servicing information
15 from the prior servicer?

16 A: At the end of 2022. Within November or
17 December of 2022.

18 Q: Okay. And from whom did SLS receive that
19 information?

20 A: From Statebridge.

21 Q: Okay. Because why? Was Statebridge the prior
22 servicer?

23 A: Yes.

24 Q: Okay.

25 **MR. HAYES:** Your Honor, I, again, move that these be



1 admitted into evidence as Plaintiff's Number
2 18.

3 **MR. BARNES:** Judge, is it ---

4 **MR. HAYES:** He ---

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

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

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

9 A: Yes.

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

12 A: Yes.

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

15 A: Yes.

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

19 A: Yes.

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



1 -- approximately the date when it was turned
2 over.

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

5 **MR. HAYES:** To ---

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

14 **MR. HAYES:** Judge, he has -- he has testified that
15 he is personally aware that Statebridge was the
16 prior servicer. He has personally testified
17 that he -- I mean, he -- he has personal
18 knowledge that this information came from
19 Statebridge, and the information is the
20 effective date. If you look at the dates on
21 it, Your Honor, it goes from 2019 to -- to --
22 to the end of 2022. If he's personally -- has
23 personal knowledge that Statebridge was the
24 prior servicer, that they received this
25 information from Statebridge, that they've



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

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

10 **MR. HAYES:** Your ---

11 **MR. BARNES:** At all.

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

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

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

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

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



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

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

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

10 **THE COURT:** And this is ---

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

18 **THE COURT:** How ---

19 A: That's ---

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

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

23 **THE COURT:** Yes, sir.

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



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

3 **THE COURT:** Uh-huh.

4 A: --- format.

5 **THE COURT:** Right.

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

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

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

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

24 A: Yes.

25 **THE COURT:** You said that you pulled from your



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1 computer ---

2 A: Yes.

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

5 A: Yes, Your Honor.

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

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

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

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



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

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

17 A: Uh-huh.

18 **THE COURT:** --- the example, correct?

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

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



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

3 MR. HAYES: Thank you, Your Honor.

4 THE COURT: As a business record.

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

6 THE COURT: Sure.

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

12 THE COURT: Yes, sir.

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

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

18 MR. BARNES: Okay. Will do.

19 THE COURT: Thank you very much.

20 MR. HAYES: Thank you.

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

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

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



1 A: \$207,389.70.

2 Q: Okay. Is ---

3 **THE COURT:** Where do you see that?

4 A: On page 120, Your Honor.

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

7 A: Yes.

8 **THE COURT:** Hold on a second. The balance on
9 4/6/2018 was 20- -- \$207,389.70, that was the
10 principal balance as calculated by your -- by
11 this -- this Exhibit 17 -- 18.

12 A: Correct, Your Honor.

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

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

19 **THE COURT:** Yes, sir.

20 A: The window is not expanded.

21 **THE COURT:** Right.

22 A: Excel rounds up.

23 **THE COURT:** Right.

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



1 beginning escrow balance on Plaintiff's Number
2 18?

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

4 Q: Okay. Where do you find that?

5 A: That is on page 120.

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

9 A: There is -- there is a late charge balance of
10 \$5,439.78.

11 Q: Okay. And where is that shown?

12 A: On page 120.

13 Q: Okay.

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

16 Q: Okay.

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

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

21 A: On page 120, Your Honor?

22 **THE COURT:** Yes, sir.

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

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



1 charges?

2 A: Yes, Your Honor. You'll see here on page 3,
3 NLC ---

4 **THE COURT:** Okay. Got it. Thank you.

5 Q: And were any mortgage payments shown on this
6 Plaintiff's Number 18?

7 A: No.

8 Q: What is the ending principal balance on
9 Plaintiff's Number 18?

10 A: \$207,389.7.

11 Q: Okay. And where is that found -- is that --
12 what page is that found on?

13 A: On page 3, second column.

14 Q: Okay, okay. So, the \$207,389.7, that's
15 basically it's -- it -- is that \$207,389.70?

16 A: No, it's rounded up to 70 because the column
17 shrunk.

18 Q: Okay.

19 A: If you notice, principal's not even a complete
20 number -- a complete word. The L got dropped
21 down.

22 Q: Okay.

23 A: The window needed to be expanded to allow the
24 full number to be shown.

25 Q: Okay. Does the escrow account have a balance



1 at the end of the ---

2 A: Yes.

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

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

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

8 A: Page 3, under end escrow bal.

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

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

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

15 A: Oh -- it appears it did change. I see a
16 \$5,704.78.

17 Q: Okay. Thank you. And you said no payments
18 were made on -- are shown on Plaintiff's Number
19 18 during the course of this payment history?

20 A: Let's see, we have a starting due date of
21 1/1/2010, and an ending due date, it's
22 1/1/2010, so, the due date was never advanced
23 and no payments were applied.

24 Q: Okay. Thank you.

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



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

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

10 **THE COURT:** I'm just trying to verify.

11 **MR. BARNES:** You and me both.

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

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

19 A: Which one, Your Honor? Page 96?

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

24 A: It is ---

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



1 A: It's saying ---
2 **THE COURT:** --- as it's -- the column is entitled
3 late charge ---
4 A: Assess ---
5 **THE COURT:** --- amount, AMT.
6 A: Well, yes.
7 **THE COURT:** And it looks like it occurred in
8 payments of \$5.
9 A: Yes, Your Honor, and I believe that one is on
10 page 93. 93, you'll see the late charge assess
11 negative 5.
12 **THE COURT:** I'm going to go nuts trying to put this
13 back together.
14 **MR. HAYES:** It would be nice if it'd just all print
15 out easy.
16 A: It's exactly as you said, Your Honor.
17 **THE COURT:** I see the first charge on page 111.
18 Start at 5439 and the first change is ...
19 A: I see it on page 109, Your Honor.
20 **THE COURT:** 109?
21 A: Yes.
22 **THE COURT:** Late charge negative \$5. That's an
23 entirely different row there.
24 **MR. HAYES:** Which one are you trying to find, Your
25 Honor?



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

5 **MR. HAYES:** Okay.

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

8 A: There's also one on 110.

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

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

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

15 A: And then ---

16 **MR. HAYES:** --- late charge.

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

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

20 A: From 9/17 to 10/17.

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

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



1 the month.

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

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

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

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

10 **THE COURT:** Thank you, Mr. Barnes.

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

13 A: Yes. This is SLS payment history.

14 Q: Okay. Where is this payment history from?

15 A: SLS.

16 Q: Okay. So ---

17 A: From us. The servicer.

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

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

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

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

24 Q: So, it goes from December the 9th, 2022 to May
25 5th, 2023?



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1 A: Yes.

2 Q: Okay. Are any payments to principal and
3 interest shown on this document?

4 A: No.

5 Q: Okay. Now, does -- I know I asked you this
6 before, does SLS in its normal course of
7 business keep records of the -- for the loans
8 it services?

9 A: Yes.

10 Q: Okay. And are entries in those records made at
11 or near the time the transaction occurred?

12 A: Yes.

13 Q: Okay. And is the person entering the
14 information, are they -- do they have knowledge
15 of how to enter the information into SLS'
16 system?

17 A: Yes.

18 Q: Okay.

19 **MR. HAYES:** Your Honor, I move that Plaintiff's
20 Number 19 be admitted into evidence.

21 **(Plaintiff's Exhibit Number 19 was offered into**
22 **evidence.)**

23 **MR. BARNES:** No objection.

24 **THE COURT:** 19's admitted without objection.

25 **(Plaintiff's Exhibit Number 19 was admitted into**



1 **evidence.)**

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

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

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

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

14 Q: Okay.

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

17 Q: Okay. From -- so, no payments have been made
18 on principal and interest on the loan at issue
19 in this case the entire time that SLS has
20 serviced it since sometime around December the
21 9th, 2022?

22 A: That is correct.

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

25 A: 207,389.66.



1 **THE COURT:** Where do you see that on this document?

2 A: Your Honor, right here, principal balance
3 (indicating).

4 **THE COURT:** Oh, I see it.

5 **MR. HAYES:** Okay.

6 A: It's titled Balance Principal.

7 **THE COURT:** Yes, sir.

8 Q: What is the -- what is the accrued interest on
9 the account?

10 A: I don't have it off the top of my head. I'd
11 have to look at a payoff before I can calculate
12 it.

13 Q: Okay. What's the interest rate on this loan?
14 I -- it's adjustable. Has it been changing
15 throughout the history of the loan?

16 A: To the best of my recollection from default,
17 it's been the same interest rate of the 10.45,
18 I believe it was. The lowest that the note
19 allows.

20 Q: Are you getting that from the ---

21 A: That was in the payoff. That's just off the
22 best of my recollection.

23 Q: Okay. The -- the -- the interest rate though,
24 that -- did you obtain that information from
25 looking at the note, which I think was



1 Plaintiff's Exhibit Number 7?

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

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

7 A: From the due date.

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

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

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

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

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

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

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



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

2 **THE COURT:** (Nods head.)

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

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

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

10 **COURT REPORTER:** He -- he wants a pen.

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

12 **THE COURT:** Hold on a second.

13 **MR. BARNES:** Sure.

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

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

16 **MR. BARNES:** I'm sorry.

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

19 A: Yes.

20 Q: Yes.

21 A: I have it.

22 Q: Okay. What is it?

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

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



1 handed up?

2 A: Yes.

3 Q: Okay. All right. Was this -- where is this --
4 I guess this is Plaintiff's Number 20. Where
5 did this document come from?

6 A: This is created by SLS.

7 Q: Okay. And what does this document show?

8 A: It shows a payoff and standard breakdown by
9 category of the total amounts by their
10 categories.

11 Q: Okay. And who is listed on the -- as the
12 client -- well, up there in the left-hand
13 corner, what's the name printed up there in the
14 upper left-hand corner?

15 A: Specialized Loan Servicing.

16 Q: Okay. And what does JFIGS mean?

17 A: Oh, I believe it actually stands for Judgment
18 Figures good with their good-through date.

19 Q: Okay. And what's the good-through date?

20 A: 6/12/2023.

21 Q: And who -- who's shown as the client?

22 A: SLS.

23 Q: What is the loan number shown on this
24 Plaintiff's Number 20?

25 A: The mortgager name is Jamie Singleton.



1 Q: Okay. Is there a loan number on it?

2 A: There is.

3 Q: Okay. Would you read off the loan number?

4 A: Yes. 1031270127.

5 Q: Okay. And what is shown as the current

6 interest rate?

7 A: 10.45.

8 Q: Is that 10.45 percent?

9 A: Yes.

10 Q: Okay. And is there a per diem shown on this

11 document?

12 A: Yes. There's a per diem rate of 59.3759. That

13 would be dollars per day.

14 Q: Okay. \$59.37. -- \$59.3759?

15 A: Yes. You can't always divide a number exactly

16 through the odd days in a month.

17 Q: Okay. And when was this document prepared?

18 A: It's dated 6/5/23.

19 Q: Okay. And what is shown as the unpaid

20 principal balance?

21 A: \$207,389.66.

22 Q: Okay. And is there an interest calculation

23 from and to date?

24 A: Yes. From December 1, 2009, through 6/12/2023.

25 Q: Okay. And how -- how much is the accrued



1 interest?

2 A: \$293,228.37.

3 Q: Is there an escrow advanced category on here?

4 A: Yes. It is showing an amount of \$27,821.69.

5 Q: Okay. And how much are the late charges on
6 here?

7 A: \$5,704.78.

8 Q: Okay. And what other categories are there on
9 here?

10 A: We have property -- well, there's multiple
11 categories that don't have anything on them,
12 such as delinquent taxes at 0, delinquent
13 insurance at 0, deferred balance at 0, we have
14 a NSF fee at 0, and we do have property
15 preservation as 0, we have property inspections
16 at \$565, other fees and costs of \$17,112.27.
17 There are attorneys fees that have been paid of
18 \$32,403.50. We have \$1,939 in suspense, which
19 reduces the total amount due on the loan by
20 that amount.

21 Q: Okay. So, the total payoff through today as
22 shown from SLS' records is how much?

23 A: \$582,285.52.

24 Q: There's some information on the back of this
25 document. Does this ---



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

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

8 A: Yeah.

9 Q: --- you said.

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

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

13 A: Yes.

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

17 A: It was created by someone with knowledge.

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

21 A: Yes.

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

24 **(Plaintiff's Exhibit Number 20 was offered into**
25 **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 deduct (sic) JFIGS and just put the amount



1 due.

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

4 **THE COURT:** Does that satisfy your objection?

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

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

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

13 **MR. HAYES:** Right.

14 **THE COURT:** So, it comes in as summary.

15 **MR. HAYES:** Okay. Mis- ---

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

18 **MR. HAYES:** Okay.

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

22 **MR. HAYES:** Yes, sir.

23 **MR. BARNES:** 6/12.

24 Well, he said take the whole thing out.

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



1 good through.

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

4 **MR. HAYES:** Okay.

5 **THE COURT:** That's Exhibit ---

6 **MR. BARNES:** 20.

7 **THE COURT:** Exhibit 20.

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

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

13 A: Yes.

14 Q: Okay.

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

16 **MR. HAYES:** 21.

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

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

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

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

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

25 A: 21.



1 **MR. BARNES:** That would be 21.

2 **MR. HAYES:** 21? When did I miss it? Oh, okay, I
3 missed one. Never mind. I thought that was
4 ...

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

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

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

19 A: Yes. This is created by SLS.

20 Q: Okay. Does SLS ---

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

24 **MR. HAYES:** Okay. I apologize.

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



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

3 **MR. HAYES:** Okay.

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

6 A: Yes. It was created by SLS.

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

10 A: Yes.

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

14 A: Yes.

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

18 A: Yes.

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

20 A: Yes, we do.

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



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

3 THE COURT: Any objection?

4 MR. BARNES: No, Your Honor.

5 THE COURT: 21 is admitted without objection.

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

8 MR. HAYES: Okay.

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

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

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

20 A: Yes. We have on 11/28/22, county taxes for
21 \$2747.75. On 1/3/22, we have county taxes for
22 \$2747.75. On 1/4/21, we have county taxes for
23 \$2640.29. On 1/2/2020, we have county taxes in
24 the amount of \$2602.80. On 1/3/2019, we have
25 county taxes in the amount of \$2364.77.



- 1 A: Okay. Did -- what about the homeowner's
2 insurance. Would you read off the -- the dates
3 of those payments and the amounts?
- 4 Q: Yes. Homeowner's insurance dated --
5 transaction dated 7/29/2022, \$2856.
6 Homeowner's insurance dated 7/28/2021, \$2252.
7 Homeowner's insurance dated 9/3/2020, dated
8 \$2212. Homeowner's insurance dated 8/21/19,
9 total transaction amount \$1687. Homeowner's
10 insurance dated 5/2/19, \$754.97.
- 11 Q: Okay. And it has a prior servicer advance on
12 there. Can you tell me what that was for?
- 13 A: Yes. I can look at the prior servicer's
14 payment history and identify those. The --
15 that would be because it came from the prior
16 prior servicers.
- 17 Q: Okay.
- 18 A: Let's see, the -- that would be on the
19 Shellpoint payment history.
- 20 Q: Okay.
- 21 A: Let me find ---
- 22 Q: And if you don't mind, if you could just look
23 ---
- 24 A: Yes.
- 25 Q: --- that up.



1 A: I'll pull that for you now. So, we have a
2 transaction on -- transaction date of
3 8/18/2017. That is page 3 of the Shellpoint
4 Mortgage payment history. County taxes
5 \$2,657.29. And then we have a transaction on
6 11/27/17 for county tax bill of \$2,299.07.

7 Q: How much ---

8 A: I should note that the transaction on 8/18/17
9 shows that it was for the taxes due on
10 12/31/2016, and the transaction that is dated
11 11/27/17 shows for a due date of 12/31/2017.

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

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

15 **(Plaintiff's Exhibit Number 17 was referenced.)**

16 Q: Okay.

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

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

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



1 A: Oh, Statebridge, Your Honor. Yes.

2 **MR. HAYES:** Statebridge.

3 **THE COURT:** Statebridge?

4 A: Yes, Your Honor. Number 18.

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

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

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

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

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

22 **MR. HAYES:** I understand, Your Honor.

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



1 **MR. HAYES:** Okay.

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

5 **MR. HAYES:** Okay.

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

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

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

19 **THE COURT:** I can always expand mine.

20 A: Yes, Your Honor.

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

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

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

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



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

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

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

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

20 **MR. HAYES:** Yes, sir.

21 **MS. TAYLOR:** Okay.

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

25 **THE COURT:** Just wait until you get an order.



1 MS. TAYLOR: Okay.

2 MR. HAYES: All right.

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

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

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

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

14 MR. BARNES: So ---

15 THE COURT: Same thing would apply to insurance,
16 same thing applies -- I don't know if there's
17 some way the county taxes could be reduced, but
18 ...

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

22 THE COURT: Let's -- let -- let's do this. It's
23 4:42. It's been a long day. We can -- we have
24 -- tomorrow we'll come back tomorrow and we'll
25 finish up what you got ---



1 MR. HAYES: Yes, sir.

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

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

7 DAY 2 - TUESDAY, JUNE 13, 2023

8 THE COURT: Mr. Hayes?

9 MR. HAYES: Yes, sir.

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

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

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

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

18 THE COURT: That's fine.

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

21 THE COURT: Right.

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

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



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

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

7 So, they organize from ...

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

10 **MS. TAYLOR:** 2015 to ---

11 **MR. HAYES:** We ---

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

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

18 **THE COURT:** Hold on, one second.

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

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



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

4 **THE COURT:** That's right.

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

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

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

16 **THE COURT:** Sure.

17 (Off the record discussion.)

18 **MR. BARNES:** No objection.

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



1 necessary, on those records.

2 **MR. HAYES:** Okay.

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

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

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

8 **MR. HAYES:** Thank you.

9 **THE COURT:** Do you have any objection to that?

10 **MR. BARNES:** Not at all.

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

13 **MR. BARNES:** Two.

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



1 document entitled Tax Activity Screen has a
2 date of June 12th, 2023. Time 9:23:22. This
3 is a receipt, having a number R20170006033500.
4 I'm going to mark this -- have her mark that
5 22.

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

8 **THE COURT:** All right.

9 **MR. HAYES:** Beg the Court's indulgence.

10 **(Off the record discussion.)**

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

14 **THE COURT:** All right.

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

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

20 A: Yes, sir.

21 Q: --- from yesterday?

22 A: Yes.

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

24 A: Yes.

25 Q: Can you find the amount on there?



1 A: Yes. There is a total of \$2,364.77.

2 Q: Okay. Does that match the amount shown for
3 taxes on Plaintiff's Exhibit Number 21?

4 A: 21 does not have 2018's broken down, that was
5 in the payment history.

6 Q: Okay.

7 A: That was identified in the payment history.

8 Q: But it does show county tax 11319236477.
9 Correct? 2,364.77?

10 A: Yes.

11 Q: Okay. Would you go to the 2019 taxes on 22.

12 A: What ---

13 **THE COURT:** What Exhibit ---

14 **MR. HAYES:** 22. Exhibit 22, I'm sorry.

15 A: My apologies.

16 Q: No, my apologies.

17 A: No, I'm the one that was mistaken. Because it
18 appears that the 2018s were actually paid on
19 January 2019.

20 Q: Okay. Thank you.

21 A: And the numbers do match.

22 Q: Okay. Thank you. And on the -- go to the 2019
23 taxes in Exhibit Number 22 ---

24 A: Yes.

25 Q: --- and compare it to the amount shown as being



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

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

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

6 A: Yes, I have the 2020 taxes.

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

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

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

14 A: Yes.

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

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

19 Q: Okay. Would you look at the 2022 taxes shown
20 in Plaintiff's Exhibit Number 22 and compare it
21 with the amount shown as being paid on November
22 the 28th, 2022, on Plaintiff's Exhibit Number
23 21?

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

25 Q: So would you agree that the numbers shown as



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

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

6 Q: Okay. Thank you.

7 **(Off the record discussion.)**

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

15 **THE COURT:** Thank you, Mr. Barnes.

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

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

22 **THE COURT:** All right.

23 **MR. BARNES:** In summary form.

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



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

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

12 **MR. HAYES:** Yes, sir.

13 **THE COURT:** Any objection, Mr. Barnes?

14 **MR. BARNES:** No, Your Honor.

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

17 **MR. HAYES:** Yes, sir.

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

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



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

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

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

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

10 A: Yes, this is 23.

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

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

16 MR. HAYES: Okay.

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

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

20 MR. HAYES: Okay. All right.

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

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

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



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

5 **MR. HAYES:** Yes, it is.

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

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

9 Q: Mr. Amaya ---

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

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

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

24 **MR. HAYES:** Okay.

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



1 as Plaintiff's Exhibit Number 24?

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

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

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

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

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

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

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

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

22 A: Yes.

23 Q: Okay.

24 A: Yes.

25 Q: Does this breach letter match the copy in your



1 system?

2 A: Yes.

3 Q: Okay. In SLS' system?

4 A: Yes, it does.

5 Q: Okay. Does SLS, in its normal course of
6 business, regular course of business, maintain
7 a copy of the breach letter?

8 A: Yes, we do.

9 Q: Okay. Would that information have been entered
10 into SLS' records at or near the time the
11 breach letter was sent?

12 A: Yes.

13 Q: Okay. And would it have been entered into the
14 records by a person with knowledge of how to
15 enter it into the records and store it?

16 A: Yes.

17 Q: Okay.

18 **MR. HAYES:** Your Honor, I move that this be
19 submitted -- moved into evidence as Plaintiff's
20 Exhibit Number -- well, that it be admitted
21 into evidence.

22 **(Plaintiff's Exhibit Number 24 was offered into**
23 **evidence.)**

24 **OBJECTION:**

25 **MR. BARNES:** We object. Judge, there is no



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

3 **THE COURT:** Objection sustained.

4 **MR. HAYES:** Okay.

5 **MR. BARNES:** Thank you, Judge.

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

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

13 Q: Okay. And would you explain that?

14 **THE COURT:** Hold on one second. Mr. Hayes, Exhibit
15 24 is not going to be admitted into evidence.

16 **MR. HAYES:** Okay.

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

18 **MR. HAYES:** Okay.

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

24 **MR. HAYES:** Thank you, Your Honor.

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



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

3 **THE COURT:** That's right.

4 **MR. BARNES:** Thank you.

5 **MR. HAYES:** Beg the Court's indulgence, Your Honor.
6 **(Plaintiff's Exhibit Number 25 was marked for**
7 **identification purposes.)**

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

11 **THE COURT:** Yes, sir.

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

14 **MR. HAYES:** All right.

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

17 **MR. HAYES:** The original of ---

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

20 **MR. HAYES:** It's ---

21 **THE COURT:** I have a copy.

22 **MR. HAYES:** --- Number 25?

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



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

4 **MR. HAYES:** Okay.

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

7 **MR. HAYES:** Yes, sir.

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

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

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

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

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

25 **THE COURT:** Well, the best evidence is the original



1 document.

2 **MR. HAYES:** Okay.

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

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

10 **THE COURT:** Okay. Let's go forward.

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

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

15 A: Yes. That's collection comments.

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

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



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

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

6 A: Yes.

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

10 A: Yes.

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

13 A: Yes, it is.

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

17 A: Yes.

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

20 A: Yes.

21 Q: Okay.

22 **MR. HAYES:** Your Honor, I ---

23 **THE COURT:** One other question.

24 **MR. HAYES:** Yes, sir.

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



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1 record?

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

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

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

8 **THE COURT:** What's that mean?

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

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

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

16 **THE COURT:** All right. All right. What was your
17 motion?

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

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

22 **MR. BARNES:** You done?

23 **MR. HAYES:** Yeah, I mean ---

24 **THE COURT:** Under what -- what ---

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



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

7 **THE COURT:** Thank you.

8 **OBJECTION:**

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

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

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



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

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

4 THE COURT: Thank you.

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

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

10 Q: And what date is that?

11 A: 5/16/08.

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

13 A: Yes.

14 Q: All right.

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

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



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

3 **THE COURT:** Thank you, Mr. Barnes.

4 **MR. BARNES:** You're welcome.

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

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

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

9 **MR. BARNES:** Seven.

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

11 **THE COURT:** Yes.

12 **MR. HAYES:** Okay.

13 **MR. BARNES:** Although, there are some page numbers,
14 for example, on the third page at the bottom
15 there's number 27, on the fourth page is number
16 28, the other pages are otherwise un-numbered.

17 **THE COURT:** Thank you.

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

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

22 Q: What do you mean by redacted?

23 A: That only certain sections have been provided
24 ---

25 Q: Okay.



1 A: It's a private deal.

2 Q: Okay. And what -- what is -- the mortgage loan
3 purchase agreement, what mortgage is it
4 regarding?

5 A: This one is related specifically to this loan.

6 Q: Okay. Is -- is there a date on Plaintiff's
7 Exhibit Number 26?

8 A: It shows -- the front page says dated as of
9 January 31st, 20-- 2018.

10 Q: Okay. And what does it -- who is it between?
11 It's a purchase agreement. Who's the seller
12 and who's the buyer, or purchaser?

13 A: The Purchaser is Waterfall Victoria Master
14 Funds [sic] and the Waterfall Victoria Grantor
15 Trust II, Series G. And it's showing as seller
16 NNPL trust Series 2012-1. As Seller and as
17 Seller Responsible Party Nomura Corpor--
18 Corporate Funding Americas, LLC.

19 Q: Okay. And would you identify -- is this for
20 the purchase of one loan, or for the purchase
21 and sale of several loans?

22 A: To the best of my understanding, this was for
23 the purchase of multiple loans.

24 Q: Okay. Would -- would Mr. Singleton -- when --
25 when you sell multiple loans, is there a list



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

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

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

8 A: Redacted not to show the other loans.

9 Q: The information regarding the other loans.

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

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

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

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

20 **MR. HAYES:** Okay.

21 **THE COURT:** --- for purposes of the facts of the
22 case.

23 **MR. HAYES:** Okay.

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



1 the loan number.

2 **MR. HAYES:** Yes, sir.

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

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

12 **THE COURT:** Invasive.

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

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

16 **MR. HAYES:** Okay.

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

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

21 A: Yes.

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

25 A: 26?



1 Q: Yeah. I think this is marked as 26, isn't it?

2 A: Yes. But you said 6.

3 Q: Okay.

4 A: Yes.

5 Q: Okay. Did -- did this document come from the
6 records of Waterfall Victoria Grantor Trust II,
7 Series G?

8 A: Yes.

9 Q: Okay. And are those records maintained -- or,
10 as servicer, does SLS maintain the records of
11 the -- the loans that were serviced and sold to
12 Waterfall Victoria Grantor Trust Series G?

13 A: The ones that we service, yes. We might not
14 service all their loans in their loan.

15 Q: Okay. Would you receive a purchase and sale
16 agreement for the loans that were sold and
17 serviced by SLS?

18 A: When requested by them. Sometimes they're
19 private deals and it is maintained in a secure
20 folder that we need their approval to pull it
21 from.

22 Q: Okay.

23 A: Such as this case.

24 Q: Such as in this case?

25 A: Yes. This was in a secure location where I



1 needed their approval to pull the document.

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

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

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

10 A: Yes.

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

13 A: Yes.

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

16 A: Yes.

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

20 A: Yes, we do.

21 Q: Okay.

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

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



1 OBJECTION:

2 **MR. BARNES:** We object on numerous grounds, Your
3 Honor. First of all, this is an incomplete
4 exhibit. The first thing it starts off with
5 after the general recitals, I call the
6 salutations, you start off with the
7 definitional sections, and that's it. And then
8 it jumps to page 27. It jumps from Section 1
9 to Section 6. All of the provisions regarding
10 references to a mortgage loan schedule are not
11 in here. All of the prohibited transaction
12 sections are not in here. All of the purchase
13 obligation sections are not in here for loans
14 that can't be transferred. And, by the way, by
15 2018 this loan had been in default for several
16 years. All of that is missing. So that's the
17 first problem.

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



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

3 Also, SLS is not a party to this document.
4 They are not mentioned anywhere in here. And,
5 finally, Judge, the ones I can think of off the
6 top of my head, is that what we don't have here
7 is anything talking about how the loans were
8 sold, how they were transferred. And more of--
9 -- more importantly too is, NNPL Trust Series
10 2021-1 allegedly is the seller, how did they
11 acquire it? That's not in here either.

12 **THE COURT:** Sustained.

13 **MR. BARNES:** Thank you, Judge.

14 **MR. HAYES:** Thank you, Your Honor.

15 **MR. BARNES:** So, 26 is out?

16 **THE COURT:** Yes.

17 **MR. BARNES:** Thank you.

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

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

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



1 clarification for the record and ---

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

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

7 **MR. BARNES:** Thank you, Judge.

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

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

11 **THE COURT:** We keep going until I say stop.

12 (Laughter.)

13 **MR. HAYES:** Okay.

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

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

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

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

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

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

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



1 **MR. SLOAN:** Nine and a half.

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

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

13 **THE COURT:** Well, let's ---

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

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

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

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

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

23 **THE COURT:** Yeah, that's a good idea. go ahead.
24 Are we starting at 1, Mr. Barnes?

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



1 ---

2 **THE COURT:** Okay.

3 **MR. BARNES:** --- but ...

4 **THE COURT:** Go ahead.

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

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

7 **MR. AMAYA - CROSS EXAMINATION BY MR. BARNES:**

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

11 A: Amaya.

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

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

21 A: I don't fully understand the question.

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

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



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

6 A: Yes.

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

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

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

17 A: From the prior servicer.

18 Q: Only the prior servicer, immediately prior?

19 A: Correct.

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



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

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

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

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

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

15 A: The prior servicer.

16 Q: Okay. Could you identify them by name?

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



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

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

17 A: The loan information.

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

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



1 imaged information or data digital information.

2 Q: Right. But, again, are we talking about
3 documents from the closing when the loan
4 closed? Are we talking about things that may
5 have happened later, like a loan modification?
6 What are you talking about?

7 A: As I said, they send us all their information.
8 All the information that they have on the loan.
9 They send us all the imaged documents they
10 have, and they send us all the data digital
11 information that they have. And that's when we
12 -- been -- start the review process, when it's
13 sent to the asset conversion department.

14 Q: Okay. Now, you got information and documents
15 from Statebridge, correct?

16 A: We received all of the prior servicer
17 information from Statebridge, yes.

18 Q: Now, and if I understand your earlier
19 testimony, that the re- -- this information you
20 received from Statebridge including inf- --
21 included information from GMAC and Shellpoint?

22 A: Correct. It included all prior servicers'
23 information, even servicers that were prior to
24 them.

25 Q: Okay. Does SLS undertake any inquiry of the,



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

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

10 Q: My bad. I'm sorry.

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

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

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

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



1 information that I'm asking.

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



1 servicer to gain whatever information it is.

2 Q: Okay. Would records of a servicer that was
3 involved with this loan that were not given to
4 you constitute a discrepancy?

5 A: If they're identified in the process, yes.

6 Q: Okay. So here's my question, are you aware
7 that there have been two -- at least two other
8 servicers involved with this loan whose records
9 were not produced during this trial?

10 A: I'm aware that there were several servicers,
11 including the original lender. Some of them
12 records that were, correct, not produced for
13 this trial.

14 Q: Okay. Is one of them AMS, if you know?

15 A: I do not recall if AMS -- the ones I do recall
16 was the Peoples' Choice original lender, which
17 only had the loan for about two, three months.
18 I believe after them, to the best of my
19 recollection, it was Ocwen. After that, I
20 don't have it all memorized, but I know there
21 was GMAC and Shellpoint actually serviced the
22 loan twice with one servicer in between for a
23 short period. And after Shellpoint, it was
24 Statebridge and then us.

25 Q: Are you aware of a s- -- that -- well, let me



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

3 A: No.

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

9 A: I am not aware of him.

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

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

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

17 Q: Don't guess.

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

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



1 servicer for a period of time on this loan?

2 A: To the best of my recollection, I believe they
3 were.

4 Q: And your ---

5 A: But I ---

6 Q: --- SLS has no records of Ocwen's servicing?

7 A: I never said such a thing.

8 Q: I thought you said you didn't have any.

9 A: No, I said we didn't bring anything for this
10 trial. That's what you had asked me.

11 Q: Thank you. And also, you have no records
12 brought to trial for AMS' servicing of the loan
13 either, correct?

14 A: I don't believe I testified to anything that
15 was from AMS.

16 Q: Okay. And also, there have been no records
17 produced in this trial as to any involvement of
18 what you termed an interim servicer called
19 WealthBridge, correct?

20 A: They might have -- they might have been
21 actually involved in the assignments of
22 mortgage. I believe they might have been
23 mentioned there. I -- if you'd like for me, I
24 can look through it to see if either one of
25 them are mentioned there?



- 1 Q: Well, I'd ra- -- we're going to go through
2 those chapter and verse. I'd rather you not
3 guess at this point. If you don't know, you
4 can say, I don't know, and when we get to it,
5 we'll look at it ---
- 6 A: Okay. I don't ---
- 7 Q: --- because ---
- 8 A: As I said, I don't have any of this memorized,
9 so I would prefer ---
- 10 Q: Right.
- 11 A: --- to say that I'm not certain at this time
12 without reviewing my business records.
- 13 Q: All right. Now, let me -- since you brought it
14 up, an assignment of mortgage transfers the
15 rights to enforce a mortgage, correct?
- 16 A: I would ask my attorney if that's what it
17 actually does. I know an assignment of
18 mortgage assigns the mortgage. Some assignment
19 of mortgages say mortgage and note. Since I'm
20 not an attorney, I'm not going to say what it
21 actually does ---
- 22 Q: Okay. But my follow-up ---
- 23 A: --- the full legal power.
- 24 Q: My follow-up question, since you raised it,
25 was, a tran- -- you said we'd have to look at



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

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

9 Q: Okay. I ---

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

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

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



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

8 Q: Well ---

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

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

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

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

24 A: SLS and the current plaintiff.

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



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

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

9 Q: All right.

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

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

18 A: I don't think so.

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

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



1 Q: Okay.

2 A: I'm here as a SLS employee.

3 Q: All right. Now, ta- -- talk to me about what
4 files, whether they're in paper form or
5 electronic form, SLS maintains on a mortgage
6 loan when it acquires servicing rights.

7 A: Oh, okay. It honestly varies loan to loan.
8 Every loan has different kinds of
9 documentations. Not every loan is in default,
10 so not every loan would have the same kind of
11 documentations. We maintain letters, outgoing
12 letters. If it's an adjustable rate note,
13 we'll have the interest rate change letters.
14 We have different kinds of letters involving
15 escrow, or whether -- because we're going to
16 put force place or because we're asking proof
17 of insurance so we don't put force place.
18 There's also the escrow analysis that get done
19 at the end of the year. There are hello,
20 goodb- -- and goodbye letters, letting them
21 know, a borrower know if we're going to begin
22 service or if we're going to end servicing.
23 Breach and/or demand letters, if they need to
24 be sent. Standard correspondence letters,
25 solicitation letters, solicitation as in for



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



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

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

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

13 Q: No ---

14 A: --- There is a lot.

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

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



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

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

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

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

23 **THE COURT:** Sure.

24 **MR. BARNES:** It'll take ten seconds.

25 **THE COURT:** Yes, sir.



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

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

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

9 **THE COURT:** We'll get back to that.

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

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

16 **MR. HAYES:** Okay.

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

18 **THE COURT:** Are we all ready?

19 **MR. HAYES:** Yes, sir.

20 **THE COURT:** All right. Mr. Barnes?

21 **MR. BARNES:** Thank you, Your Honor.

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

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

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



1 **MR. AMAYA:** Yes.

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

4 **MR. BARNES:** How's that?

5 **MR. HAYES:** Yeah, that's fine.

6 **MR. BARNES:** Okay. All right. Ready?

7 **THE COURT:** Yes, sir. Go ahead.

8 **MR. BARNES:** Thank you, Your Honor.

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

18 **A:** That's your understanding, yes.

19 **Q:** Well, is it correct?

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

25 **Q:** Okay. Does SLS maintain any files regarding



1 litigation involved with a particular loan?

2 A: We do have information on files if there was
3 some kind of litigation, there are documents
4 that would be stored.

5 Q: Which documents would be stored?

6 A: It would depend on the file and it would depend
7 on what we have available to us.

8 Q: What would be the criteria for determining what
9 documents should be obtained and/or stored?

10 A: We don't keep the whole court file, but
11 communication with us and counsel, documents
12 that we send them and they send us, things that
13 we have to review from counsel, documents that
14 go back and forth. We use a system called LPS,
15 also known as Black Knight, that stores imaged
16 documents and helps us send documents back and
17 forth to counsel, which are also then uploaded
18 into our image system. So, we would have two
19 locations. What could happen is, sometimes
20 when a loan is serviced, certain documents
21 might not be available to us because they're
22 from the prior case, but not everything on a
23 case would be provided to us. For instance,
24 the court issues an order for a conciliation
25 conference, we don't get it, so we don't have



1 a copy of the order, or the motion.

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

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

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

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

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

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

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



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

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

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

20 A: That is correct.

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

23 A: I am not.

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



1 A: Not that I can remember.

2 Q: Okay. Are you familiar with any- -- someone
3 named Michael Dolan?

4 A: No.

5 Q: Are you familiar with a David C. Jenkins?

6 A: The last name sounds familiar, but it might've
7 just been someone I met in the past.

8 Q: Okay. I'm going -- I'm going to proffer to you
9 that there's been an affidavit filed in this
10 case by the plaintiff, executed by David C.
11 Jenkins, who claimed to be a director of FIG,
12 LLC, and that a subsidiary of FIG, LLC is the
13 sole administrator of the FRT 2011-1 Trust, FRT
14 2013-1 Trust, and FORT; all caps, F-O-R-T,
15 Asset Funding 2013-1-LLC. Are you familiar
16 with that affidavit?

17 A: I am not.

18 Q: Okay. Are you -- do you know whether or not,
19 and do you have any knowledge of whether or not
20 any of those entities were involved with the
21 Singleton loan, whether as a servicer, owner,
22 or otherwise? And I'll go through them one by
23 one if you want.

24 A: The entities?

25 Q: Yes, sir. The ones I just mentioned.



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

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

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

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

15 A: Correct.

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

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

19 Q: Okay.

20 A: --- correct.

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

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



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

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

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

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

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

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

18 A: I believe you mentioned that yesterday, yes.

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

22 A: None that I'm aware of.

23 Q: So how did you become aware of it?

24 A: You said it yesterday.

25 Q: Okay. So you ---



1 A: I'm going off of your word.

2 Q: Okay. You haven't done any independent
3 investigation as to that bankruptcy, correct?

4 A: Correct.

5 Q: Okay.

6 A: That's beyond the scope of my review.

7 Q: As a servicing company employee, and I'm not
8 trying to denigrate you, I'm just trying to be
9 generalized, have you been involved with
10 foreclosures that involved a bankrupt
11 originating lender?

12 A: More than likely. Once an original len- --
13 lender sells it off, what happens to them is
14 relevant to us. I -- if you're saying this one
15 went bankrupt, so that's one. I know that
16 there was a -- I did have a case in the past
17 where one of the plaintiffs was not the
18 original name, the originating entity. They
19 didn't go bankrupts but that's not something
20 that's on the regular review for foreclosures,
21 if an original entity that sold it to another
22 entity is still in business or not is not
23 something that I would normally look for.

24 Q: Well, during the course of SLS' due diligence
25 review of servicing records and the history of



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

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

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

20 **OBJECTION:**

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

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



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1 MR. BARNES: Right.

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

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

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

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

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

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

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

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



1 you're allowed to.

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

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

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

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

12 Q: Please.

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

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

20 A: 2.

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

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

25 A: July 14th, 2008.



1 Q: Okay.

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

7 **THE COURT:** Any objection, Mr. ---

8 **MR. HAYES:** No objection, Your Honor.

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

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

22 A: Well, anything's possible.

23 Q: Okay.

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



1 Q: Then the assignment would be ineffective,
2 wouldn't it?

3 A: If I didn't have authority to assign it. Just
4 because I don't have it, doesn't mean I don't
5 have authority to assign it.

6 Q: Or if you don't have the thing you're trying to
7 assign at all, there would be no effective
8 assignment, correct?

9 A: I still have the authority to assign it, I can
10 go ahead and assign it, even if I don't have
11 it. You're asking me a possibility.
12 Anything's a possibility.

13 Q: All right. Well, okay then, going to Exhibit
14 2, do you know whether or not MERS as a nominee
15 for People's Choice Home Loan, which had filed
16 bankruptcy 16 months before, had anything to
17 assign to GMAC mortgage?

18 A: To my understanding, I am not an attorney, but
19 they are a nominee named in the mortgage, so,
20 yes, that is my understanding.

21 Q: Okay. What's a nominee?

22 A: Hate to use the same word to explain something,
23 but when someone is nominated to do something
24 on behalf of someone else. That's the best I
25 can do to explain that word. Other than that,



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

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

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

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

23 A: I know what that means. No.

24 Q: Have you ever had any training in MERS?

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



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

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

6 A: No.

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

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

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

18 A: No, I have not.

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

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



1 Q: Okay.

2 A: --- or didn't say.

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

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

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

19 **MR. BARNES:** This is a separate question though.

20 **THE COURT:** It is a separate question.

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

23 **THE COURT:** Hold on a second.

24 **MR. HAYES:** Sorry.

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



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

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

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

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

10 **THE COURT:** Right.

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

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



1 judicial notice.

2 **MR. BARNES:** Okay.

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

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

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

9 A: Yes.

10 Q: Do you know who he is?

11 A: No.

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

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

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

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



1 business records.

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

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

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

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

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

25 A: On the second page?



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1 Q: Yeah. Not the Clerk's face page, the actual
2 assignment.

3 A: Yes.

4 Q: It says, provide received etcetera GMAC -- it's
5 successors and assigns assigns all rights,
6 title and interest together with the Note; do
7 you see that?

8 A: Yes.

9 Q: Okay. And it's signed by MERS as nominee for
10 People's Choice, you see that?

11 A: Yes.

12 Q: Do you know whether or not MERS has the
13 authority to assign promissory notes?

14 A: I do not.

15 Q: Well, is MERS ever a lender?

16 A: MERS is not a lender from my understanding.

17 Q: Are they ever a servicer?

18 A: I do not believe they are.

19 Q: Okay. Do they extend credit to homeowners?

20 A: No, they do not.

21 Q: Okay. They're simply identified as a nominee,
22 whatever that is, correct?

23 A: Yes, they're identified as a nominee.

24 Q: Okay. And your understanding of nominee is
25 some sort of agent?



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

3 Q: Okay.

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

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

9 A: Yes.

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

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

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

16 A: Yes.

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

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

22 Q: Okay. So Exhibit 2 which claims to assign the
23 note and the mortgage to GMAC, but then Exhibit
24 3, GMAC only assigns the mortgage, right?

25 A: That is what it says.



1 Q: So, where'd the note go?

2 A: What do you mean?

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

6 **OBJECTION:**

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

16 **MR. BARNES:** That's the whole point.

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

18 **MR. HAYES:** Thank you, Your Honor.

19 A: Could you please repeat the question?

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

23 A: That's what it says.

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



1 A: It does not mention the note, that's correct.

2 Q: So where'd the note go? What did GMAC do with
3 the note?

4 A: Well, if you look at the allonge attached to
5 the note, they moved it to 50 By 50 REO, LLC
6 according to the allonge.

7 Q: Okay. So, we'll get to that in a few minutes.
8 Let's go to Exhibit 4.

9 **(Plaintiff's Exhibit Number 4 was referenced at this**
10 **time.)**

11 **THE COURT:** Did you say the allonge?

12 A: Well, the allonge to the note, Your Honor,
13 Exhibit 8, it is from GMAC to 50 By 50. He
14 asked me where the note went, how it got
15 assigned, so ---

16 **(Plaintiff's Exhibit Number 8 was referenced at this**
17 **time.)**

18 **THE COURT:** You're calling it an allonge -- this
19 allonge was in one of the assignments?

20 A: No. He was asking if the assignment didn't
21 assign it then how did the note get assigned.

22 **THE COURT:** That's right. And I ask- -- my question
23 to you is you're saying that's an assignment of
24 the note?

25 A: I wouldn't call it an assignment, I would call



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

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

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

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

7 Q: Let's go to Exhibit 4.

8 **(Plaintiff's Exhibit Number 4 was referenced.)**

9 A: Yes.

10 Q: And this is also an Assignment of Mortgage
11 whereby it is claimed that 50 By 50 REO, LLC
12 assigns to US Bank NA, as trustee of the FRT
13 2011-1 Trust, the mortgage. Is there any
14 language in this assignment talking about
15 transferring the note as part of this
16 assignment of mortgage?

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

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

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



1 Q: None of the allonges are dated, are they, as
2 far as when the allonge itself was created?
3 Except maybe one of them.

4 A: Okay. Except maybe one of them, I guess.
5 Executed -- Okay. One does have a date on it.

6 Q: For example, Exhibit 8, the allonge that goes
7 from GMAC to 50 by 50, the only dates on there
8 are the first payment due date, the maturity
9 date and the note date, correct?

10 A: Yes, that is correct.

11 Q: There's no date as to when this document was
12 created, correct?

13 A: That is correct.

14 Q: Okay. So, we don't know when it was created
15 and we don't know when the note was
16 transferred, do we, pursuant to that allonge?

17 A: Not a specific date.

18 Q: Okay. So, now, let's go back to Exhibit 4,
19 which I think I clarified with you does not
20 contain that language, together with the note;
21 correct?

22 A: Yes, that is correct. I do not see the
23 language, together with the note.

24 Q: Okay. So, same question, where did the note
25 go?



1 A: The following allonge, Exhibit 9, shows 50 by
2 50 assigned it to US Bank, N.A., as Trustee of
3 the FRT 2011-1 Trust.

4 **(Plaintiff's Exhibit Number 9 was referenced.)**

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

9 A: That is correct.

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

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

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

19 A: Which documents?

20 Q: The note and the mortgage.

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



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

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

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

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

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

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

20 A: None that I'm aware of.

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



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

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

6 A: Yes.

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

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

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

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

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

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

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



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

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

7 Q: Okay. So, was that done here?

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

9 Q: Okay.

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

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

21 **(Plaintiff's Exhibit Number 6 was referenced.)**

22 A: Yes.

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



1 identified in Exhibit 5, isn't it?

2 A: I would not say that. There is an a/k/a, also
3 known as, Wilmington Savings Fund Soc for NNPL
4 Trust Series 2012-1, which is the same enti- --
5 entity of the previous one.

6 Q: Well, let's put this on the record. Exhibit 5,
7 the assignee to whom this mortgage with the
8 note was allegedly transferred, the name
9 identified in here is Wilmington Savings Fund
10 Soc for NNPL Trust Series 2012-1, correct?

11 A: Yes.

12 Q: And the assignor in the very next assignment is
13 identified as Wilmington Savings Fund Society,
14 FSB d/b/a Christiana Trust, not in its
15 individual capacity, but solely in its capacity
16 as Certificate Trustee for NNPL Trust Series
17 2012-1 a/k/a Wilmington Savings Fund Society
18 for NNPL Trust Series 2012-1. Right?

19 A: That is what is written there, yes.

20 Q: Okay. What's a certificate trustee?

21 A: It's a trustee for a trust.

22 Q: Well, what does that mean?

23 A: They're the trustee of the trust. Okay. I
24 would expect an attorney to know this a little
25 bit better than me. I'll do my best to explain



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

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

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

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

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

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

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



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

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

6 Q: Well, what's a collateral file?

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

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

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

22 Q: Well ---

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

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



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

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

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

7 **(Plaintiff's Exhibit Number 6 was referenced.)**

8 A: Yes.

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

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

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

16 A: That is correct.

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

18 **OBJECTION:**

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



1 **THE COURT:** It's noted. Overruled.

2 **MR. HAYES:** Okay. Thank you.

3 A: Exhibit 12 shows the -- the same transferring
4 from Wilmington Savings Funds Society FSB d/b/a
5 Christiana Trust, not in its individual
6 capacity but solely in its capacity as
7 Certificate Trustee for NNPL Trust Series 2012-
8 1, and it's pay to the order of the Waterfall
9 Victoria Grantor Trust, Series G.

10 **(Plaintiff's Exhibit Number 12 was referenced.)**

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

14 A: It does not.

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

20 A: That is correct.

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

25 **(Plaintiff's Exhibit Number 7 was referenced.)**



1 A: The original?

2 Q: Yes. The -- what's claimed to be an original.

3 A: To the best of my recollection, from the
4 custodial facility. It was requested and sent
5 to a law firm at the time of the initial
6 complaint. Then there was a transfer to
7 another law firm, I believe at that point it
8 was supposed to be transferred again to a
9 different law firm, where it could not be
10 found. And then it was located again and
11 returned to, if I'm not mistaken, it was the
12 custodian -- no, the collector, the individual
13 that was hired to find the document or track
14 the collateral that then sent it back to
15 counsel and it ended up at the current law firm
16 as our custodial -- as our current custodian,
17 who they brought in here for -- for trial, as
18 a custodian for the plaintiff and as the law
19 firm.

20 Q: Do you know the names of anybody in these law
21 firms who was involved in these transfers or
22 acquisitions of this note?

23 A: I have not looked into anyone in those law
24 firms.

25 Q: Okay. Now, you mentioned that there was a time



1 when the note could not be found, correct?

2 A: There was a time where it was deemed to have
3 been lost, they could not locate it, that is
4 correct.

5 Q: And are you familiar with something called a
6 lost note affidavit in this case?

7 A: I do know what a lost note affidavit is, I have
8 not seen the one specifically for this case.

9 Q: Do you know if that lost note affidavit is a
10 part of your files of SLS?

11 A: That was beyond the scope of my review.

12 Q: Okay. Because I'm going to proffer to you that
13 in one of the depositions of the prior
14 servicers, the representative testified, in
15 fact, that it was part of the servicer's file.
16 Do you all not have that in your file?

17 A: It would -- I'm not saying it's not in there,
18 I personally did not pull it and I don't want
19 to perjure myself to say it is or isn't if I
20 have not personally reviewed it.

21 Q: Okay. I know we're getting a little bit knit
22 picky here, but I need to know something. Is
23 there anything you saw in your records that you
24 reviewed that identified a lost note affidavit
25 pertaining to this loan? Whether you reviewed



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

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

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

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

13 Q: When was that?

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

16 Q: When was that?

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

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

25 A: I do not recall their name.



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

6 A: I wouldn't say that, because it's just beyond
7 the scope of my review. I can't answer that --
8 -

9 Q: You don't know.

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

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

15 A: No specifics.

16 Q: Tell me what you do know.

17 A: It was lost and we found it.

18 Q: Okay.

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

21 Q: Okay. Who's we?

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



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

5 Q: Well ---

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

13 Q: Who found the lost note in this case?

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

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

21 **THE COURT:** Mr. Barnes?

22 **MR. BARNES:** Yes, sir.

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

25 **MR. BARNES:** Okay.



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

3 **MR. BARNES:** Got it.

4 A: I actually see two bailee letters.

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

7 A: I do not know who specifically found it.

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

9 A: I do not recall.

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

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

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

18 **(Plaintiff's Exhibit Number 7 was referenced.)**

19 A: Yes.

20 **(Off the record discussion.)**

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

25 A: That is correct.



1 Q: And there is no notary notarizing this
2 signature, correct?

3 A: That is correct.

4 Q: There are no witnesses to this signature?

5 A: That is correct.

6 Q: So, we have no idea of knowing when this stamp
7 was placed on that document, do we?

8 A: I do not have a specific date when it was ---

9 Q: Okay. Let's go to Exhibit 8, which is the
10 document styled Allonge to Note.

11 **(Plaintiff's Exhibit Number 8 was referenced.)**

12 Q: It says, pay to the order of 50 by 50 REO, LLC,
13 signed in the presence of GMAC Mortgage, LLC.
14 You see that?

15 A: Yes.

16 Q: Okay. Do you know the significance of that
17 language, signed in the presence of?

18 A: In regards to legal terms, not really.

19 Q: Yeah. Do you know the significance of that at
20 all?

21 A: It was signed in the presence of GMAC, so you
22 were either at GMAC or with GMAC, or someone
23 with authority at GMAC to sign as being there
24 in the presence of yourself.

25 Q: Okay. And would you agree with me, sir, that



1 this document is -- the signature is not
2 notarized?

3 A: That is correct.

4 Q: Nor are there any witnesses?

5 A: I do not see any witness.

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

8 A: That is correct.

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

13 **(Plaintiff's Exhibit Number 9 was referenced.)**

14 A: Yes, I do.

15 Q: By -- signed in the presence of, again, 50 by
16 50 REO. Would you agree with me, sir, that
17 there is no date as to when this document was
18 created?

19 A: I would.

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

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

23 Q: And there are no witnesses to this signature?

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



1 Q: Okay. So, we have no idea or way of knowing
2 when this document was created, do we?

3 A: I do not know the specific date of when it was
4 created.

5 Q: Okay. Now, this Allonge to Note says, pay to
6 the order of U.S. Bank as Trustee of something
7 called the FRT 2011-1 Trust. Do you know how
8 those trusts are set up?

9 A: I have a rough understanding, but I personally
10 have not set up a trust.

11 Q: Okay.

12 A: I do not have a detailed ---

13 Q: Tell me what you know.

14 A: People get together who fund some money, they
15 have the money, and they buy a set of bulk
16 loans, and to buy the bulk loans, they put it
17 into a trust. They have an attorney file --
18 fill out some paperwork. This is the trust,
19 this is the trustee, we need you to do this,
20 this and this for us to get whatever loans we
21 decide to purchase, you have to meet these
22 requirements, and we're going to have a closing
23 date of this date to get you in by this date,
24 and then they purchase loans, throw it into a
25 trust, and they service and/or sell those.



1 That's ---

2 Q: Okay.

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

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

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

9 A: Yes.

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

13 A: Yes.

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

16 A: Yes.

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

19 A: Yes.

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

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

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

25 A: I have not.



1 Q: Okay. Now, as of the date of Exhibit 4, which
2 is September 24th of 2012, was this loan
3 already in default?

4 A: I believe it was. I'd have to -- if you allow
5 me to check back just to make ---

6 Q: Please ---

7 A: --- sure.

8 Q: --- do.

9 A: Yes, I would say by 2012 it was already in
10 default with a due date back in 2009.

11 Q: So, the -- the loan was not generating any
12 income at that point, correct?

13 A: What do you mean by that?

14 Q: Well, there would- -- the borrow wasn't paying
15 anything on the loan, correct?

16 A: That's my understanding.

17 Q: Right. The loan being in default, there's no
18 money coming in, right?

19 A: That is correct.

20 Q: Okay. Do you know of any authority that allows
21 the transfer of mortgage loans into a trust
22 when the mortgage loans are not performing?

23 **OBJECTION:**

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



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

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

4 **A:** Can you repeat the question?

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

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

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

14 **A:** Correct.

15 **Q:** Okay.

16 **A:** It's like installing a broken part.

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

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

23 **A:** Yes.

24 **Q:** Now, this one makes the -- payable to FRT 2013-
25 1 Investor LLC, which is a different entity



1 than FRT 2011-1 TRUST, correct?

2 A: Yes.

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

6 A: Yes.

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

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

13 **OBJECTION:**

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

15 Q: Sir, do you know of ---

16 **THE COURT:** Overrule the objection.

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

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

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



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1 A: If they own it, they can sell it.

2 Q: Right. And you can only sell what you have,
3 you can't sell something you don't have, right?

4 A: Theoretically speaking, you couldn't.

5 Q: Thank you. Okay. Let's go to Exhibit 11.
6 This is also dated September 4th of 2014. Now,
7 this doesn't have a specific payee name, it
8 says, pay to the order of blank by FRT 2013-1
9 Investor, LLC, correct?

10 **(Plaintiff's Exhibit Number 11 was referenced).**

11 A: Yes, that is correct.

12 Q: Okay. Which is a -- we don't know who this
13 went to, do we?

14 A: It is -- it's paid to the order of blank.

15 Q: Okay. Exhibit 12, this is a Note Allonge,
16 would you agree with me, again, it's undated?

17 **(Plaintiff's Exhibit Number 12 was referenced.)**

18 A: Yes.

19 Q: All right. Now, this one says that Wilmington
20 Savings Fund Society, FSB d/b/a Christiana
21 Trust, not in its individual capacity,
22 etcetera, by New, N-E-W, Penn, P-E-N-N,
23 Financial d/b/a Shellpoint Mortgage Servicing
24 as attorney in fact transfers to Waterfall
25 Victoria Grantor Trust II, Series G, right?



1 A: Yes.

2 Q: Okay. Now, Exhibit 13 says that the same
3 Wilmington entity -- well, no, I'm sorry, let
4 me do it this way. The Wilmington entity that
5 transferred whatever it transferred under
6 Exhibit 13 is a different entity because the
7 Trust Series is 2012-34. Correct?

8 **(Plaintiff's Exhibit Number 13 was referenced.)**

9 A: That is correct.

10 Q: All right. And I'm going to ask the same
11 question that Mr. Hayes asked you, how could
12 the Wilmington Fund transfer this loan from two
13 different trusts to two different entities at
14 the same time?

15 A: It appears someone attached an erroneous
16 endorsement allonge that should've been on
17 another note. It's all in the assignments.
18 That would be the Trust -- or, 2012-34, never
19 had an assignment of this, so they would not
20 have been the ones transferring it. It's
21 almost like the individuals who get stamp
22 happy. I've seen this happen before with
23 origination files. They're stamping to them,
24 or to where it's going, they grab a loan and
25 before they review to see where it's going,



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

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

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

7 Q: Well, I'm going to point you to the top of
8 Exhibit 12 where it identifies the borrower as
9 Jamie Singleton.

10 **(Plaintiff's Exhibit Number 12 was referenced.)**

11 A: Yes.

12 Q: And at the top of Exhibit 13 it says, borrower
13 name Jamie Singleton.

14 **(Plaintiff's Exhibit Number 13 was referenced.)**

15 A: Yes.

16 Q: With the Rowsham Place address, right?

17 A: Yes.

18 Q: Okay. So, which one's the mistake?

19 A: My personal belief if the mistake -- after
20 reviewing my business records, the last one's
21 a mistake. My business records show an
22 assignment of mortgage and I did review
23 Waterfall, and I did call Waterfall for their
24 sales agreement, Purchase and Sales Agreement,
25 which they provided to me to show that they're



1 the current owners and holders, so they
2 would've been the last ones to have possession
3 of it, and not this final one.

4 Q: All right. But this document, would you agree
5 with me, was offered by the Plaintiff as part
6 of the allonge chain to show the transfer of
7 this loan, correct?

8 A: It was offered by the plaintiff as a document
9 as is, they are custodian but they do not have
10 the authority to remove these. They are --
11 don't have a power of attorney to do so.

12 Q: Well, who does?

13 A: I do.

14 Q: Did you do it?

15 A: No, I did not.

16 Q: If you notice at the bottom of ---

17 A: We're appearing in court.

18 Q: If you notice at the bottom of Exhibit 12 and
19 Exhibit 13, the person signing it is -- the
20 name it says, Cynthia Brock?

21 A: Yes.

22 Q: Would you agree with me that the signatures on
23 a 12 and 13 for this Cynthia Brock are very
24 different from each other?

25 A: They look different.



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1 Q: Which one's genuine and which one isn't, if you
2 know?

3 A: You'd have to ask her.

4 Q: Fair enough. Okay. Let's go to Exhibit 14.
5 This is the Crawford & von Keller letter.

6 **(Plaintiff's Exhibit Number 14 was referenced.)**

7 A: Yes.

8 Q: The second page at the top it says, borrower
9 Kaney, K-A-N-E-Y.

10 **THE COURT:** Mr. Barnes, let's take a five-minute
11 comfort break.

12 **MR. BARNES:** Whatever you want, Judge.

13 **(Off the record from 1:51 p.m. until 2:01 p.m.)**

14 **THE COURT:** Back on the record. Mr. Barnes.

15 **MR. BARNES:** Thank you, Your Honor.

16 **THE COURT:** We're going to the Crawford von Keller
17 letter.

18 **MR. BARNES:** Correct.

19 Q: Exhibit 14, sir.

20 A: Yes.

21 Q: Okay. And just to reiterate and so I don't
22 lose track of these, this -- the borrower here
23 is somebody named Kaney, who is -- has nothing
24 to do with this case, right?

25 A: On the second page, yes, it has a -- a



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1 different borrower and a different loan number.

2 Q: Right. Now, on this first page dated April
3 20th, 2018, it says, enclosed please find the
4 original note, mortgage and CD from Rogers,
5 Townsend & Thomas, do you see that?

6 A: Yes.

7 Q: But the only thing attached is this page
8 relating to somebody named Kaney, right?

9 A: That is the only thing attached, that is
10 correct.

11 Q: Now, there's a reference there to a CD, what
12 would the CD have been or what was on it, if
13 you know?

14 A: When CDs are sent to counsel, it's normally the
15 loan files. We'll pull the imaged documents,
16 we'll pull information for the attorneys and
17 send them a CD because it's too big to send e-
18 mailed. A CD is created with the loan file.
19 That's what I'm aware of of sending a CD to
20 counsel.

21 Q: Okay. Exhibit 15. Bailee letter.

22 **(Plaintiff's Exhibit Number 15 was referenced.)**

23 Q: Now, I did not see a date of creation of this
24 letter. I see a state of the signature on the
25 third page, but do we know when this letter was



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1 created?

2 A: Prior to the date that it was received.

3 Q: But otherwise, we don't know?

4 A: I do not know the specific date.

5 Q: Okay. Now, there are three entities -- well,
6 let's do it this way first. The last page
7 we're on, the signature page, it says, once
8 files have been returned to the custodian,
9 please advise Situs, S-I-T-U-S, AMC that you
10 are no longer in possession of the collateral
11 file by completing this section below, which is
12 blank. Who's SitusAMC, if you know?

13 A: Well, according to the letter itself, they were
14 used for the oversight on behalf of Waterfall
15 Asset Management.

16 Q: What is bailee oversight?

17 A: Overseeing the bailee transfer. The
18 transferring of the collateral file. Oversee
19 the bailee -- the bailee letter, the transfer.
20 To be dead honest, I do not know the actual
21 definition of bailee as it would be described
22 or a legal term, I just know bailee letters as
23 for the transferring out -- used to transfer
24 collateral files, and to take over custodial
25 duties. So, they are engaging in the oversight



1 of that bail- -- of that bailee transfer.

2 Q: But Situs is not actually the bailee?

3 A: They have been engaged for bailee oversight, to
4 oversee the bailee.

5 Q: Right. Exactly. To oversee them, but they are
6 not the actual bailee, correct?

7 A: Who is the bailee?

8 Q: SitusAMC is not the bailee?

9 A: What's the bailee? The bailee letter? This is
10 the bailee letter.

11 Q: No, no, no. I'm going off what you just said.
12 You said SitusAMC was engaged in bailee
13 oversight. Now, my question is then, if
14 they're engaged in bailee oversight, they are
15 not the actual bailee, correct?

16 A: I honestly don't know if bailee is the person
17 receiving it or the one sending it, but they
18 are the ones sending it.

19 Q: Okay. I'm just trying to understand this
20 concept of bailee oversight.

21 A: Someone who has been hired to -- okay, perfect
22 example. Yourself. You're overseeing this
23 case for another attorney. They are overseeing
24 the transferring, the bailee, to Waterfall.

25 Q: Oh, okay.



1 A: Okay.

2 Q: If you go to the second page at the bottom,
3 there are several addresses. Commer- -- well,
4 the first one is, Commercial Collateral, Wells
5 Fargo Document Custody in Minneapolis. Do you
6 see that?

7 A: Yes.

8 Q: And then directly across from that, you've got
9 Residential Collateral, Wells Fargument- -- I'm
10 sorry, Wells Fargo Document Custody on a
11 different street in Minneapolis, you see that?

12 A: Yes.

13 Q: And at the bottom it says, document custody,
14 Deutsche Bank that's D-E-U-T-S-C-H-E Bank
15 National Trust Company, Issuer Servicer I
16 Global Securities Services, Global Transaction
17 Banking at an address on St. Andrews Place in
18 Santa Ana, California, do you see that?

19 A: Yes, sir.

20 Q: All right. Could you explain to me what
21 involvement each of these entities, the two
22 Wells Fargo entities and Deutsche Bank, had
23 with respect to the Singleton loan?

24 A: I do not know in detail what they specifically
25 did. I can tell you that they are custodial



1 facilities that are used to house and maintain
2 collateral files.

3 Q: But, again, since there's no checkmark next to
4 either of these addresses or identifying
5 information, we don't know which one was the
6 custodian here, do we?

7 A: I do not know at this time.

8 Q: Okay. Let's go further up that page.

9 A: Yes.

10 Q: At the top in the -- in the box, it says,
11 original **unrecorded** assignment(s). Please
12 list. There's in the third hashmark to the
13 left, it says, Cascade Funding Mortgage Trust
14 2017 to US Bank Trust, N.A. as Trustee for
15 Cascade Funding Mortgage Trust 2017-1, correct?

16 A: Yes.

17 Q: Cascade Mortgage Funding Trust does not appear
18 on any of the allonges or assignments of
19 mortgage, does it?

20 A: Not that I'm aware of.

21 Q: But yet they are listed in the assignment
22 chain, correct?

23 A: They are listed as a document that is in the
24 collateral file as an unrecorded -- original
25 unrecorded assignment.



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1 Q: Of the Singleton loan?

2 A: Well, in the collateral file. I have not
3 identified, since I have not seen the
4 assignment, I don't even know if it was the
5 correct assignment or if someone put the
6 assignment in the wrong file folder. They sent
7 it and it could've been an assignment for a
8 different loan.

9 Q: Okay. Well, that -- the reason why I'm asking
10 is because if you look on the first page, it
11 says, borrower name, Singleton, Jamie; it has
12 the Rowsham Place address, right?

13 A: Yes.

14 Q: And then there's a box just north of center
15 where various things are checked off, correct?

16 A: Yes.

17 Q: And then we go on to the second page where it
18 says, original unrecorded assignment(s), please
19 list, correct?

20 A: Yes.

21 Q: So are you saying that this assignment from
22 this Cascade Funding Mortgage Trust entity to
23 US Bank could be a mistake?

24 A: It could be. It's a possibility. I,
25 personally, have not seen it, so I cannot



1 identify which specific loans it is assigning.

2 Q: I see.

3 A: It's a description of it, of who's assigning to
4 who, but it's not a full detail of the
5 assignment.

6 Q: Okay. Now, on the first page -- give me a
7 minute.

8 **THE COURT:** While he's doing that, I want to make
9 sure, is this bailee letter -- this is a --
10 it's addressed to somebody at Waterfall Asset
11 Management, LLC, New York; is it coming from
12 somebody at McMa- -- McMichael Taylor?

13 A: This one's coming from Situs, Your Honor.
14 They're named in the -- they're the ones that
15 are in charge of the overseeing of sending it.

16 **THE COURT:** How did they get Tomika Cromer's
17 signature?

18 A: She signed it on behalf of Waterfall, Your
19 Honor.

20 **THE COURT:** Okay. Go ahead.

21 **MR. BARNES:** Oh, I'm sorry.

22 **THE COURT:** No, I apologize.

23 **MR. BARNES:** No. No worries.

24 Q: It's kind of a question I had a couple down the
25 road, but I'm going to follow up on it now. On



1 that third page, it says signature, and there's
2 a -- some scribble, Date 10/27 of '20,
3 (received on 10/20- of 201- -- 2020. Name,
4 Tamika- T-A-M-I-K-A [sic] Cromer, C-R-O-M-E-R.
5 Company, McMichael Taylor Gray, LLC, right?

6 A: Yes.

7 Q: And she's signing on behalf of a law firm,
8 correct?

9 A: I believe that is the law firm, yes.

10 Q: Right. She's not signing on behalf of
11 Waterfall.

12 A: She's counsel for Waterfall.

13 Q: Counsel for Waterfall, but not Waterfall.
14 There's nothing there that says company,
15 Waterfall Asset Management, correct?

16 A: Not on that page.

17 Q: Okay. And, by the way, Waterfall Asset
18 Management doesn't appear in any of the
19 assignments or allonges, correct?

20 A: I don't believe they're described as Waterfall
21 Asset Management.

22 Q: The Waterfall entity in the assignments and the
23 allonges is Waterfall Victoria Grantor Trust II
24 Series G, right?

25 A: Because that is the Trust. That is not an



1 actual entity.

2 Q: Right. And Waterfall Asset Management is a
3 different company, correct?

4 A: Waterfall, I believe, is actually the Trustee
5 of it, isn't it? Waterfall is Waterfall Asset
6 Management. They're ---

7 Q: Are you saying the Trust and the asset
8 management company are one in the same?

9 A: No. Trusts are different from en- -- that's
10 why you create a trust. It's not you, it's the
11 trust.

12 Q: Okay. So, if this bailee letter is to somebody
13 named Marc, with a C, L-E-D-E-S-M-A; Ledesma,
14 at Waterfall Asset Management, from this Mc- --
15 McMichael Taylor Gray law firm, if the loan is
16 in the Trust, why is it going to the asset
17 management company?

18 A: Because the loan is being litigated and needs
19 to go to an attorney.

20 Q: Well, it came from an attorney, apparently. It
21 was signed by an attorney.

22 A: It says received. Doesn't it say that there?

23 Q: Okay.

24 A: They're receiving it.

25 Q: All right. Let's go to page one, box two that



1 was checked in the box below -- just above the
2 midline, original lost note affidavit, you see
3 that?

4 A: Where are we at?

5 Q: Page one ---

6 A: Oh, page one.

7 Q: --- Exhibit 13 -- 15, excuse me.

8 A: Second line, original lost note affidavit, yes,
9 I see that.

10 Q: Right. So, this letter is from this Marc
11 Ledesma is telling to whoever it's addressed to
12 -- I'm sorry. It's telling Marc Ledesma of
13 Waterfall Asset Management that there's an
14 Original lost note affidavit included with this
15 letter, correct?

16 A: Yes.

17 Q: It's not attached to this letter, is it?

18 A: It is not.

19 Q: All right.

20 **MR. BARNES:** I'm going to hand you what we're going
21 mark as Defendant's Exhibit -- I guess A, Your
22 Honor, and keep it separate.

23 **THE COURT:** Well, it'd be defense -- I don't -- I'd
24 rather keep numbers.

25 **MR. BARNES:** Fine.



1 **THE COURT:** So just Defendant's 1 or 2 or something.

2 **MR. BARNES:** Okay. Defendant's 1. We already have
3 Defendant's -- it's Defendant's 9. I'm just
4 going tell you that's from -- this was used in
5 a deposition, but we're gonna mark it as 1 for
6 here.

7 **(Defendant's Exhibit Number 1 was marked for**
8 **identification purposes.)**

9 **Q:** I ask you if you've ever seen that document
10 before?

11 **A:** I have not.

12 **Q:** Okay.

13 **OBJECTION:**

14 **MR. HAYES:** Your Honor, I object to this document as
15 being hearsay. Furthermore, he's laid no
16 foundation for the introduction of this
17 document.

18 **THE COURT:** I don't think he introduced it yet.

19 **MR. HAYES:** Okay.

20 **MR. BARNES:** I haven't.

21 **THE COURT:** And I haven't seen it, so I don't know
22 what you're talking about.

23 **MR. BARNES:** Oh, I have a copy. May I?

24 **THE COURT:** So, this has been marked as Defendant's
25 1 for identification?



1 **MR. BARNES:** Yes, Your Honor.

2 **THE COURT:** Okay.

3 Q: But do you know whether or not this document is
4 part of SLS' files?

5 A: I do not know. I did not check for it.

6 Q: Okay. Because you did mention that the lo- --
7 that you did know that the note was lost,
8 right?

9 A: Yes.

10 Q: Okay. The bailee letter that's already in
11 evidence, refers to an Original lost note
12 affidavit, correct?

13 A: Yes, it does.

14 Q: Okay. Do you know whether or not this is the
15 lost note affidavit that's referred to in
16 Exhibit 15?

17 A: I do not.

18 Q: Okay. Did you look, did you check?

19 A: I -- as I told you mult- -- earlier, that was
20 beyond the scope of my review, so, no, I didn't
21 look prior to today, so I can't confirm that it
22 is because I haven't seen it.

23 Q: Okay. Do you know of somebody named Scott
24 Lechner, L-E-C-H-N-E-R, Managing Director of
25 NNPL Trust Series 2012-1?



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1 A: I do not.

2 Q: Okay. Now, this document, Exhibit 15, refers
3 to an original lost note affidavit, do you know
4 where that is?

5 **(Plaintiff's Exhibit Number 15 was referenced.)**

6 A: I personally do not.

7 Q: And you did search your files, S- -- SLS'
8 files, for this lost note affidavit, or not?

9 A: I did not.

10 Q: Why?

11 A: That was beyond the scope of my review.

12 Q: Well, did someone tell you what to review and
13 what not to review?

14 A: No. I reviewed documents that will be needed
15 for trial. I wasn't told that I needed to look
16 for a lost note affidavit for the trial, so I
17 did not look for a lost note affidavit.

18 Q: Well, let's see. Exhibit 15, which you did
19 review, right, has various items checked off in
20 this box just north of center, correct?

21 A: Yes.

22 Q: Now, it's -- the first one says original note,
23 you reviewed that, right? The third one says
24 original endorsement, you reviewed that, right?

25 A: Yes.



1 Q: Then next is a series of allonges, you reviewed
2 that, right?

3 A: I re- -- yes, I reviewed copies of the
4 allonges.

5 Q: And you reviewed the assignments of mortgage,
6 correct?

7 A: Correct.

8 Q: Although you didn't review the one from Cascade
9 Mortgage Funding Trust 2017-1 to US Bank,
10 correct?

11 A: I did not see a copy in my business records.

12 Q: Okay. But you did not look for or review the
13 second box, an original lost note affidavit?

14 A: I did not go through that list for my review.
15 I reviewed documents that were needed to come
16 to trial and exhibits that were needed. I
17 compared them to my business records and that's
18 what I reviewed.

19 Q: Well, isn't Exhibit 15 a business record?

20 A: It is.

21 Q: Okay. And doesn't it refer to other business
22 records?

23 A: Yes.

24 Q: Okay. Tell the Court and tell me why you did
25 not find or look for the original lost note



1 affidavit that's referred to in this exhibit,
2 which you reviewed, which has been introduced
3 into evidence?

4 A: Well, because it was beyond the scope of my
5 review. Because we have the original here. We
6 found it. It's -- to me, it's the same as I --
7 someone lost their keys, someone lost their
8 phone; they call it, they find it. It's no
9 longer lost. It's something that happens.
10 What do you need to do to prove that you have
11 the phone? Have the original phone. Not have
12 a piece of paper that said I lost it. Or the
13 -- a transcript of a phone call to the phone.

14 Q: Okay ---

15 A: So I searched for the original. I didn't ---

16 Q: Sir, an affidavit is a document executed under
17 oath, isn't it?

18 A: Yes, it is.

19 Q: Subject to the penalty of perjury, correct?

20 A: That is my understanding.

21 Q: Okay. Now, did you, in your mind, see that --
22 well, it says original note and original lost
23 note affidavit, that's a discrepancy. Did that
24 cross your mind at all?

25 A: No. People lose things and find them again all



1 the time. It's not the first time a note was
2 lost and then found.

3 Q: Was there ever a corrected bailee letter issued
4 that eliminated the checkmark, or the X next to
5 original lost note affidavit?

6 A: I have not seen one. If they sent it and it
7 had one, it had one. I'm not saying it wasn't
8 there. It was beyond the scope of my review.
9 I have not seen it. I have not looked for it.

10 Q: Okay. Now, this lost note affidavit, since you
11 haven't seen it, you would have no reason to
12 object or take issue with any of the items in
13 this document, would you?

14 A: I'm not an attorney. I wouldn't be allowed to
15 object.

16 Q: Okay.

17 **THE COURT:** Mr. ---

18 **MR. BARNES:** Amaya.

19 **THE COURT:** --- Amaya, I don't think he's asking you
20 for a legal -- for a legal objection, he's
21 asking a literal objection ---

22 A: Oh ---

23 **THE COURT:** --- not a capital objection.

24 A: Because we're in trial, that is something I
25 would have to ask my attorneys on whether I



1 should or should not object to it, personally.
2 Not -- don't take it the wrong way. You're on
3 -- my opposition, I'm gonna object to anything
4 that you want to enter. That's just how things
5 are.

6 Q: You ---

7 **THE COURT:** Even if it were true?

8 A: No. But doesn't mean that I'd be happy about
9 it.

10 **THE COURT:** Okay. So with ---

11 A: I'm not doubting that there's a lost note
12 affidavit, Your Honor, I just have not
13 personally reviewed this one, so I can't
14 testify that it is the one. I'm not saying
15 it's not.

16 **THE COURT:** Go ahead.

17 Q: Okay. You've already testified that you knew
18 the note was lost and, allegedly, it was found
19 at some point in time. By the way, do you know
20 when that was?

21 **THE COURT:** He's -- he's answered you. He does not
22 know when the ---

23 **MR. BARNES:** I meant specifically date, time and
24 place.

25 A: No. I do not know the specific date, time or



1 place.

2 Q: So, you do not know that it was allegedly found
3 around 11 o'clock at night the day before a
4 summary judgment hearing?

5 A: No, no.

6 Q: You didn't know that?

7 A: No.

8 Q: Okay. And I asked you th- -- I may have asked
9 you this before, and I'm sorry for being
10 repetitive, but do you know the name of the
11 person who actually found this lost note?

12 A: I do not.

13 Q: Okay.

14 A: To the best of my recollection, it was lost by
15 a law firm ---

16 Q: Okay.

17 A: --- or while it was supposed to be in
18 possession of the law firm. That is all I
19 recall.

20 Q: Okay. Now, was it -- was it found before or
21 after the date of this bailee letter, which is
22 undated so we don't even know?

23 A: Uh ...

24 Q: Well, let me ask you this -- let me, let me
25 make it ---



1 A: Considering ---

2 Q: --- let me make it a little clearer. Was it --
3 was the note found before or after 10/27 of
4 2020?

5 A: I do not know. What I can say is, it was found
6 before this bailee letter, because the bailee
7 letter has the original in it.

8 Q: Well, it's not attached to this, is it?

9 A: It's in the court file. It wouldn't be
10 attached to the copy. That's why there's this.

11 Q: Well, there's -- this -- this letter say, the
12 following original documents are being
13 delivered to your office, original not,
14 original lost note affidavit, original
15 endorsement, etcetera, etcetera. But there are
16 none of those documents attached to this
17 letter, correct?

18 A: That is correct, none of them are ---

19 Q: Okay. And you didn't think it was important by
20 looking at this, seeing a discrepancy between
21 original note and original lost note affidavit
22 to find out the substance of the lost note
23 affidavit?

24 A: No, I did not because it was found. Original
25 lost note was found, I didn't ---



1 Q: But you don't know when, do you?

2 A: I don't know when. I don't know a specific
3 date when.

4 Q: Right. You don't know if it was found before
5 or after the date of this letter, do you?

6 A: Obviously before because the letter shows that
7 the original is with it, and if you send the
8 original with it, you kind of have to have it.

9 Q: Okay. Well, then, if it was found before 10/27
10 of '20, which is the signature date, then this
11 letter is erroneous, isn't it?

12 A: What do you mean?

13 Q: Well, if you're telling me that the legi- --
14 the original note was found before 10/20 [sic]
15 of 2020 -- or, 11 -- 10/27 of 2020, if you're
16 telling me that, then this letter that encloses
17 a lost note affidavit contains a false
18 statement, doesn't it? Because like you're
19 saying, we found it. So when they're saying a
20 lost note affidavit, which says the note is
21 lost, that's a false statement, isn't it?

22 A: No, it's not. Someone created a lost note
23 affidavit, they put it in the collateral file;
24 they found the original, put it back into the
25 collateral file. Now you have both of them in



1 there. It -- there's nothing erroneous about
2 that, that just means someone did not throw
3 away the original lost note affidavit when they
4 found the collateral file, they transferred it.

5 Q: And how do we know they didn't throw away the
6 original note, or not find the original note
7 and created another one?

8 A: This one -- the original's here.

9 Q: Says who?

10 A: Says I.

11 Q: Were you there at the closing?

12 A: I was not.

13 Q: Did you witness Mr. Singleton sign that
14 document?

15 A: I did not.

16 Q: Have you had custody of that document since the
17 closing?

18 A: I have not.

19 Q: And that note was lost according to your own
20 records, wasn't it?

21 A: Yes, it was.

22 Q: Okay.

23 A: It was also found.

24 Q: Well, so you say.

25 **MR. BARNES:** Judge, may I have a minute with Mr.



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1 Sloan?

2 **THE COURT:** Sure.

3 (Off the record from 2:25 p.m. until 2:27 p.m.)

4 **MR. BARNES:** Judge, just another question or two and
5 then we'll move onto the next exhibit.

6 **THE COURT:** Thank you. Go ahead.

7 **MR. BARNES:** Ready?

8 **THE COURT:** Yes, sir.

9 **MR. BARNES:** Okay.

10 Q: Mr. Amaya, again, just so I'm clear, Exhibit
11 15, which is this bailee letter, is part of
12 SLS' business records, correct?

13 A: Yes.

14 Q: But yet, the original lost note affidavit
15 that's referred to in this letter, you don't
16 know whether or not that's a part of SLS'
17 records, correct?

18 A: What I'm saying is, I have not reviewed it. I
19 have not searched for it or seen it.

20 Q: So are you telling me then, it could be part of
21 SLS' business records, but you just didn't see
22 it?

23 A: As I said, it was beyond the scope of my
24 review. There could be a lost note affidavit
25 in there. I do not doubt it because this says



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1 that there's a lost note affidavit. I,
2 personally, have not reviewed one.

3 Q: Okay. But I think what I'm hearing you say is
4 it could be in the records, you just don't
5 know?

6 A: Correct. I don't know if there is one in
7 there.

8 **QUESTIONS BY THE COURT:**

9 **THE COURT:** Mr. A- -- I'm sorry ...

10 **MR. AMAYA:** It's okay, Your Honor. Amaya.

11 **THE COURT:** Who gave you what your scope of the
12 review was? What -- what was -- what were the
13 instructions to you?

14 **MR. AMAYA:** For me, Your Honor, it was to review the
15 file and to pull any records that were needed
16 for trial.

17 **THE COURT:** And ---

18 **MR. AMAYA:** Like file exhibits, and I pulled the --
19 the records that counsel needed anything I
20 would see that I was missing. At first, I saw
21 that there was a -- I pulled some extra payment
22 history for this and updated information.
23 That's ---

24 **THE COURT:** All right. Hold on. So, the counsel
25 for -- your, your lawyer is counsel for -- for



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1 the owner of the Note, gave you the
2 instructions for what you needed to pull for
3 this, is that correct?

4 **MR. AMAYA:** No. They would request documents. They
5 don't give me a detailed instruction of what to
6 look for. My review is for most -- most in
7 part done through my research. I -- yes, I do
8 know that the note was lost, but it was found.
9 It -- my understanding, it was found. It's
10 irrelevant that it was lost, so I didn't go in
11 depth into searching it. When a lost note is
12 identified as a lost note, part of my review is
13 I perform the same checks all over again that
14 SLS does to try and locate the lost note. But
15 in this case, I didn't go through that step
16 because the note was found. So it ---

17 **THE COURT:** I understand now. I understand that
18 part. You've -- you've expressed that. I'm
19 just confused as to how you -- how you
20 determine what your scope of review was.

21 **MR. BARNES:** Right.

22 **MR. AMAYA:** It's based in part of just me looking at
23 business records, and what counsel needs for
24 trial. If I ---

25 **THE COURT:** Well, they don't -- did they define to



1 you -- that might be, that might be attorney-
2 client privilege, so ---

3 **MS. TAYLOR:** Your Honor ---

4 **MR. AMAYA:** They don't tell me what to look at or
5 what not to look at. They will ask me what
6 they need and I will pull that for them.
7 Sometimes I find I'm looking for documents to
8 fill up and I'll find more things. Sometimes,
9 like I said in this case, my standard practice
10 when there's a lost note, I do the search the
11 same as was done to try and locate the lost
12 note to make sure there was an actual search
13 done, and so I can testify that not only did we
14 say there was a search done, but a search was
15 done. In this case, it was found. I found it
16 kind of irrelevant to look into the lost Note
17 because we found the original.

18 **THE COURT:** Okay.

19 **MR. HAYES:** Judge, if, if you're asking if January
20 or I or anyone for the Plaintiff specifically
21 told him not to get the lost note affidavit, I
22 don't even believe during this whole
23 conversation the lost note affidavit was even
24 brought up because we had the original note,
25 Your Honor.



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1 **THE COURT:** I understand that.

2 **MR. HAYES:** Okay. So we're not trying to hide
3 anything.

4 **THE COURT:** I got that clear and I understand. I
5 just -- he's represent- -- he's the -- he is
6 here as the representative for the plaintiff.

7 **MR. HAYES:** That's correct.

8 **THE COURT:** As the servicing agent.

9 **MR. HAYES:** Right.

10 **THE COURT:** And so, he's obviously an agent. He has
11 to have a principle. I was wondering if he has
12 -- his principle said, pull these files -- I
13 mean, what -- or his -- was he just said, all
14 right, you're assigned this loan, prepare
15 whatever we need to go to trial on? And then
16 give it to, give it to counsel? I mean, how,
17 how does that happen? I just -- I'm trying to
18 understand in this -- in the corporate world,
19 how does one in your position, how are you
20 informed on what to look for. Is it by
21 experience or is just a do you have a -- do you
22 have superior who says to you to do something?

23 **MR. AMAYA:** Well, there is a superior that assigns
24 the loans or the tasks to me, Your Honor.

25 **THE COURT:** Yes.



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1 **MR. AMAYA:** Once it gets to me, part of it is
2 experience, but a lot of it has to do with each
3 individual case in the sense of what my
4 attorney needs me to review of what I need to
5 testify to. What do they need so I can provide
6 it to them. I'll pull those documents and I'll
7 review those documents. There's many times I'm
8 looking through letters that are irrelevant,
9 because I'm looking for a breach letter.
10 Doesn't mean I've memorized everything on it.
11 Now, for this particular case, when I got to
12 it, the -- the lost note didn't seem to be an
13 issue for me, so I didn't look into a lost note
14 affidavit just because do we have the original?
15 Yes, we have the original. That -- it -- it
16 didn't seem to be something of any importance
17 because we found it. As I stated earlier, to
18 me, and I might be completely wrong in this,
19 it's the same as finding something -- I
20 consider it more to be misplaced because it was
21 found versus lost. But what do you say the
22 moment you misplace something? Oh, I lost
23 this. When you find it, turns out it was only
24 misplaced. So I -- I -- if you'd like to, Your
25 Honor, you can, you know, say if it was me,



1 personally, I chose not to look into it because
2 I didn't consider it to be an issue.

3 **THE COURT:** Okay. Thank you. I get it.

4 **MR. AMAYA:** And the only reason I know it was lost
5 because I checked the tracking of the
6 collateral, and I saw that at one point they
7 didn't know where it went, and then it was
8 found. So, it was determined to be lost.

9 **THE COURT:** Thank you.

10 **MR. BARNES:** Wait a minute, could you repeat back
11 that last answer, the last part of that last --
12 -

13 **COURT REPORTER:** (Indicating to self.)

14 **MR. BARNES:** Yeah, please.

15 **MR. AMAYA:** Yeah, so ---

16 **MR. BARNES:** No, no, no; not you, the court
17 reporter.

18 **COURT REPORTER:** Give me one moment.

19 **(Off the record from 2:34 p.m. until 2:37 p.m.)**

20 **MR. BARNES:** Ready?

21 **COURT REPORTER:** (Nods head.)

22 **MR. BARNES:** Okay.

23 **MR. AMAYA - CROSS EXAMINATION RESUMED BY MR. BARNES:**

24 Q: So, you said you were checking on the
25 collateral, what do you mean by that?



1 A: I was checking on the location of the
2 collateral.
3 Q: The collateral being?
4 A: Collateral file.
5 Q: Okay.
6 A: So, as I've expressed before, the folder with
7 the original documents, the note, mortgage,
8 assignment of mortgage.
9 Q: Okay. And just so I'm clear, in your opinion,
10 and in your dis- -- your discretion, you
11 decided that it was not relevant for you to
12 review a lost note affidavit executed under
13 oath because it, as you stated, you claim you
14 found the original note. Is that accurate?
15 A: I, personally, did not find it. But as per my
16 review, I saw that the note was found. I did
17 not find it necessary to go looking into lost
18 note affidavits when the note's no longer lost.
19 Q: Okay. Now that you've brought that up, how did
20 you learn that the note was allegedly found?
21 Did somebody tell you that? Did you get an e-
22 mail? A text?
23 A: Well, with my search, I found that counsel had
24 to ask them, do you have the original? They
25 said, yes, they have the original.



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1 Q: Okay. Was that ---

2 A: So ---

3 Q: --- an e-mail exchange?

4 A: No. I believe I asked them over a phone call

5 ---

6 Q: Okay.

7 A: --- if they had the original with them.

8 Q: Okay. Did you happen to ask them about this
9 lost note affidavit?

10 A: I did not.

11 Q: Okay. So you relied on something that was told
12 to you by a lawyer, as to finding something
13 that under oath was stated to be lost?

14 A: That is incorrect. I asked them about the note
15 and it was found. They had it. I just asked
16 them if they had the original collateral file
17 with the original note in it. I was told yes.

18 Q: Okay. And you asked that because you had
19 knowledge that the note was claimed to have
20 been lost, correct?

21 A: To verify -- and to verify that they had
22 possession of it.

23 Q: But you did not, again, ask them anything about
24 the lost note affidavit?

25 A: I did not.



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1 Q: All right. Let's go to Exhibit 16, please.

2 (Plaintiff's Exhibit Number 16 was referenced.)

3 A: Yes.

4 Q: Do you know when the loan actually was declared
5 to be in default?

6 A: Sometime around the time where the breach
7 letter was sent.

8 Q: The breach letter that is not in evidence?

9 A: That's correct. But you -- that's how, that's
10 how I'm determining around the time it was in
11 default, because the system showed that it was
12 a breach, and I'm relying on my knowledge of my
13 business records.

14 Q: Okay ---

15 A: That would be the time that it was considered
16 to be in default, because it was accelerated.
17 But ---

18 Q: But ---

19 A: --- the default is deemed 15 days past the due
20 date. If you're in default, then you don't
21 really accelerate until I think about at least
22 30 days after it.

23 Q: But since a breach letter is not in evidence,
24 we don't know exactly when the loan went into
25 default, do we?



1 A: Well, it went into default after the loan
2 wasn't paid for 15 days after the due date.

3 Q: Well, when was that?

4 A: I'd have to look at the business record, but
5 sometime, I believe, in 2008. What was it?
6 Allow me one second to look.

7 Q: Take ten seconds.

8 A: So, the loan went into default sometime of
9 March of 2009, April 2009.

10 Q: Okay. By the way, pardon me for not asking
11 this earlier, but with these various transfers,
12 assignments, whatever you want to call them, of
13 the note and the mortgage ---

14 A: Uh-huh.

15 Q: --- across these various entities, People's
16 Choice to GMAC to US Bank to 50 By 50, do you
17 know what consideration or money was paid in
18 connection with those sales or transfers of
19 those loans?

20 A: I do not.

21 Q: Okay. Did you see any documents regarding any
22 transfer, by contract or anything of that
23 nature?

24 A: The allonges to the note.

25 Q: Okay. What I -- I'm sorry. Maybe I was



1 obtuse. What I meant was, did you see anything
2 like a contract? Sort of like that mortgage
3 loan purchase agreement thing that we looked at
4 earlier?

5 A: That was the only one I pulled.

6 Q: Okay. So, there wouldn't be any that you know
7 of as to any of these other purchase- -- prior
8 transfers?

9 A: Sales or trust agreements?

10 Q: Yeah. Bills of lading, bills of sale ...

11 A: I, personally, have not checked for those
12 documents. That was beyond the scope of my
13 review.

14 Q: So, they might be in SLS' records, they might
15 not; you just don't know?

16 A: That is correct. It was beyond the scope of my
17 review.

18 Q: Okay. And, again, I know the judge asked you
19 this, but I -- I'm not real clear. Who
20 determines the scope of your review? Who makes
21 that decision?

22 A: In part, me, and my discussions with the
23 attorneys of what's needed for a trial. If I'm
24 told that I -- if I appear at a deposition,
25 opposing counsel would determine it by giving



1 me a scope of what I'm gonna be deposed on.
2 And I would review what the opposing counsel
3 provides as a scope. If I'm going to testify
4 as to putting on a case for foreclosure, I
5 would review the file, provide counsel for any
6 -- any documents that they need. I would ask
7 them if they need anything else, or if there's
8 anything in regards to that, and a lot of the
9 review depends on what is needed for the
10 specific event.

11 Q: But I think you told us earlier that because,
12 in your mind anyway, that you were told -- not
13 that you found it, but you were told that the
14 original note was found, you made the
15 unilateral decision not to look into the lost
16 note affidavit because, as you said, in your
17 mind it was irrelevant at that point? Is that
18 accurate?

19 A: Roughly. I don't think that's how I said it
20 word for word.

21 Q: Probably not. But is it close? Is it accurate
22 in terms of substance?

23 A: I don't know if I would use those words, but I,
24 during my search, chose -- I didn't review the
25 lost note affidavit because we had the



1 original. I did not see it as something that
2 we would be providing at trial, or that I
3 needed to review for trial.

4 Q: Right. So, that's my point. You made the
5 decision not to review the lost note affidavit,
6 correct?

7 A: Yes, that is correct.

8 Q: But you ---

9 A: Oh ---

10 Q: I'm sorry.

11 A: I don't even know if it's there, I haven't
12 reviewed it. You're ---

13 Q: Understood. And you did provide to your
14 counsel this bailee letter, Exhibit 15,
15 correct?

16 **(Plaintiff's Exhibit Number 15 was referenced.)**

17 A: Yes.

18 Q: Which references the lost note affidavit,
19 correct?

20 A: Yes.

21 Q: But yet, you did not provide them the lost note
22 affidavit ---

23 A: Right.

24 Q: --- because you decided it was irrelevant?

25 A: I didn't search for it.



1 Q: Because you decided it was irrelevant, right?

2 A: I didn't see it as part of the scope of what I
3 needed to testify to.

4 Q: Okay. Here's my specific question, you didn't
5 provide it because you determined, in light of
6 you being told that the note was found, the
7 lost note affidavit was irrelevant; that's what
8 you determined, correct?

9 A: I did not think it needed to be -- it was
10 relevant since we found the original.

11 Q: You answered my question.

12 Now, you testified during your direct
13 examination yesterday that all payments which
14 Mr. Singleton made on the loan to any servicer,
15 would be contained within the business records
16 of SLS; correct?

17 A: Yes.

18 Q: Okay. And did -- when was the last payment,
19 according to your records, that Mr. Singleton
20 made to any servicer on this loan?

21 A: The last time I see credits applied to the
22 loan, it is in 8/1/16 -- no, I'm sorry,
23 8/17/16, I am seeing that \$19,330.30 got
24 applied to the loan as regular payments
25 totaling ten payments.



1 Q: That 19,000 is a comp- -- is a -- is a total of
2 ten payments, or is that a lump sum? Because
3 I recollect you testifying yesterday, correct
4 me if I'm wrong, that that 19,000 was the net
5 insurance proceeds of the insurance claim that
6 was made.

7 A: What I'm saying is that it was applied as
8 regular payments. And I -- I believe I said to
9 the best of my recollection, it was something
10 to do with an insurance ---

11 **MR. SLOAN:** Non-payment ---

12 Q: I'm sorry. That wasn't my question. Here's my
13 question ---

14 A: Yes.

15 Q: --- when was the last time, according to your
16 records, that Mr. Singleton made any payments
17 himself to any servicer on this loan?

18 A: I do not know if these -- if this is considered
19 a payment by him, but from looking at this, the
20 last time there was a payment I believe was
21 sometime in 2009. Allow me a second to see.
22 Prior to that amount, the last time I see a
23 payment being posted is on 9/8 for the 3/8
24 payment.

25 **THE COURT:** Where is that from?



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1 MR. AMAYA: Page 6 of 25, of Exhibit 16, bottom
2 line.

3 (Plaintiff's Exhibit Number 16 was referenced.)

4 THE COURT: It's Exhibit 16, page what?

5 MR. AMAYA: 6 of 25.

6 Q: You said 9/8, is that September 8th or is that
7 September of '08?

8 A: September '08.

9 Q: So, your testimony that Mr. Singleton himself,
10 did not make any payments to any servicer on
11 this loan after September of 2008?

12 A: I do not know if ... (reviewing Exhibit 16).

13 Okay. Here we go. There were more payments
14 made, I apologize. There's ---

15 Q: I'm sorry, sir, I can't hear you.

16 A: There were more payments made, I apologize.
17 It's ---

18 Q: After September of '08?

19 A: Yes. There is -- the printout format is
20 difficult.

21 Q: Could you tell us how much and when?

22 A: I'm seeing regular payments dated 9/15/2010.
23 The transaction amount is \$1,978.73. And that
24 is the last one I am seeing before the
25 transactions in 2016.



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1 Q: What are you talking about?

2 A: The -- the 19,000 that was applied as regular
3 payments.

4 Q: When was that applied, what date?

5 A: That was on 8/17 of 2016, when ten payments
6 were -- was it ten? Yes, I believe it was ten
7 payments. Ten payments were applied from
8 unapplied funds to the loan.

9 Q: But that 19,000, you said was insurance
10 proceeds, correct?

11 A: To the best of my recollection.

12 Q: All right.

13 A: I don't recall the exact thing, but I remember
14 reading something about insurance and some
15 \$19,000.

16 Q: Okay. So if Mr. Singleton made payments to
17 other servicers outside of the three whose
18 records have been produced in this trial, you
19 would not know about that?

20 A: I don't see anything that would show that those
21 payments were made.

22 Q: Well, let me ask you a qu- -- let me ask this
23 question as a threshold question, you testified
24 earlier that there were other servicers
25 involved with this loan, including OCWEN and



1 some interim servicer, who may or may not have
2 been WealthBridge; correct?

3 A: Yes.

4 Q: And you don't have their records?

5 A: To the best of my recollection, I believe OCWEN
6 serviced well before GMAC and well before the
7 default. And all payments during that time
8 were credited towards the loan, so it's fair to
9 say that even without the records here, he made
10 all those payments because our information
11 shows that he wasn't -- he's not due for a date
12 during time that OCWEN servicing it.

13 Q: My questions was if Mr. Singleton made payments
14 to a servicer whose records you don't have, you
15 wouldn't know about them, would you?

16 A: I just explained how I would know that OCWEN --
17 he made the payments to OCWEN, because he
18 wasn't in default back then. All those
19 payments were being applied to the loan.

20 Q: But you said there were several servicers
21 involved?

22 A: Yes. There were multiple servicers involved.

23 Q: And you don't have all their records, correct?

24 A: I do not have all the records here, that is
25 correct.



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- 1 Q: Okay. By the way, did -- did your review
2 consi- -- reveal any effort to modify this
3 loan?
- 4 A: I do not recall seeing anything dealing with
5 the modification.
- 6 Q: At all, in any of the records you reviewed?
- 7 A: I don't recall seeing -- I know there was some,
8 I believe -- no, I don't want to speak out of
9 turn. I don't -- I don't recall.
- 10 Q: Okay. Let's go to Exhibit 1, which is the
11 mortgage. And I'm going to go specifically to
12 page 6 of 15, which is in like half-point
13 print. So at the top of the page, there's a
14 book number that ends in 173, that'll make it
15 easier to find.
- 16 **(Plaintiff's Exhibit Number 1 was referenced.)**
- 17 A: 173, let me get to ---
- 18 Q: Yeah. Take your time, I'm just saying ---
- 19 A: --- so they don't get lost.
- 20 Q: It's -- it's easier to locate than ---
- 21 A: Exhibit ---
- 22 Q: The tiny -- Exhibit 1. It's page 6, but it's
23 easier to go at the top. There's a book number
24 that ends in 173.
- 25 A: Yes.



1 Q: Okay. I want to go about to the last full
2 paragraph that starts with, "In the event of
3 loss".

4 A: Yes.

5 Q: Okay. Second line, "Unless Lender and Borrower
6 otherwise agree in writing, any insurance
7 proceeds, whether or not the underlying
8 insurance was required by Lender, shall be
9 applied to restoration or repair of the
10 Property, if the restoration or repair is
11 economically feasible and Lender's security is
12 not lessened." Do you see that?

13 A: Yes.

14 Q: There was insurance proceeds in connection with
15 a loss, correct?

16 A: To the best of my recollection, yes.

17 Q: And that was damage to the property, correct?

18 A: Yes.

19 Q: And there was nothing in writing that you have
20 shown in this trial showing that Mr. Singleton
21 ever agreed that that insurance money could be
22 used for anything other than repairs to the
23 property, right?

24 A: That is correct.

25 Q: Okay. So, then, under this mortgage that you



1 are seeking to enforce, those insurance
2 proceeds were to be applied towards restoration
3 and repair of the property, not towards the
4 loan balance; correct?

5 A: Correct.

6 Q: So, why did you do it?

7 A: I said to the best of my recollection that had
8 to do with something with insurance. I -- as
9 I said, I don't know if those payments were
10 actually from the insurance proceeds.

11 Q: But if they -- if they're -- those insurance
12 proceeds were applied to the loan balance
13 instead of being used to restore the property,
14 that is in violation of the mortgage, isn't it?

15 A: If they were, that would be the case.

16 Q: Okay. And also, was there any determination
17 ever made that the repairs were not
18 economically feasible as set forth in paragraph
19 five of the mortgage?

20 A: Not that I'm aware of.

21 Q: Okay. Do you -- does your file reflect any
22 correspondence from Mr. Singleton, or request
23 from Mr. Singleton, to tender those proceeds so
24 he could pay for those repairs?

25 A: I did not review anything of that nature, but



1 I believe I was told that during the case there
2 was something filed, opposing counsel
3 requesting the funds to repair the property or
4 something along those lines. I -- I didn't go
5 through the whole court file or the docket, so,
6 I don't know in it's entirety. It was just
7 part of my conversation with counsel.

8 Q: And since those funds were never applied
9 towards repair of the property, they were
10 wrongfully applied towards the loan balance in
11 violation of the mortgage; correct?

12 A: If that's what those funds were, it would have
13 been. I don't know if that was the funds for
14 the insurance.

15 Q: Well, was there any other insurance claim that
16 you're aware of?

17 A: I'd have to check my -- if you'd like to, I can
18 go through the payment history to see if
19 there's anything else to show me any other
20 \$19,000.

21 Q: Please do. Do you need some time to do that?

22 A: Please.

23 **MR. BARNES:** Your Honor, can we take like six or
24 seven minutes to let him do that?

25 **THE COURT:** Let's take ten minutes.



1 (Off the record from 3:00 p.m. until 3:08 p.m.)

2 **THE COURT:** We'll start, start again.

3 **MR. BARNES:** All right.

4 **OBJECTION:**

5 **MR. HAYES:** And, Your Honor, off the bat, I -- I
6 would like to object to the questioning
7 regarding whether it's wrongful to disburse the
8 insurance proceeds because that's
9 interpretation of the mortgage. And there's
10 already been an Order issued in this case on
11 October 30th of 2012, by Judge Murphy, going to
12 that point. They had moved -- they previously
13 moved for the insurance proceeds and Judge
14 Murphy, in denying it, said that the Court
15 finds that the disbursement of the insurance
16 proceeds is governed exclusively by the
17 mortgage contract. Contract interpretation is
18 a question of law. He can't -- he's a good
19 witness, but he's not -- he's not entitled to
20 determine what the law is ---

21 **THE COURT:** Let me look at that ---

22 **MR. HAYES:** --- according to the contract.

23 **THE COURT:** --- please. I mean, I can probably pull
24 it up.

25 **MR. HAYES:** I can bring it up, if you want.



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1 **THE COURT:** No, I'll get it.

2 **MR. HAYES:** It's on page four.

3 **THE COURT:** Have you seen that one, Mr. Barnes?

4 **MR. BARNES:** I've heard about it.

5 **MR. SLOAN:** Your Honor, I wasn't involved in that
6 case. I don't remember it perfectly, Your
7 Honor, but I believe Judge Murphy said that I
8 did not plead it, I did not plead it properly.
9 I don't doubt what Mr. Hayes said, because at
10 the time I filed the Motion, we were following
11 also number seven of the mortgage, where Mr.
12 Singleton has an -- has an affirmative duty to
13 protect the property from going into waste,
14 which would've gone into waste had the kitchen
15 not been -- not been properly repaired, which
16 Mr. Singleton -- I wouldn't have been able to
17 do it. Mr. Singleton was able to repair the
18 kitchen him- -- himself. We had actually
19 received some subsequent communications about
20 insurance issues. We didn't know what that was
21 about, but there have been no issues --
22 insurance claims since the summer of 2012.

23 **MR. HAYES:** My point, Your Honor, is that Mr. Barnes
24 is questioning him, Mr. -- is questioning Mr.
25 Amaya as to whether it's wrongful if the



1 insurance proceeds were disbursed and to -- and
2 applied to payments. That is a question of
3 interpretation of the contract, which is a
4 question of law. So, it's improper to ask this
5 witness, Your Honor.

6 **THE COURT:** I understand the objection. I'm going
7 to let him ask the questions as to -- as to how
8 the insurance proceeds were applied. And then,
9 it will be -- you know, I can determine -- it's
10 -- it's my -- my determination as to whether
11 that was proper or not, but he can answer
12 questions and how -- what the records reflect
13 how they were.

14 **MR. HAYES:** Right. But, but my point is, Mr. Barnes
15 was saying it was either unlawful or illegal
16 for him -- for it to be done, to be applied to
17 the payments instead of being applied to
18 repairing the property.

19 **THE COURT:** All right. I'll uphold the objection to
20 the quest- -- to the form of the question. Mr.
21 Barnes can rephrase the question.

22 **MR. HAYES:** Yes, sir.

23 **Q:** Okay. Sir, we're going back to Exhibit 1, Book
24 reference page 173 at the top, paragraph five
25 of the mortgage, last full paragraph.



1 (Plaintiff's Exhibit Number 1 was referenced.)

2 The specific language says, and I quote,
3 "Unless Lender and Borrower otherwise agree in
4 writing, any insurance proceeds, whether or not
5 the underlying insurance was required by
6 Lender, shall be applied to restoration or
7 repair of the Property." You've already
8 answered the first part of that question by
9 saying there was nothing you saw whereby Mr.
10 Singleton agreed in writing that these mo- --
11 insurance monies should be applied, other than
12 as set forth in the mortgage. So, where we
13 stopped was, I had asked you if, in fact, the
14 insurance proceeds were applied towards the
15 loan balance without an agreement in writing,
16 that would be contradictory to what the
17 mortgage says; correct? And you said, if
18 that's the case, it would be.

19 A: I believe so. Yes, that's what I said. And I
20 did find that there are none applied.

21 Q: Okay. What's unapplied?

22 A: Looking at Exhibit 19, as before we went on the
23 break, I believe I was supposed to look for
24 this.

25 (Plaintiff's Exhibit Number 19 was referenced.)



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- 1 Q: Yes, sir.
- 2 A: Then go to the payment history, and if you look
3 on page -- well, the only page of Exhibit 19,
4 three and -- the third and fourth line up from
5 the bottom, you'll see \$19,183.89. There are
6 two transactions for that amount. You have the
7 UFL code and the SLR code because this is in
8 un-applied funds that is being reviewed by
9 cashing management which would explain that
10 communication about insurance proceeds that was
11 spoken about earlier.
- 12 Q: So, the 19,183.89 were the insurance proceeds,
13 correct?
- 14 A: Yes. That is an un-applied bucket L, which is
15 for insurance. It's a, it's a bucket that's
16 kept separate from payment histories because
17 it's -- has it's own purpose, which would be
18 for repairs of property or it would -- yeah.
- 19 Q: So, was that money ever tendered to Mr.
20 Singleton?
- 21 A: No, it's still there. It's in un-applied funds
22 ---
- 23 Q: So ---
- 24 A: --- bucket.
- 25 Q: So, you're saying it's just in some escrow



1 bucket somewhere?

2 A: No, it's in an unapplied funds bucket waiting
3 for proof of the repairs to issue the money.
4 Or, if the property is -- I hate to go to this
5 extent, but if there's a sale or anything of
6 that nature, to deem whether the repairs were
7 done or not and return the funds or not.
8 Depending on the outcome of -- yeah.

9 Q: Well, as you just test- -- but you just
10 testified, sir, that the 19,000 was applied
11 towards the loan balance pursuant to the
12 payment history.

13 A: Yes. I testified that there is 19,000 that was
14 applied as ten payments. And I did say to the
15 best of my recollection. And I honestly do not
16 where those \$19,000 come from because when I'm
17 looking at SLS's payment history, my own
18 servicer, I know this bucket specifically. I
19 know the system and I know the codes. Don't
20 have them all memorized, but the UF is the
21 unapplied funds bucket. So, if you look at the
22 first transaction, there's a UFU, that's
23 unapplied -- basically incomplete. I mean, we
24 may even be able to see that on the payment
25 history -- on the payoff quote that we call the



1 set claim good through date, that there's a
2 deduction, expense unapplied. And UFL is that
3 specific bucket that I'm talking about, and the
4 SR is because it went through a senior review
5 in the cashiering department to determine what
6 to do with those funds, which more than likely
7 that letter that you were describing earlier
8 that was mentioned about a lost letter or
9 communication, it would've been flagged to be
10 sent because someone reviewing it saw that
11 these funds were from insurance and you don't
12 want it to just sit around. So, we would send
13 the letter to request the completion of -- of
14 the insurance claim.

15 **QUESTIONS BY THE COURT:**

16 Q: Stop right here. I need to get some
17 clarification. What is SRO? Senior?

18 A: SR is -- it's an SR code, and the zero would
19 then change it -- this is all from -- that's
20 from the servicing transfer.

21 Q: What does O mean?

22 A: The O is just the code that -- so, we have
23 subcategories.

24 Q: I understand.

25 A: The SR is ---



1 Q: SR stands for senior?

2 A: Senior in cashiering, senior, ---

3 Q: Okay.

4 A: As someone from the higher ups and the O is for
5 the starting ---

6 (Whispering.)

7 A: --- (inaudible due to whispering by counsel)
8 the beginning of the loan.

9 Q: You understand that?

10 A: Yes. The loan starting in our systems, being
11 created. So, we have to create a balance, the
12 balance has to be created in our payment
13 history. So, someone has to input the
14 information that's received from the prior
15 servicer, but someone needs to finalize it in
16 the payment history that that applied correct
17 principal balance, correct unapplied funds or
18 any escrow advances and that is one of the
19 transaction codes that are used to create the
20 new payment --- (inaudible due to whispering by
21 counsel).

22 Q: Okay. All right. What does FB stand for?

23 A: These are corporate advances. It's a
24 subcategory of corporate advances.

25 Q: What does SRM mean?



- 1 A: It's the same, it's the senior management that
2 they're doing a review on the loan that they're
3 handling something with the loan. It doesn't
4 have the subcategory of the O, which would be
5 the initiation, so it just shows me that those
6 two transactions were created by someone that
7 was reviewing the unapplied funds in the
8 bucket. They pulled it out and had to pull it
9 back in. That's not -- it needs to be done
10 with someone that has the authority to do so.
- 11 Q: All right. So, just walk me through that
12 transaction on 10/12 -- let's see ---
- 13 A: 1/6/23?
- 14 Q: 1/6/23 a UFL was -- it was 19,183.89 was coded
15 UFL, what does that stand for?
- 16 A: That is the unapplied funds title in the L
17 bucket for unapplied funds. There are
18 different buckets for different purposes.
- 19 Q: Right. So, it's flagged for unapplied funds
20 and then a senior cashier, or I guess
21 (inaudible) from that REO -- the transaction
22 type is a SR something done by a senior
23 individual in the company?
- 24 A: Yeah, so it would be (inaudible).
- 25 Q: And his entry is on the same day ---



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1 A: That same amount.

2 Q: --- and that 19,000 goes into the unapplied
3 funds amount, that's under that column?

4 A: Correct.

5 Q: Where is the balan- -- where is the contra- --
6 balance for that transfer?

7 A: Here, let me. I'd be happy to show, Your
8 Honor. So, when the -- the funds -- the first
9 transaction falls under transaction amount and
10 it doesn't show an un-applied fund. Because
11 it's being pulled out of a bucket for review.

12 And the second transaction shows the
13 unapplied funds come out in the unapplied
14 section, where it's being put back into the
15 bucket by the senior manager.

16 Q: Okay.

17 A: That's done with the insurance claims, whether
18 the same thing would happen if a payment is
19 being issued for an insurance repair, whether
20 a partial payment, they pull it out, they do a
21 review, they send out funds, they put it back.
22 In this case, they identified there was money
23 in the bucket, so to review it, they pull the
24 money out of the bucket, they'll create a
25 letter or a notice and put it back in.



- 1 Q: All right. So, when that happened, why didn't
2 the principal balance change? Because you --
3 you didn't change the balance? You still kept
4 the \$207,000 balance.
- 5 A: Because it's still in the bucket. It hasn't
6 been thrown away, it's in the bucket. It's
7 still there.
- 8 Q: But the prior lender had applied it to the
9 loan.
- 10 A: Well, the prior lender shows ---
- 11 Q: Or servicer?
- 12 A: Correct. The prior servicer shows \$19,000 and
13 I can show you on the payment history how it
14 was applied.
- 15 Q: I saw that; you don't have to show me.
- 16 A: Okay. And I believe, if I'm not mistaken, it's
17 -- if it didn't lower the principal balance,
18 it's because ---
- 19 Q: It lowered the principal balance by -- where
20 you have the balance in ---
- 21 A: Correct. So, yes, there was over \$100 being
22 applied per payment, so the principal balance
23 went down by over \$1,000.
- 24 Q: Okay. So why isn't it -- why isn't it restored
25 -- why isn't the principal balance restored



1 when you -- when y'all attribute it to an un-
2 -- to the so-called new ---

3 A: With all honesty, Your Honor, as far as I can
4 tell, the \$19,000 were credited ---

5 (Whispering.)

6 A: --- I do not know where they came from. I'm
7 showing that we still have those \$19,000 in
8 unapplied.

9 Q: I understand that.

10 A: So, it has not been applied towards the loan,
11 it's still sitting in the bucket ready for
12 disbursement.

13 Q: But you didn't adjust the principal balance ---

14 **COURT REPORTER:** To confirm, did you say -- you said
15 stop, did you want me to put that off the
16 record or on the record, that whole little side
17 spiel there?

18 **THE COURT:** Yeah. That -- on the ---

19 **COURT REPORTER:** On the record?

20 **THE COURT:** --- on the record. I stopped only to
21 ask him a question.

22 **COURT REPORTER:** (Nods head.)

23 A: We didn't take the credit away. We left the
24 \$19,000 that were credited on the loan,
25 credited towards the loan. We didn't take it



1 away.

2 Q: Why -- why didn't you?

3 A: We did, it's -- it -- it doesn't -- I don't
4 know why we did it, but it's to the borrower's
5 benefit. It's \$19,000 less.

6 Q: Okay. Thank you very much. I appreciate it.
7 Go ahead, Mr. Barnes.

8 **MR. AMAYA - CROSS EXAMINATION RESUMED BY MR. BARNES:**

9 Q: All right. I'm going to follow up on that line
10 of questioning. Exhibit 17, please.

11 **(Plaintiff's Exhibit Number 17 was referenced.)**

12 A: Yes.

13 Q: Page number 8.

14 A: Yes. Page number 8?

15 Q: Yes, sir.

16 A: Yes.

17 Q: There are multiple entries on August 17th of
18 2016, you see that?

19 A: Yes.

20 Q: There are -- I think it's ten, regular payment,
21 regular payment. Do you see that?

22 A: Yes, I do.

23 Q: And on each of those you said Mr. Singleton
24 wasn't making any payments at this time. So,
25 on each of these it shows amount applied of the



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1 1,933.03, payment transaction amount \$125.92
2 was applied to principal, and 1,807.11 was
3 applied to interest, right?

4 A: Yes. That's what the top one shows.

5 Q: And the second one shows 124.83 to principal,
6 1,808.20 to interest?

7 A: Yes, that is correct.

8 Q: And the third one, 123.75 to principal,
9 1,809.28 to interest; right?

10 A: Yes.

11 Q: 122.68 to principal, on the next one to
12 1,810.35 on interest. The next one, 121.62 to
13 principal, 1,811.41 to interest.

14 A: That is correct.

15 Q: The next one, 120.57 to principal, 1,812.46 to
16 interest.

17 A: Yes.

18 Q: The next one, 119.53; 1,813.50 to interest.

19 A: That is correct.

20 Q: The next one, 118.50 to principal, 1,814.53 to
21 interest.

22 A: Yes.

23 Q: The next one, 117.48 to principal; 1,815.55 to
24 interest.

25 A: Yes.



- 1 Q: And the last one, 116.46 to principal; 1,816.57
2 to interest; correct?
- 3 A: Yes.
- 4 Q: So, the great majority of this \$19,000
5 insurance money was applied to interest, wasn't
6 it?
- 7 A: Yes.
- 8 Q: Without any agreement in writing from Mr.
9 Singleton to do so; correct?
- 10 A: I never sai- -- as I said, I found the money
11 from the insurance, so at this point, I do not
12 know where those \$19,000 came from.
- 13 Q: Well, but, again, you just testified 30 seconds
14 ago that money was applied towards mu- -- the
15 most of it was applied towards interest,
16 correct?
- 17 A: I testified that this money was applied towards
18 the loan, towards interest, yes. That's how
19 loans work, especially when you have a ten
20 percent interest. You're -- you're talking
21 about payments due from back in 2009 being
22 applied as per the terms of the note and
23 mortgage.
- 24 Q: Right. And you testified that Mr. Singleton
25 hadn't made any payments in 2016, correct?



1 A: I testified that credits were applied as
2 regular payments. There's an unapplied 19,33-
3 ---

4 Q: Okay. Stay -- stay with me now. You testified
5 Mr. Singleton had not made a payment since
6 sometime in 2010, correct? Mr. Singleton,
7 himself.

8 A: After seeing the other transactions, I don't
9 know where these funds came from.

10 Q: Right. The \$19,000 ---

11 A: Correct.

12 Q: --- did not come from Mr. Singleton, did it?

13 A: I do not know where that \$19,000 came from.

14 Q: Well, there was \$19,000 that came from
15 insurance, wasn't it?

16 A: Yes, there ---

17 Q: So the only evidence that we have of where this
18 19,000 came from was the insurance, correct?

19 A: The payment history shows it and the SLS
20 payment history shows that we still have
21 \$19,000 in the bucket.

22 Q: Okay. Sir, please, just try to answer my
23 question. The only evidence we have of where
24 this \$19,000 and change came from is from the
25 insurance, correct?



- 1 A: This specific one, I do not know because it
2 just says unapplied. I do know that the SLS
3 one does mention the unapplied funds L bucket,
4 which is for insurance if that money's there.
- 5 Q: Correct. So, that insurance money was applied,
6 most of it, towards interest and a little bit
7 to principal, correct?
- 8 A: Incorrect.
- 9 Q: All on the same day.
- 10 A: Incorrect. The money that's in the SLS bucket
11 is still there. We still have those \$19,000.
- 12 Q: Well, sir, the Shellpoint Mortgage Servicing
13 Exhibit 17 says that that money was applied
14 towards principal and interest. It's right
15 here. That's what it says, correct?
- 16 A: It says \$19,330.30 were applied to the loan as
17 regular payments. At this point ---
- 18 Q: Correct.
- 19 A: --- after seeing and finding the information
20 that I did in the SLS payment history, because
21 of the question you asked me, I have determined
22 that the unapplied funds that are in the
23 insurance bucket are still there. I don't know
24 where those \$19,000 came from, crediting your
25 borrower's loan, lo- -- lowering the amount due



1 and owing.

2 Q: Well, do you have any idea where this,
3 miraculously, the same amount of money as the
4 insurance, came from?

5 A: No, and it's slightly more. What I show is
6 19,100, not 19,300.

7 Q: Yeah. So, a difference of \$200?

8 A: Roughly, a hundred and change.

9 Q: Did Mr. Singleton send in a payment on this one
10 date, this August 16th -- oh, let me get the
11 date right. Did Mr. Singleton send a payment
12 of 19,330.30 to the servicer, Shellpoint, on
13 August 17th of 2016, or anytime prior to that?

14 A: It does not appear to be so, because the money
15 is coming out of an unapplied account, because
16 it shows unapplied payment.

17 Q: Right. Coming out of an unapplied account and
18 applied towards principal and interest, right?

19 A: Correct, yes.

20 Q: Thank you. All right. Let's go to Exhibit --
21 17 is the big payment history? I may have
22 misspoke about the numbering on the last one.

23 A: 17 is the Shellpoint one that we were just
24 disc- ---

25 Q: Okay. So, this is 18.



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1 **(Plaintiff's Exhibit Number 18 was referenced.)**

2 A: Yes. I have 18 marked as the big one that I
3 believe ---

4 Q: Okay.

5 A: --- was provided ---

6 Q: Right. I got it.

7 A: --- electronically.

8 Q: And, again, we don't know who generated these
9 records?

10 A: Statebridge.

11 Q: And how do we know that?

12 A: Because of the time frame of the servicing.
13 They were the direct prior servicer to SLS and
14 this is the direct payment history prior to SLS
15 in between Shellpoint and SLS, at which time
16 the servicer was Statebridge.

17 Q: Okay. Now, if you -- we're going to do another
18 left hand, right hand with 17 and 18.

19 **(Plaintiff's Exhibit Numbers 17 and 18 were**
20 **referenced.)**

21 A: Yes.

22 Q: 17, the first entry is transaction date 3/15 of
23 '18, you see that?

24 A: That is actually the last transaction. It
25 works back- -- from the bottom up.



1 Q: That's right. It would be Shellpoint's last
2 transaction, correct?

3 A: Yes.

4 Q: Now, if you go to Exhibit 18, the first
5 transaction for Statebridge is not until April
6 30th, 2018; correct? I'm sorry, April 6th of
7 2018.

8 A: April 6th, that is correct.

9 Q: So, there's this gap of approximately three
10 weeks between the time that Shellpoint had its
11 last transaction and Statebridge has its first
12 transaction, right?

13 A: I would not call that a gap if no transactions
14 took place. There's nothing to put into it.
15 You can have a month gap in between any
16 transaction because nothing took place for a
17 whole month. A borrower makes a payment
18 monthly, but there's not really a monthly gap
19 in between the payment history, it's just that
20 the payments are coming in monthly.

21 Q: Do we know who the servicer was between the
22 time of Shellpoint and when Statebridge took
23 over, given that three weeks with no records?

24 A: It went from Shellpoint to Statebridge, as I
25 just said. You're -- the ---



- 1 Q: Okay. Sir, you just verified that the last
2 transaction date on the Shellpoint records is
3 March 15th of 2018. The Statebridge statements
4 start April 6th of 2018, which is a three-week
5 period. Are you saying that nothing happened
6 in those three weeks at all?
- 7 A: I didn't see any charges. The numbers lined
8 up. There wasn't a transaction during that
9 time period; there's not going to be anything.
- 10 Q: Would you go to page 69, please?
- 11 A: (Witness complies.) Yes. Yes.
- 12 Q: Second from the bottom, there's an entry that
13 says, third party, R-E-C-O-V Fees Assess
14 Litigated, what does that mean?
- 15 A: Third party recovery fees assessed, attorneys'
16 fees.
- 17 Q: I ---
- 18 A: It says, litigated, which should -- that kind
19 of raises a flag that it's an attorney fee.
- 20 Q: The amount's a hundred dollars.
- 21 A: Okay.
- 22 Q: So, you're telling me that this was an
23 attorney's fees for a hundred dollars that was
24 litigated?
- 25 A: I don't know if they had to write a memo or a



1 letter and they charged a hundred dollars an
2 hour. It's -- it was a charge for a hundred
3 dollars for the purposes of attorneys' fees.

4 Q: Go to page 109, please, top of the page.

5 A: (Witness complies.) Yes.

6 Q: There's a travel expense of \$1,147.16.

7 A: Yes.

8 Q: Who was that for and what was it for?

9 A: It was a third -- third party recoverable fee
10 that was titled travel expense.

11 Q: Who's the third party?

12 A: Let me see if I can identify it by looking
13 through more records.

14 (Whispering.)

15 **THE COURT:** What page are you on, Mr. ---

16 **MR. BARNES:** 109, Your Honor, very top entry.

17 A: I am not certain. I believe it might have to
18 do with the third party travel fee. Normal
19 look -- normally, those are a corporate
20 advance. I'm not sure what specific fee that
21 was for.

22 Q: Well, I ask it in -- in part because, number
23 one, it doesn't have a description of who or
24 what it's for, but number two, that is the only
25 such expense in this 110, 120-page document.



1 You have no idea what it's for?

2 A: Not specifically. It was a third party
3 recoverable fee, which is a corporate advance.

4 Q: And they're -- and ---

5 A: It's a corporate advance. I do not know what
6 -- why the specific employee called it travel
7 expenses.

8 Q: And SLS is seeking to recover that money from
9 Mr. Singleton?

10 A: That might be included in the -- in the
11 corporate advances. I'm not sure, because if
12 it's a -- if it's an attorneys fees; no, we're
13 not. That's been already discussed that there
14 would have to be a hearing, so we would not be
15 seeking that amount today.

16 Q: Right. But that doesn't -- there's nothing on
17 here that says attorneys' fees, sir. It says,
18 travel expense.

19 A: Yeah.

20 Q: Right?

21 A: And looking through my corporate advance
22 breakdown, the only corporate advances I have
23 deal with litigation, BPOs, which that is not,
24 and there was one other one ... there's other
25 fees and costs which come into BPOs. Inspect-



1 -- there's property inspections, and then
2 there's the attorneys' fees and costs. And
3 from my understanding, as I said, we're not
4 going after the attorneys' fees and costs and
5 I do not see how that would fall under a other
6 fee for BPO for inspection costs. So, I would
7 not expect it to be in either one of those
8 categories.

9 Q: So, is that another mistake?

10 A: No, that's just what that transaction was
11 quoted as.

12 Q: But we don't know -- again, we don't know whose
13 travel or for what reason?

14 A: It's a transaction that was quoted as a third
15 party expense for travel expense. I do not
16 know why they coded it for travel expense.

17 Q: And we don't know who the third party is?

18 A: Someone that was doing something for the
19 servicer. And these third parties are the
20 third parties that are paid to do property
21 inspections, to do vendor managements, people
22 who do BPOs, people that do -- well, not in
23 this case, but in some cases to property
24 inspections and attorneys.

25 Q: So, are you saying that somebody charged



1 \$1,147.16 to drive to Mr. Singleton's house and
2 do a property inspection?

3 A: No. What I've been saying is I don't know the
4 specific detail of what that was applied for,
5 but it appears to be that it fell under --
6 someone quoted it as that, and it fell under
7 corporate advance for attorneys' fees.

8 Q: Attorneys' fees, I thought you just said it
9 wasn't attorneys' fees, it says travel expense.

10 A: Correct. But from the best of my review of
11 what we have as corporate advances, I believe
12 it fell under that category.

13 Q: Although it doesn't say that in the document?

14 A: Correct.

15 Q: Okay.

16 A: The codings get subcategorized, because you'll
17 see there's -- even for attorneys' fees,
18 there's different. There's lien costs,
19 recording, there's SC attorney fee, there's
20 litigation fee. Those all fall under
21 attorneys' fees, it's just a subcategory of the
22 corporate advance for attorneys' fees.

23 Q: And there's been no documents produced in this
24 trial to otherwise identify, substantiate or
25 explain that \$1,147.18 -- 16 cent travel



1 expense, correct?

2 A: The payment history that shows that it was paid

3 out.

4 Q: No. Providing information as to who traveled,

5 for what reason, where they went, etcetera?

6 A: No.

7 Q: Thank you.

8 A: I have not provided any of that.

9 Q: Okay. Go to the very last page, 120, please.

10 A: Yes.

11 Q: There's a payment of \$11,689 to Safeguard

12 Properties Management, LLC.

13 A: For how much?

14 Q: \$11,689, very last page ---

15 A: No, there's not.

16 Q: --- second column. I'm looking right at it.

17 A: Oh, you don't have the headers for that column.

18 That column is the batch ID column, that's not

19 a money column.

20 Q: So, what does that number indicate, that

21 11,689, what is that?

22 A: It's the batch number.

23 Q: How do we know that's not a monetary amount?

24 A: You have to put it together. That's why we

25 sent out the electronic ones, so you wouldn't



1 have to piece together the paper. And I ---

2 **THE COURT:** You did that already?

3 A: --- as I --

4 **MS. TAYLOR:** (Nods head.) This morning.

5 A: If you look on pages one and two, you'll notice
6 that there's headers to columns. This is the
7 last page.

8 Q: Okay. So, you're telling me that on page 119,
9 these numbers next to, for example, Safeguard
10 Properties Management, LLC, 12,933; Proctor
11 Financial Insurance, 12,653; and Security
12 Connections, Inc., 12,073, those are not dollar
13 amounts?

14 A: The dollar amounts are to the left. If you --
15 here you go. Let's -- if you look at pages one
16 and two, you'll notice there's -- oh, okay,
17 that's how it goes. These are batch ID, not
18 monetary value.

19 Q: Okay.

20 A: These are monetary value, these are nots [sic].

21 Q: What -- do that again, where the monetary
22 values appear.

23 A: See? Under -- in principal balance under
24 escrow, under -- this is an escrow balance, and
25 this the -- that escrow balance, and the escrow



1 transaction.

2 Q: Okay. Let's go back -- let's go back to page
3 119 then.

4 A: Yes.

5 Q: The -- (whispering) one, two, three, four --
6 fifth column over where it says, for example,
7 at the top, a minus sign, 4956.36, is that a
8 dollar amount or not?

9 A: Yes.

10 Q: Okay. So what was \$4,956.36 to Clear Capital,
11 A-L, Com Inc.?

12 A: What are you talking about? The ---

13 Q: Page 119 ---

14 A: There isn't -- it doesn't say Clear Capital ---

15 Q: (Indicating) Right here, sir.

16 A: Okay. Here ---

17 Q: Clear Capital Com Inc.

18 A: Okay. That column -- which column do you want,
19 so I can tell you what the column ---

20 Q: Okay. You told me the 4956.36 is a dollar
21 amount.

22 A: Yes.

23 Q: What was it for?

24 A: If you would look at the -- page two, you'd
25 notice that's the -- the 4,952 is the escrow



1 balance. Notice it's continuing up still the
2 same because there's no new changes to the
3 escrow balance. It's just the escrow balance
4 at the time of that transaction.

5 Q: So who's Clear Capital Com Inc., what do they
6 have to do with this?

7 A: Let me see what transaction actually happened
8 there. (Reviews document.) That is a BPO fee,
9 and that BPO fee was for ... transaction
10 amount, \$100.

11 Q: Safeguard Properties Management, LLC, what do
12 they have to do with this loan?

13 A: Inspection, property inspection, \$15.

14 Q: Pro- ---

15 A: It is on page 117. 119 is a continuation of
16 page 1- ---

17 Q: Security Connections, Inc., what did they have
18 to do with this loan?

19 A: Imaging, \$1.99.

20 Q: Cy- -- this is page 99, Cyprexx, C-Y-P-R-E-X-X,
21 Services, LLC.

22 A: You have to give me a second. What page are
23 you on?

24 Q: Take your time. 199.

25 A: 199. (Reviews document.)



1 If you have it on the computer, Your
2 Honor, I can tell you what line it's on.

3 **THE COURT:** Hold on a second, let me find what ...

4 A: Cyprex Servicing, that is inspection, \$15.

5 Q: All right. SLK Global Solutions America, Inc.,
6 page 39.

7 A: If you'd give me the page first, it'd make it
8 a lot easier ---

9 Q: I'm sorry.

10 A: --- for me to find the name.

11 Q: I'm sorry. Page 39, third column, third line
12 down.

13 A: SLK Global Solutions America, that is a third
14 party recoverable fee, tax search, 80 cents.

15 Q: Page 75. Lereta LLC, L-E-R-E-T-A.

16 A: (Reviews document). Tax search, 95 cents.

17 Q: Okay. Exhibit 20, please.

18 **(Plaintiff's Exhibit Number 20 was referenced at this**
19 **time.)**

20 A: Yes.

21 Q: Exhibit 20 is redacted -- one, two -- about
22 five lines up from the bottom, other fees and
23 costs, 17,112.27.

24 A: Yes.

25 Q: What is that for?



- 1 A: BPOs.
- 2 Q: \$17,000 for broker price opinions?
- 3 A: BPOs and other fees. The loan's been defaulted
- 4 since 2000- -- what, nine? 2010? I believe
- 5 it's \$85 a pop.
- 6 Q: Well, how often do you do PPOs [sic], sir?
- 7 A: I'm seeing here, about two per year.
- 8 Q: And each one costs, what?
- 9 A: A hundred to \$85.00.
- 10 Q: So it's \$360.00 a year? You've got \$17,000 of
- 11 BPO fees here.
- 12 A: And I also see some prior servicer fees that
- 13 would fall under other, which would include
- 14 some of those -- like that weird one that you
- 15 had last that could fall under a category
- 16 that's not a property inspection and not a
- 17 legal ---
- 18 Q: The travel?
- 19 A: No. The tax searches, the -- any photos that
- 20 had to be taken ---
- 21 Q: Do you have documentation for all these
- 22 expenses?
- 23 A: They're right here in ---
- 24 Q: Do you have ---
- 25 A: --- Exhibit 18, where you've been questioning



1 me.

2 **(Plaintiff's Exhibit Number 18 was referenced.)**

3 Q: Do you have invoices for the -- from the BPO
4 people that did those? Do you have invoices
5 from people who took pictures?

6 A: Not at trial today.

7 Q: You don't, okay.

8 A: Not today at trial.

9 Q: So, all you have is summaries?

10 A: Not that I don't have them, I haven't pulled
11 them from the records ---

12 Q: Today, here. Today's the trial. You don't
13 have them today?

14 A: I did not bring them today.

15 Q: Okay. So, we have no documentation, other than
16 entries on these pay histories, to substantiate
17 this 17,112.27; right?

18 A: That is correct.

19 Q: Thank you. Exhibit 21.

20 **(Plaintiff's Exhibit Number 21 was referenced.)**

21 A: Yes.

22 Q: Are you aware that Mr. Singleton was paying his
23 own insurance on this property since 2006?

24 A: I did not.

25 Q: Are you aware that he's been paying it



1 continuously through today?

2 A: I have not.

3 Q: Did you ever ask him before you tried to tag
4 him with insurance premiums?

5 A: Letters would have been sent. If he was not
6 responsive ---

7 Q: Okay. Do you know what force-placed insurance
8 is?

9 A: Yes, I do know ---

10 Q: Tell me what it is.

11 A: When someone does not have insurance or when
12 another servicer receives information from the
13 insurance company that the insurance policy is
14 expiring and that it has not been renewed, if
15 it is determined that there is no insurance on
16 the property, in order to secure it, the
17 property and the interest, force-placed
18 insurance will be put on it. Meaning that it's
19 insurance picked by the servicer, not by the
20 borrower.

21 Q: And you have to send a notice to the borrower
22 that you intend to force-place insurance on the
23 property before you do it, right?

24 A: If it's not already enough to hold the loan,
25 that is correct, yes.



1 Q: And you did not do that here, correct?

2 A: I do not know, I did not look for that letter.

3 Q: And we don't have any evidence here at trial,
4 any letters or anything else, notifying Mr.
5 Singleton that you intended to have put force-
6 placed insurance on this property, correct?

7 A: Correct. We did not bring any such letter here
8 with us today.

9 Q: So, if, in fact, Mr. Singleton, as he will
10 testify, has had insurance on this property
11 since 2006, then you are not entitled to
12 double-dip and seek to collect homeowners'
13 insurance from him, are you?

14 A: I believe that's for the Court to decide, not
15 for me to make that decision.

16 Q: Well, in the absence of any notice to Mr.
17 Singleton that you intended to force-place
18 insurance, you can't do it, can you?

19 A: I never said we didn't send a notice, it's just
20 not here with us because I did not look into
21 it.

22 Q: Well, okay. Since you didn't look into it,
23 then you don't even know if any notices were
24 sent, do you?

25 A: That is correct. I do not know.



- 1 Q: Okay. Do you know an Olivia Miller?
- 2 A: No.
- 3 Q: Do you know if the servicing rates to this loan
- 4 were ever transferred to a company called F,
- 5 Frank, C-I- -- I'm sorry. FCI; Frank, Charlie,
- 6 Larry -- I'm sorry; Frank, Charlie, Ingrid
- 7 Lender Services, Inc?
- 8 A: I do not recall if that's one of those
- 9 servicers that, as I said before that skips my
- 10 mind that was on this loan.
- 11 Q: And we don't have any records produced here
- 12 from FCI Lender Services, Inc., right?
- 13 A: None that I'm currently aware of. I don't know
- 14 if they signed -- I don't recall if they were
- 15 one of the ones that signed the allonge or not.
- 16 Q: Can you look through the allonges and see if
- 17 FCI Lender Services was ever identified on
- 18 either any of the allonges or assignment of
- 19 mortgage?
- 20 A: (Reviews documents.) FCI you said, correct?
- 21 Q: FCI Lender Services ---
- 22 **MR. BARNES:** Inc. or LLC?
- 23 **MR. SLOAN:** Inc.
- 24 Q: --- Inc.
- 25 A: (Reviews documents.) I do not see anything



1 specifically naming FCI in any of the
2 documents.

3 Q: Exhibit 23, please.

4 **(Plaintiff's Exhibit Number 23 was referenced.)**

5 A: Yes.

6 Q: Okay. We're going to start at the top where it
7 says, other fees. There are BPO, brokers price
8 opinion, fees beginning on 6/15 of 2018, going
9 up to 12/1 of '22.

10 A: Yes.

11 Q: The highest amount for a BPO on here is \$100,
12 the lowest is \$10. You just testified a few
13 minutes ago, that each of these things cost in
14 excess of \$156.

15 A: No, I said they cost from 85 to a hundred
16 dollars, because that's what I saw the most in.

17 Q: I can read it back, if you'd like? Because we
18 did the math on it trying to justify the
19 \$17,000.

20 A: And I believe it was ---

21 Q: You said the brokers' fees are about 150, \$156
22 a piece.

23 A: Is that what I said?

24 Q: Yes, you did. Because I said about 300 a year
25 times twice a year is 600 a year. I'm sorry,



1 300 a year.

2 A: Then I misspoke, because this is the document
3 that I was looking at when I was speaking.

4 Q: Okay. So, do you know why a BPO would be as
5 little as \$10?

6 A: Someone charged a -- someone coded a 10-dollar
7 fee for a BPO.

8 Q: And why the fluctuation between \$85 and \$100?

9 A: You would have to ask the company that does the
10 BPOs why they lowered their amount.

11 Q: But we don't have their invoices here, do we?

12 A: We did not bring them today, no.

13 Q: Okay. Second page.

14 A: Yes.

15 Q: Under attorneys' fees and costs, the second
16 entry of 3/10 of '23 says that legal service
17 costs ---

18 A: Yes.

19 Q: I'm sorry. I misspoke. The fif- -- fourth
20 one, that's 5/5 of '23, legal attorneys' fees.
21 Do you see that?

22 A: Yes.

23 Q: And if you go to the next page, just above
24 center on 11/30 of '22 it says, FC attorneys'
25 fee, do you see that?



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1 A: Yes.

2 Q: What's the difference between legal attorneys'
3 fees and FC attorneys' fee?

4 A: It's the way it's coded. That's the only
5 difference. On here, there is actually the
6 breakdown from the prior servicer's attorneys'
7 fees, and the attorneys' fees are just
8 categorized as foreclosure attorney fee.

9 Q: So, is ---

10 A: It's the coding. It's the way you code it.
11 There's, as I explained earlier, there's sub-
12 categories of -- they have foreclosure
13 attorney, you have legal attorneys, it's just
14 the coding for an attorney's fee.

15 Q: Well, when you say a legal attorney, are you
16 talking about transactional attorneys versus
17 litigation attorneys?

18 A: I'm talking about an attorney. I don't know
19 the difference.

20 Q: Okay. Transactional attorneys, I'm gonna
21 proffer you, draft documents, prepare
22 documents, etcetera. They don't go to court
23 and litigate. Litigation attorneys go to court
24 and litigate.

25 A: The majority of the attorneys I work with do



1 both, so ...

2 Q: Okay. So, what I'm trying to understand is,
3 what is the difference between legal attorneys'
4 fees -- and I get what FC attorneys' fees is,
5 but what is a legal attorneys' fees? This is
6 the same servicer, same records.

7 A: It's SLS' records, but if you look at the
8 dates, those were transactions from the prior
9 servicer that had been incorporated into our
10 business records. If you're looking at dates
11 before the time that we serviced it at the end
12 of 2020, so the prior servicers, when it was
13 onboarded, the attorneys' fees were all
14 forwarded -- coded as FC attorney fees. It's
15 just the coding for the kind of fee that it is.
16 It's an attorney's fee. It's ---

17 Q: And, sir, I'm lookin- ---

18 A: Some people code it ---

19 Q: I'm looking on -- I'm looking under the se- --
20 actually, the third page. 11/30 of 2022, which
21 is the end of November of last -- of 2022. FC
22 attorneys' fees. I'm looking on page two, 5/5
23 of '23, which is five months later, 20 weeks
24 later, there's a totally different code for
25 this. Explain that to me.



1 A: I just did. It would ---

2 Q: You said it was from the prior servicer, these

3 are not attorneys fees of SLS?

4 A: These were attorneys' fees that were on the

5 payment history.

6 Q: My question, sir, are these attorneys' fees for

7 SLS?

8 A: These are attorneys' fees that were paid

9 throughout the payment history. This is a --

10 this is a -- it's a breakdown of the fees and

11 the payment history. It's a composite of the

12 payment history, the transactional payment

13 history. Here it is broken down month-by-month

14 to include what we voided from the prior

15 servicer. The information that we voided from

16 the prior servicer.

17 Q: Okay. This entry of 11/30 of '22 for

18 \$11,187.50 for FC attorneys' fees, do you know

19 what that was for?

20 A: I do not see a transaction for 11/30 of '22.

21 Q: Page three, center of the page, 11/30/2022, FC

22 attorneys' fees. Dollar amount, 11,187.50.

23 A: Those are attorneys' fees.

24 Q: But what happened on November 30th that

25 generated over \$11,000 in attorneys' fees in



1 one day?

2 A: I don't know the specifics of what would've
3 caused that much. I know that there has been
4 a lot of legality with this case, and hours
5 have accumulated over the years, and hours can
6 take -- for filing the documents and/or any
7 kind of hearing, that can take multiple hours,
8 which could possibly come up to this amount.
9 I do not know the specifics of what this was
10 being charged for. If it was for more than one
11 event, or for multiple events.

12 Q: Well, this is the first time this case has gone
13 to trial, correct?

14 A: Yes, but I believe it's not the first time it's
15 had a hearing.

16 Q: Correct. We have had hearings in this case.
17 And let's assume that we had a hearing that
18 lasted two hours. At \$11,187, that's almost
19 \$6,500 an hour.

20 A: That's suggesting that that's the only thing
21 that they're charging for in that amount.

22 Q: Well, I don't see any documentation breaking
23 down this 11,187.50, do you?

24 A: I see the payment history, that that amount was
25 paid.



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1 Q: Right. But you don't know what it was for, do
2 you?

3 A: I do not know at this time. It was -- wait,
4 no, I do. Attorneys' fees.

5 Q: Right. All in the same day.

6 A: All in one check, all in one payment.

7 Q: Okay.

8 **THE COURT:** You're saying it's one transaction?

9 A: Yes. That is one payment that was sent out for
10 that amount, Your Honor.

11 **THE COURT:** And you don't have who it went to?

12 A: The foreclosure attorney at that time. I do
13 not know who specifically was working that file
14 in 2022, at 11/30/2022. I would have to check
15 legal invoices for that. And I believe that
16 came from the prior servicer.

17 **MR. BARNES:** Your Honor, may I have a minute with
18 Mr. Sloan to ---

19 **THE COURT:** I have one question before you do that.

20 **MR. BARNES:** Sure.

21 **THE COURT:** Who put this summary together on Exhibit
22 23?

23 A: The payoff department, Your Honor. In order to
24 create these documents -- there is three
25 documents that come off when Exhibit 20 is



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1 created ---

2 **THE COURT:** Ho- -- hold on a second. You said the
3 payoff department. Do you know who within the
4 payoff department ---

5 A: Oh. Oh, that is ---

6 **THE COURT:** --- these records submitted in summary
7 form?

8 A: Well, it comes directly from the payment
9 history, Your Honor. It's the computer ---

10 **THE COURT:** The computer generates it?

11 A: Correct, Your Honor. You input ---

12 **THE COURT:** Sort it -- you get it and sort it into
13 that ---

14 A: Correct.

15 **THE COURT:** --- form?

16 A: They run a payoff and they choose to do it in
17 the format of Exhibit 20, and it prints out in
18 Exhibit 20. All this information is then
19 pulled from the system, and what they have to
20 do is provide the system the codes for the
21 prior servicer so it will break it down to
22 which category it goes in. When they don't put
23 in the code, this is what you get (indicating),
24 you get a lump sum because there's a missing
25 code that was not read, so it lumps it from the



1 prior.

2 **THE COURT:** Am I correct in saying that your company
3 SLS compiled this Exhibit 23, correct?

4 A: Yes, we created it, Your Honor. From
5 information on the payment history.

6 **THE COURT:** You can take a break and speak to Mr.
7 Sloan.

8 **MR. BARNES:** Thank you, Your Honor.

9 **THE COURT:** Take a -- well, you want us to break for
10 a few seconds or a few minutes off the record?

11 **MR. BARNES:** I only need a minute or two, but if ---

12 **THE COURT:** Okay. We'll just -- we'll just let you
13 -- we'll stay on the record. You can go speak
14 to Mr. Sloan and we'll come back.

15 **MR. HAYES:** Is it okay if I run out and come back,
16 Your Honor?

17 **THE COURT:** Sure.

18 **MS. TAYLOR:** Me too, a small one. My apologies.

19 (Off the record from 4:04 p.m. until 4:13 p.m.)

20 **THE COURT:** Okay. Go ahead.

21 Q: I'm gonna go back for a minute, Mr. Amay- --
22 Amala (ph.) ---

23 A: Amaya.

24 Q: I'm sorry.

25 A: That's -- that's okay.



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- 1 Q: Just one of those brain fart things. I'm going
2 to go back to the repairs thing.
- 3 A: Uh-huh.
- 4 Q: You mentioned that the insurance money is
5 generally released upon inspection to see that
6 the repairs are done properly, correct?
- 7 A: There are different ways for insurance funds to
8 be issued. They're normally done in -- in
9 allotments due to completion of the work if a
10 contractor's hired or if a borrower were to
11 send what they expect to be the work order and
12 say this percent at this time, this percent at
13 this time, this percent at this time. But the
14 full amount would be issued once the completion
15 of the project and inspections are done to
16 verify that the project has been completed
17 properly.
- 18 Q: Was any of that ever done here?
- 19 A: Not that I'm aware of.
- 20 Q: Okay. Have you ever heard of an entity called
21 Resurgent Capital, with an A-L, Services?
- 22 A: Possibly. The name kind of rings a bell, but
23 I'm not sure what it is.
- 24 Q: Do you have any idea if they're connected to
25 the Singleton loan at all?



1 A: Not off the top of my head. I don't -- I don't
2 recall.

3 Q: Okay.

4 **MR. BARNES:** Can you give him the copy of this?

5 **MR. SLOAN:** Yeah.

6 **MR. BARNES:** That's one for the witness.

7 **MR. SLOAN:** Oh. Oh, oh.

8 **MR. BARNES:** Do you -- do you have it in a set?
9 Just -- I didn't have a copy of it.

10 **MR. SLOAN:** Oh. Oh, okay. Okay. I gotcha. That's
11 our number 19, we can do things that way.

12 **MR. BARNES:** And one for the judge.

13 May I approach, Your Honor, the witness?

14 **MR. HAYES:** Is that number 29?

15 **MR. BARNES:** This is number 19 in our batch.

16 **MR. HAYES:** But it's number 29 overall? I mean, do
17 you ---

18 **MR. BARNES:** Yeah, I think it's 20- -- I think we're
19 up to 29.

20 **MR. HAYES:** Okay. I just wanted to mark it for my -
21 --

22 **COURT REPORTER:** Defendant's 1 and 2.

23 **MR. BARNES:** Oh, that's right, he's doing it that
24 way.

25 **COURT REPORTER:** It'll be 2.



1 (Defendant's Exhibit Number 2 was marked for
2 identification purposes.)

3 MR. SLOAN: Our ---

4 MR. BARNES: Defendant's 2.

5 MR. SLOAN: --- Number 2.

6 MR. HAYES: Yeah.

7 MR. SLOAN: Defendant's Number 2.

8 MR. HAYES: Yeah. But I think that was 29.

9 (Plaintiff's Exhibit Number 29 was referenced.)

10 MR. SLOAN: Right, right, right.

11 MR. HAYES: Okay.

12 Q: Sir, I'm gonna approach you and show you what's
13 been marked as Defendant's 2. It's a letter on
14 the letterhead of Resurgent Capital Services.
15 Loan number's been blacked out. Have you ever
16 seen that letter before? And, if so, is it
17 part of SLS' business records?

18 A: No, I have not seen this letter before. I do
19 not know if it's part of SLS' business records.
20 I did not memorize each and every single imaged
21 document. It could be; I honestly do not know.

22 Q: Okay.

23 A: It's ...

24 Q: Let me show you what we're going mark as Ex- --
25 Defendant's 3.



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1 **MR. BARNES:** This is our 23, Bill?

2 **MR. SLOAN:** Yeah.

3 **(Defendant's Exhibit Number 3 was marked for**
4 **identification purposes.)**

5 **MR. HAYES:** What is that?

6 **MR. SLOAN:** 23. It's ---

7 **MR. HAYES:** Oh, okay. Got it.

8 **MR. BARNES:** May I approach?

9 **THE COURT:** Yes, sir.

10 Q: Showing you what's been marked for
11 identification as Defendant's 3. It's a letter
12 dated October 8th of 2020. Exhibit G, request
13 for release of asset file to Wells Fargo Bank
14 and to Credit Suisse, S-U-I-S-S-E, First Boston
15 Mortgage Capital, with an A-L, LLC, regarding
16 Jamie Singleton with a Rowsham Place address.
17 The loan number on here, ask you if you've ever
18 seen that before? And, if so, is it part of
19 SLS' business records?

20 **MR. HAYES:** What is this? Number 3?

21 **MR. BARNES:** 3, yeah. D-3.

22 A: I have not seen this document before. I do not
23 know if it is part of SLS' business record. I
24 have not searched for a document like this.

25 **MR. HAYES:** Is this 30 October?



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1 **MR. BARNES:** Yeah, I think so.

2 **MR. SLOAN:** Defendant's 3.

3 **THE COURT:** Excuse me, Mr. Barnes, are you marking
4 those for identification only?

5 **MR. BARNES:** Yeah, because he -- they're not a part
6 of his ---

7 **THE COURT:** So, but we're not going to have a record
8 of them once we've marked them as
9 identification only.

10 **MR. BARNES:** Yeah, they're marked for identification
11 only, Defendant's 1, 2, and 3. The lost note
12 affidavit, the Resurgent letter, and the Wells
13 Fargo letter.

14 **THE COURT:** So, I'm going to have the court reporter
15 mark them.

16 **COURT REPORTER:** It'll be reflected in the index, as
17 well,

18 **THE COURT:** For identification only.

19 **MR. BARNES:** D-4. Covered up our number.

20 **COURT REPORTER:** It's okay. It comes right off.

21 **MR. BARNES:** Okay. Sometimes they don't. 32.

22 **COURT REPORTER:** I'm supposed to put them on the
23 last ---

24 **(Defendant's Exhibit Number 4 was marked for**
25 **identification purposes.)**



1 Q: So, I'm going to show you something called the
2 MERS Terms and Conditions. I asked you
3 generally about this earlier. Tell me if
4 you've ever seen that document before?

5 A: No.

6 Q: Okay. So, that would not be part of SLS'
7 business records?

8 A: Not that I'm aware of. It does not appear to
9 be something I would have (inaudible due to
10 multiple speakers) specific loan.

11 **MR. BARNES:** D-4.

12 **MR. HAYES:** ID only?

13 **MR. BARNES:** Yes, sir.

14 Q: Sir, do you know if an entity called Fort, F-O-
15 R-T, Asset Funding 2013-1, LLC was ever
16 involved in any way with the Singleton loan,
17 whether as an owner of the loan or servicer?

18 A: Fort?

19 Q: Yeah, Fort, F-O-R-T, Asset Funding 2013-1, LLC.
20 We have an FRT in some of these other
21 documents, but this is actually the word Fort
22 Asset Funding.

23 A: And what were the last numbers?

24 Q: 2013-1, LLC.

25 A: The only one I'm aware of that it might



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1 possibly be is the FRT, but it's not spelled
2 out Fort, so I ---

3 Q: Okay.

4 **THE COURT:** Do you want to mark this for
5 identification?

6 **MR. BARNES:** No, I was asking him a question about
7 it. He had never heard of the entity, so.

8 **THE COURT:** Okay.

9 **MR. BARNES:** It's a lot of duplication, so.

10 Q: I think I asked you earlier on one of the other
11 exhibits, there was an address for two Wells
12 Fargo Bank entities, one in -- both in
13 Minneapolis, but on different streets. Did I
14 ask you -- and if I didn't -- if I did, I
15 apologize. If I didn't, I'd like to ask it
16 now. Do you know if Wells Fargo Bank was ever
17 involved in any way with the Singleton loan?

18 A: Those were custodial facilities. I'm not sure
19 if that's a facility where the collateral file
20 for this loan was maintained.

21 Q: Okay. Next will be D-5, our number 37 on our
22 exhibit list.

23 **(Defendant's Exhibit Number 5 was marked for**
24 **identification purposes.)**

25 Q: I'm going to show you something which we



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1 generically call the US Bank brochure and ask
2 if you've ever seen that before or any version
3 thereof.

4 A: I have no idea what this is.

5 Q: Okay. So, that would not be in SLS' business
6 records?

7 A: It doesn't appear to be anything related to any
8 loan. It doesn't even appear to be a document
9 that would in the role of a corporate -- I have
10 no idea what it is. I don't even know if
11 that's a -- it's a banking record.

12 (Multiple speakers.)

13 Q: Mortgage bank securities transaction. You've
14 never seen it?

15 A: Not that I recall.

16 Q: And I -- again, I'm sorry, there's a lot of
17 stuff here. I may have asked you this before.
18 Do you know anyone named Olivia Miller, O-L-I-
19 V-I-A, Miller ---

20 A: Not that I recall.

21 Q: --- who's a representative of New Penn
22 Financial d/b/a Shellpoint?

23 A: No.

24 Q: Did you deal with anybody specific at
25 Shellpoint at any time?



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- 1 A: I don't know if I've ever interacted with
2 anyone at Shellpoint.
- 3 Q: How about StateBridge?
- 4 A: Personally, I don't think so.
- 5 Q: Okay. Well, when you interact -- well, did you
6 have interactions and communications with
7 StateBridge?
- 8 A: I don't think so. I don't think I had personal
9 interaction with anyone from StateBridge.
- 10 Q: So, when you make a records request as a
11 subsequent servicer, how do you do that?
- 12 A: That's if I personally made the request. I
13 don't recall me personally reaching out to
14 StateBridge to produce any documents that I
15 couldn't find in my system.
- 16 Q: Okay. So, all of these records that SLS has
17 produced, including prior servicer records, how
18 would SLS or who at SLS would have obtained
19 those from StateBridge?
- 20 A: It would have been sent to us from StateBridge.
21 It would have been coordinated through the
22 servicing transfer and that would have to do
23 with the people involved in negotiations of the
24 transfer. The asset conversion department is
25 the one that deals with receiving documents and



1 initiating the initial transfer. If there's
2 anything that's needed thereafter at that --
3 well, at that point, if asset conversion needs
4 anything else, they reach out. I have contacts
5 in my office that are the ones that coordinate
6 with any other prior servicers if they need to
7 reach out and they'll provide me e-mails if
8 needed, but I personally have not had to reach
9 out to StateBridge for anything.

10 Q: Okay. So, any reaching out to StateBridge
11 would be by some other department at SLS, if I
12 understand what you're telling me?

13 A: Yes, because I haven't in this case done it.
14 I haven't -- I don't think I've ever reached
15 out to them for anything from prior servicer
16 -- from StateBridge.

17 Q: Okay. D-6, I believe.

18 **(Defendant's Exhibit Number 6 was marked for**
19 **identification purposes.)**

20 Q: Sir, I'm going to show you what we've marked
21 for identification as Defendant's 6. It's a
22 letter dated 12/15/2010 from AFS Servicing, LLC
23 in Depew, D-E-P-E-W, New York, addressed to Mr.
24 Singleton at the Rowsham Place address in North
25 Charleston. Congratulations! Since you have



1 successfully completed the requirements of your
2 special forbearance program, we are now able to
3 offer you a modification with no fees,
4 etcetera, and it sets out the parameters of
5 that. Have you ever seen this before?

6 A: No, I personally have not reviewed this
7 document before.

8 Q: In any of the records you reviewed as a part of
9 the Singleton loan was there any indication in
10 those records that Mr. Singleton had ever
11 applied for a loan modification?

12 A: I don't recall seeing anything in regards to
13 that.

14 Q: Okay. And you already testified you don't have
15 any records today from AMS, correct, at least
16 not here in this courtroom today?

17 A: Weren't they one of the assignors of one of the
18 assignments?

19 Q: I can't answer questions, sir. I can only ask
20 it.

21 A: I'll have to check again.

22 Q: AMS Servicing, LLC.

23 A: Exhibit 4 is signed by someone who is assistant
24 vice president, AMS Servicing, LLC, as
25 attorney-in-fact for the 50 by 50 REO, LLC, so



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1 there is one document from them. So, yes, we
2 do have documents from AMS.

3 **(Plaintiff's Exhibit Number 4 was referenced.)**

4 Q: Well, you just said you have one document, but
5 then you said we have documents from AMS. Do
6 you have any servicing records from AMS as to
7 this loan?

8 A: Representing the mortgage that they executed?

9 Q: Servicing records.

10 A: That is a servicing record. A servicer
11 assigned it.

12 Q: Anything other than that?

13 A: Not that I'm aware of.

14 Q: No pay histories, no hello, goodbye letters,
15 nothing, other than what I've shown you?

16 A: Not that you showed it to me, but we have it.
17 Well, there's also the allonge. There's an
18 allonge, Exhibit 9, is also signed by someone
19 from AMS Servicing, LLC, ss attorney-in-fact.

20 **(Plaintiff's Exhibit Number 9 was referenced.)**

21 Q: And both of those documents only are signed in
22 the presence of or by AMS as an attorney-in-
23 fact, correct?

24 A: They're signed by someone from AMS.

25 Q: AMS.



1 A: AMS.

2 Q: But there are no payment histories or hello,
3 goodbye letters or anything of that nature,
4 correct?

5 A: I did not bring any hello, goodbye letters with
6 me today.

7 Q: I'm next going to show you what's being marked
8 for identification as Defendant's 7. It's a
9 letter dated 6/16 of '09, GMAC Mortgage to
10 Jamie Singleton, stating, among other things,
11 effective 7/1 of '09, the servicing of the
12 above-referenced account, that is the right to
13 collect payments from you, is being assigned,
14 so a transfer from GMAC Mortgages to
15 WealthBridge Mortgage. Have you ever seen that
16 before?

17 **(Defendant's Exhibit Number 7 was marked for**
18 **identification purposes.)**

19 A: I have not.

20 Q: Now, you did get records from GMAC, you
21 testified to that earlier, servicing records
22 from GMAC, correct?

23 A: Yes.

24 Q: Okay. Is that servicing transfer to
25 WealthBridge identified in the documents you



1 did produce?

2 A: Produce?

3 Q: Today for trial.

4 A: I do not believe that these were produced today
5 for trial or earlier this week.

6 Q: I'm sorry; maybe my question was not right. In
7 the GMAC records that you identified that are
8 in evidence, which you say you acquired as part
9 of the prior servicing records, is there
10 anything in the GMAC records reflecting this
11 transfer of servicing to WealthBridge? And if
12 you need a minute to look, please take a minute
13 and look.

14 A: Not that I'm aware of.

15 Q: Let me do another left hand, right hand here.
16 Now, this document that's been marked for
17 identification as Defendant's 7 is dated 6/16
18 of '09 and it says, among other things,
19 effective 7/1 of '09, the servicing of the
20 above-referenced account, that is the right to
21 collect payment, has been sold from GMAC to
22 WealthBridge, right?

23 A: No, it says sold or transferred.

24 Q: Right, to WealthBridge, right?

25 A: Shows GMAC -- yes. It says sold or transferred



1 from GMAC, LLC to WealthBridge Mortgage.

2 Q: Okay. That's 6/16 of '09. 12/15 of '10, 18
3 months later, AMS comes into the picture and
4 says congratulations to Mr. Singleton about
5 modifying the loan. How did this servicing
6 going from WealthBridge to AMS, if you know?

7 A: I don't know.

8 Q: Servicers are responsible for processing loan
9 mod apps, right?

10 A: Yes, we are.

11 Q: Okay. So ---

12 A: I haven't seen these records in my business
13 records, so there is no way for me to have
14 reviewed them or done any research on them.

15 Q: Okay. So, would you agree with me then that
16 the records that SLS has as to the Singleton
17 loan given your testimony of all these records
18 that you've never seen before, that those
19 records of SLS are incomplete?

20 A: I would not state that at this time as I have
21 not reviewed to see if these are even in our
22 system, so there's no way for me to say whether
23 they are or are not is what I can say.

24 Q: Well, assuming then all these letters that went
25 to Jamie Singleton that told him



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1 congratulations for your new -- you've been
2 approved for a loan mod are effective on such
3 and such a date that servicing was transferred,
4 all of which pertain to the Singleton loan, you
5 all, SLS, don't have those records, do you?

6 A: I don't know. I haven't searched for those.

7 Q: Right. And they're not here in court today,
8 right?

9 A: No, they're not here in court, nothing that I
10 have pulled from the system as that was not the
11 scope of my review.

12 Q: So, the records that have been produced by SLS
13 in this trial are incomplete, correct?

14 A: I would not say that. I would say these were
15 the records that we provided for trial for the
16 purposes of what we were trying to prove. It's
17 not as if we brought the whole file here with
18 us today for trial, for a foreclosure file.

19 Q: But would you agree with me, sir, that these
20 are letters that show a transfer of servicing
21 to servicing entities, documents of which you
22 have not produced other than those assignments
23 of mortgage, correct?

24 A: I would agree these are letters, nothing that
25 I have reviewed or can verify as a part of my



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1 business record.

2 Q: Right.

3 A: Nothing that I have been able to do a search up
4 there for. I have no way to testify to them,
5 their accuracy or their authenticity.

6 Q: But as you said, sir, it's a servicer's
7 function to process loan mod applications,
8 right? It's a servicer's obligation to notify
9 of a transfer of servicing, correct?

10 A: It is.

11 Q: And isn't it an obligation of a servicer when
12 they transfer the records from one servicer to
13 another to transfer all the records that they
14 have concerning that borrower and that loan?

15 A: Yes, it is.

16 Q: Are you telling us then that StateBridge or
17 Shellpoint or whoever's in the food chain
18 didn't give you all the records concerning the
19 servicing of the Singleton loan?

20 A: I did not say that. You said that.

21 Q: No, I'm asking.

22 A: I did not say that.

23 Q: Okay. Well, would you agree with me that you
24 don't have all the records concerning the
25 Singleton loan and all the servicing that went



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1 on between the various servicers?

2 A: I will not agree to say that as I have not done
3 the review of these documents that you're
4 saying that I do not have. I cannot testify to
5 something I did not review. I'm here to
6 testify on my business records.

7 Q: So, what you're telling me ---

8 A: Not my memory, not what I've memorized and not
9 what you want me to speculate to. I apologize,
10 but that was beyond the scope of my review.
11 Therefore, I can't even -- I am not saying
12 these are not true or correct. But I cannot
13 say that they are authentic or they are
14 accurate or a part of my business records as I
15 have not pulled them from my system and can't
16 -- I haven't reviewed them.

17 Q: Okay. You testified earlier in this case that
18 Peoples Choice, the originating lender,
19 performed servicing for a brief period,
20 correct?

21 A: Yes.

22 Q: Then it went to GMAC.

23 A: Yes.

24 Q: And the next one you have in your food chain is
25 Shellpoint, right?



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1 A: I think I said there was another transfer, I
2 just do not recall who it was.

3 Q: Unidentified servicer somewhere?

4 A: Did I -- I think we forgot Ocwen, from Peoples
5 Choice to Ocwen Vantage.

6 Q: Honestly, I don't know because I don't have all
7 these records of how this servicing went from
8 one entity to another other than what I've
9 shown you and other than what you've told me
10 about, none of which include any reference from
11 Ocwen.

12 **THE COURT:** I'm going to strike the statement. You
13 can ask him a question.

14 **MR. BARNES:** I'm sorry.

15 Q: Okay. Isn't it accurate, sir, that we don't
16 have any servicing records here from Ocwen?

17 A: I have not brought anything that's specifically
18 titled from Ocwen.

19 Q: And it is also true that we don't have any
20 servicing records from WealthBridge?

21 A: Not that I'm currently aware of. I don't
22 recall if they were mentioned in any other --
23 any other documents.

24 Q: And other than the allonges or assignments of
25 mortgage being signed in the presence of



1 someone from AMS, we don't have any records of
2 any servicing of the loan, collecting payments,
3 categorizing payments, payment histories, or
4 anything from AMS either, do we?

5 A: I would not consider that to be a correct
6 statement as creating allonges and endorsing
7 those is a part of servicing a loan as a
8 servicer. It's the authority to do so, so we
9 do have information from them servicing the
10 loan. I do not believe I have anything that
11 purports to be either a payment issue here
12 today.

13 Q: Okay. As I said, other than the things you
14 just identified, we don't have anything, right?

15 A: On -- none that I recall.

16 Q: Okay. Now, you told me you were aware that
17 Ocwen and this other unknown servicer were
18 involved. Did you not think it was important
19 to go back and get an accurate and complete
20 history of the servicing of this loan from day
21 one through today for purposes of this trial?

22 A: I did check to see who all the prior services
23 were. As for Ocwen, when it came to the
24 payment history, they were vacated. It was --
25 the loan shows that it was current -- my



1 information shows that throughout all that
2 time, it was current. So, in order to show a
3 default, it did not seem as something pertinent
4 to show default when all those payments were
5 remaining.

6 Q: But you're -- but you told us earlier that Mr.
7 Singleton hadn't made a payment since 2010,
8 right?

9 A: From what I reviewed in the payment history, I
10 believe that's what I said.

11 Q: When was Ocwen involved?

12 A: Right after -- if I remember correctly, it was
13 right after Peoples Choice and before GMAC.

14 Q: Okay. And what happened during the GMAC
15 situation?

16 A: If I'm not mistaken, that's when the payments
17 stopped during the time of GMAC.

18 Q: Okay. And GMAC says that they transferred
19 servicing to WealthBridge, right?

20 A: That's what you're saying with that document
21 that I cannot confirm to be true and accurate.

22 Q: Well, when you obtained the records from
23 StateBridge, which included the GMAC records,
24 did you ever make any inquiry of GMAC as to
25 whether or not the servicing had ever been



1 transferred to anybody else except StateBridge
2 -- I'm sorry, Shellpoint?

3 A: I did not see the servicing transfer to SLS.

4 Q: Okay.

5 **MR. BARNES:** Your Honor, I don't have a whole lot
6 more at this point. I am going to reserve the
7 right to call Mr. Amaya as an adverse in my
8 case if we get that far.

9 **THE COURT:** Okay. Why don't we do this, then.
10 Sounds like we're at a breaking point. Let's
11 resume tomorrow. Mr. Sloan, what did you work
12 out with your babysitter?

13 **MR. SLOAN:** Your Honor, I should -- I can't promise
14 we'll be here at 9:00 on the dot, but I think
15 we can get here very close. 9:30 should not be
16 a problem at all.

17 **THE COURT:** Here's what I'm going to do. I'm going
18 to plan on trying to arrive by 9:00.

19 **MR. SLOAN:** Yes, sir.

20 **THE COURT:** If everybody will try to make the same
21 effort. We'll get started as soon as everybody
22 is assembled.

23 **MR. SLOAN:** Yes, sir. That sounds good, Your Honor.
24 Thank you. Appreciate that.

25 **(Off the record from 4:40 p.m. until 4:41 p.m.)**



1 **THE COURT:** You know, I don't have Exhibit 22. What
2 is that?

3 **MR. BARNES:** It was something about the tax
4 payments.

5 **THE COURT:** Oh, yeah, I remember that document, but
6 I don't seem to have it.

7 **A:** I believe they never made copies, Your Honor,
8 because they ---

9 **THE COURT:** That's right. Correct. Correct. Okay.
10 Are you going to ask him now some questions or
11 are you going to ---

12 **MR. BARNES:** I can wait until tomorrow.

13 **THE COURT:** Let's go -- we'll go to 22 in the
14 morning, okay.

15 **MR. HAYES:** Yes, sir.

16 **MR. BARNES:** No problem.

17 **(Day 2 adjourned at 4:25 p.m.)**

18 **DAY 3 - WEDNESDAY, JUNE 14, 2023**

19 **THE COURT:** I think we're on -- still on cross
20 examination of Mr. Amaya by Mr. Barnes.

21 **MR. BARNES:** Your Honor, in reviewing my notes, I --
22 I think I asked Mr. Amaya everything I need to
23 ask him at this point in time. But, as I said
24 yesterday, I reserve the right to call him as
25 an adverse witness in my case.



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1 **THE COURT:** All right.

2 **MR. BARNES:** If necessary.

3 **THE COURT:** Thank you. Okay. Mr. Hayes, do you
4 have any re-direct?

5 **MR. HAYES:** Yes, sir.

6 **MR. AMAYA - RE-DIRECT EXAMINATION BY MR. HAYES:**

7 Q: Mr. Amaya, would -- would you look at
8 Plaintiff's Exhibit Number 1? I think that's
9 the note -- no, excuse me. That's Plaintiff's
10 Exhibit Number 7 that's the note.

11 **(Plaintiff's Exhibit Number 7 was referenced.)**

12 A: Yes.

13 Q: May I see them?

14 **MR. HAYES:** And I'm going to ---

15 **THE COURT:** Go ahead.

16 **MR. HAYES:** I'm sorry.

17 **THE COURT:** Okay.

18 Q: Would you look at Plaintiff's Exhibit Number
19 13? It's the last allonge.

20 **(Plaintiff's Exhibit Number 13 was referenced.)**

21 A: Yes.

22 Q: I think you testified yesterday that it looks
23 like it may have been a mistake. It was
24 attached by mistake?

25 A: Yes.



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1 Q: And I think you said it wasn't removed because
2 it was at the lo- -- it was basically lost at
3 the law firm, a law firm had it?
4 A: Correct.
5 Q: Okay. Do you have the authority to -- to
6 remove it?
7 A: Yes. It's my understanding that through the
8 power of attorney that we have with the
9 investor that I have the authority to act on
10 their behalf. Yes.
11 Q: Okay. So, you had the authority to remove it.
12 Do you believe it should be remo- -- removed?
13 A: I do.
14 Q: Okay. Thank you. And the -- the allonge
15 before that, Plaintiff's Number 12, is that the
16 owner or investor of the note and mortgage?
17 **(Plaintiff's Exhibit Number 12 was referenced.)**
18 A: Yes.
19 Q: Okay. And that's the Plaintiff in this case?
20 A: Yes. The current Plaintiff, Waterfall ---
21 Q: Okay.
22 A: --- Victoria Grantor Trust, II ---
23 **MR. BARNES:** I'm sorry, Judge. I couldn't hear his
24 original answer, yes or no, to the first part
25 of that question.



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1 **THE COURT:** Make sure your microphone's pulled.
2 Test it if you would, please.

3 **MR. AMAYA:** (Witness complies.)

4 **MR. BARNES:** There were two questions asked, I --
5 one was a yes or no answer. I didn't hear it.
6 I didn't hear the question before.

7 **THE COURT:** Would you -- could you -- do you have
8 those questions that you can repeat or would
9 you like me to have them read ---

10 **MR. HAYES:** Your Honor, I can -- I can ask them
11 again if that's ---

12 **THE COURT:** All right. Go ahead.

13 **MR. HAYES:** It might be quicker ---

14 Q: Looking at ---

15 **MR. HAYES:** And I'm not sure how far back I need to
16 go.

17 **MR. BARNES:** Not 14. The question on 12.

18 **MR. HAYES:** The question on 12. The -- I think you
19 said 14, I think it was 13, though.

20 **MR. BARNES:** You started out with 14, but then you
21 went to 12. No, I started out at 13, I
22 believe.

23 **MR. SLOAN:** He did start at 13 and ---

24 **MR. BARNES:** Okay.

25 **MR. SLOAN:** --- then to 12.



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1 **MR. BARNES:** Okay.

2 **Q:** Looking at -- I think you said you could remove
3 Number 13, you had the power to do that and you
4 believe it should be removed as an error. And
5 I asked you about Plaintiff's Number 12 and I
6 asked you if the entity shown on Plaintiff's
7 Number 12 as receiving the note is the true
8 owner of the note in this case and the
9 Plaintiff in this case.

10 **OBJECTION:**

11 **MR. BARNES:** Objection. Lack of foundation; assumes
12 facts not in evidence.

13 **THE COURT:** Overruled.

14 **Q:** Answer.

15 **A:** Yes. Waterfall Victoria Grantor Trust II,
16 Series G.

17 **Q:** Okay. And that -- and that -- they're the
18 Plaintiff in this case?

19 **A:** Yes, they're the current Plaintiff.

20 **Q:** Okay.

21 **MR. HAYES:** I don't know what this is.

22 **COURT REPORTER:** That will be 24 -- 23.

23 **MR. HAYES:** What are we on, the Plaintiff's?

24 **MR. AMAYA:** This is 26; so I think ---

25 **COURT REPORTER:** So, 27.



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1 MR. AMAYA: --- that would be 27.

2 MR. HAYES: Okay. Plaintiff's 27.

3 (Plaintiff's Exhibit Number 27 was marked for
4 identification purposes.)

5 MR. HAYES: May I approach, Your Honor?

6 THE COURT: Yes. This is something new?

7 MR. HAYES: Your Honor, this is not something new.

8 This is something that's already been filed in
9 this case and is of record in this case, Your
10 Honor.

11 THE COURT: Well, I mean, the process of record in
12 the case does not make it evidence in this
13 trial.

14 MR. HAYES: I -- I agree, Your Honor.

15 THE COURT: Okay.

16 MR. HAYES: Okay.

17 OBJECTION:

18 MR. BARNES: Your Honor, we would -- just looking at
19 this, we would object to it. Number one, the
20 Admin Order has been rescinded already. And
21 number two, this exceeds the scope of cross.
22 Re-direct is to address things addressed on
23 cross. This was -- this is beyond the scope of
24 cross.

25 THE COURT: Hold on one second. Let me look at it.



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1 (Reviewing document.) Your objection is
2 overruled. Go ahead, Mr. Hayes.

3 **MR. HAYES:** Thank you, Your Honor.

4 Q: Mr. Amaya, looking at Plaintiff's Number ---

5 **THE COURT:** Let me state the reason for that. Mr.
6 Barnes questioned the witness about loan
7 modification.

8 **MR. HAYES:** Correct.

9 **THE COURT:** So, I think that opens the door to this
10 document (indicating) coming in.

11 **MR. BARNES:** Okay.

12 Q: Mr. Amaya, looking at Plaintiff's Number ---

13 **MR. HAYES:** I apologize, Your Honor. I forgot the
14 number of this one.

15 **THE BARNES:** 27.

16 **MR. HAYES:** 27.

17 Q: Looking at Plaintiff's Number 27, does it state
18 that Mr. Singleton, the Defendant in this case,
19 has been offered a -- a loan modification?

20 A: Allow me one second to read through it.

21 Q: Sure.

22 A: (Witness reviews document.)

23 **THE COURT:** Mr. Hayes?

24 **MR. HAYES:** Yes, sir.

25 **THE COURT:** Mr. Barnes did ask you -- or did object



1 to the issue of foundation. I think before
2 your -- your witness can testify to this
3 document, first of all, it speaks for itself.

4 **MR. HAYES:** Correct.

5 **THE COURT:** But I think you need to have some
6 foundation for him to testify ---

7 **MR. HAYES:** Yes, sir.

8 **THE COURT:** --- as to the document. If not ---

9 **MR. HAYES:** I can ask him.

10 **THE COURT:** --- you can just -- just comes in and it
11 will be what it says.

12 **MR. HAYES:** Okay.

13 Q: Mr. -- Mr. Amaya, did the records of ---

14 **MR. HAYES:** Am I in your way?

15 Q: Did the records of SLS, the business records,
16 reveal that Mr. Singleton was offered a loan
17 modification and forbearance?

18 A: I want to say I believe to the best of my
19 recollection I do not recall reviewing that in
20 detail, which was the same thing as I had
21 testified to yesterday. I just -- I didn't
22 recall.

23 Q: Okay. All right. Thank you.

24 **MR. HAYES:** I don't have any further questions, Your
25 Honor.



1 **MR. BARNES:** Did Mr. Hayes admit this document into
2 evidence, Your Honor?

3 **THE COURT:** Yes.

4 **MR. BARNES:** Okay. I would like to ask him a couple
5 of questions ---

6 **THE COURT:** Absolutely.

7 **MR. BARNES:** --- about it.

8 **THE COURT:** You can do it.

9 **MR. BARNES:** Are you finished with him?

10 **MR. HAYES:** Yeah, I'm finished.

11 **MR. BARNES:** Oh, okay.

12 **THE COURT:** That's your only re-direct, correct?

13 **MR. HAYES:** (No audible response.)

14 **THE COURT:** On- -- your only re-direct was what you
15 just finished?

16 **MR. HAYES:** Yes, sir.

17 **THE COURT:** Okay. Thank you.

18 **MR. AMAYA - RE-CROSS EXAMINATION BY MR. BARNES:**

19 Q: Mr. Amaya, do you have any personal knowledge
20 as to any loan modification that was offered to
21 Mr. Singleton at any time?

22 A: As I stated earlier today and yesterday, I did
23 not recall.

24 Q: Okay.

25 A: Through the review of my business records and



1 I don't want to testify without solid knowledge
2 and understanding ---

3 Q: I ---

4 A: --- of the business records in front of me.

5 Q: --- can completely appreciate that. I was just
6 wondering whether or not you've had, in your
7 review of business records, come across any
8 propo- -- any proposed loan modification
9 agreement.

10 A: As of yesterday, I do not recall. And because
11 I am on the stand, I have not opened any
12 business records to the loan to ensure that I
13 am being as truthful and honest and not
14 tainting the case in any way.

15 Q: Okay. I wasn't making that accusation, I was
16 just trying to ---

17 A: Okay.

18 Q: --- find out if you knew anything about it and
19 if you had any knowledge of whether or not this
20 agreement was rejected for any specific reason.

21 A: Not that I recall.

22 Q: Okay. And I guess it goes without saying, but
23 I got to ask it anyway, you've had no -- SLS
24 had no input in terms of -- or in terms of
25 creating or sending Mr. Singleton this -- with



1 any loan modification application, correct?

2 They weren't involved in that?

3 A: Not that I'm aware of.

4 Q: Okay. And would you agree with me, sir, that
5 the offering of a loan modification is
6 something in the nature of an attempt to settle
7 the case?

8 A: Not -- no. Modifications -- when loans are not
9 in foreclosure. Modifications are, at one
10 point, were required to be offered, they had
11 programs, federal regulations that required it.
12 It's not something that was directly related
13 with foreclosures. It's something that's --
14 it's still required to be offered whether a
15 loan is in foreclosure or not default. So, I
16 wouldn't say it's directly related to settling.
17 It would conclude with a settlement if the
18 borrower decides to take some kind of
19 modification, but I wouldn't consider it a
20 direct negotiation for a settlement.

21 Q: Well, that -- the point I'm trying to make, if
22 you agree with me, is that if, in fact, there
23 is an offer of a loan modification, the
24 negotiations as to the loan modification are
25 not something that are used to prove any kind



1 of fault or liability in a foreclosure trial,
2 correct?

3 A: That would depend on if the loan was already
4 modified, because then we would have to bring
5 in the modification to show that they defaulted
6 on the modification and then we would have to
7 show fault that they were approved, it was
8 finalized, which I ---

9 Q: Which is not the case here?

10 A: In the case here, I have not seen a
11 modification prior to the default that was
12 obtained.

13 **MR. BARNES:** That's all. Thank you.

14 **THE COURT:** Any redirect on that cross?

15 **MR. HAYES:** No, sir.

16 **THE COURT:** I have a few questions for the witness.

17 **MR. HAYES:** Yes, sir.

18 **MR. AMAYA:** Yes, sir.

19 **MR. AMAYA - QUESTIONS BY THE COURT:**

20 Q: Mr. Amaya, I think when you first took the
21 stand, you testified to your education?

22 A: Yes, Your Honor.

23 Q: Would you just for me, for my sake, go back
24 over that? You -- because I think you said you
25 have a master's degree in business



1 administration?

2 A: Yes, with a ---

3 Q: Where did you receive that degree?

4 A: Nova Southeastern University, Your Honor.

5 Q: Where is that located?

6 A: South Florida.

7 Q: Okay. And I presume, because of you have a
8 master's degree, you probably have a bachelor's
9 degree?

10 A: Correct, Your Honor.

11 Q: And where did you get that degree?

12 A: Miami -- Miami Dade College, Your Honor.

13 Q: What was your major?

14 A: It was a business related major. It was -- it
15 was not the standard bachelor's. It was --
16 might have been a B.S. in business
17 administration.

18 Q: Business administration. And your master's
19 degree, what was the concentration for your
20 master's degree?

21 A: Finance.

22 Q: Okay. Good. So, you have a ba- -- a master's
23 degree in finance?

24 A: Yes.

25 Q: Okay. You've been involved in the industry of



1 mortgages and mortgage clos- -- just the
2 mortgage industry for about twelve years, I
3 believe you testified?

4 A: Correct, Your Honor.

5 Q: All right. And that would take us back to
6 about 2010, correct?

7 A: That's correct, Your Honor. Roughly.

8 Q: All right. Since -- can you generally describe
9 the condition of the economy, the financial
10 economy, in 2010?

11 A: We were -- we had just had the bubble burst.
12 People like saying bubble bursting in 2007 and
13 2008. Things were still, I would say, in a
14 recession trying to get a little bit better
15 around the 2010 point. Things were still not
16 back to what we would say normal when you look
17 at the peak and then the -- the crash. We were
18 so far below that, we didn't have -- we were
19 just starting to stabilize to what could have
20 been considered a normal around 2010, but we
21 were still down working our way back up from
22 the recession.

23 Q: Do you recall a policy that was issued called
24 HAMP, a Home Affordability Mortgage Program?

25 A: Correct, Your Honor. I did mentioned HAMP,



1 though, in my previous answer.

2 Q: All right. So, tell me in your own words, what
3 HAMP was designed to do.

4 A: Yes. HAMP originally started -- HAMP had
5 several modifications. It was a government
6 funded program to assist lenders in providing
7 home assistance for individuals who their
8 property lost too much value and they could not
9 afford to make the payments on these homes.

10 Q: Yes, sir.

11 A: They purchased homes that were overvalued.
12 Insane interest rates. I had seen some that
13 were adjustable from the day of signing and
14 with no limitations on the interest rates. So,
15 this program was created as an incentive. If
16 I'm not mistaken, I believe lenders got some
17 help. So, the waterfall was initially created
18 -- there was an -- what I would call an initial
19 waterfall, which is the way you would assess a
20 loan of income base to the property value and
21 how much you can reduce the loan. And there
22 was a number of, I think it was 30 to 40
23 percent that we had to fall within guidelines
24 of income to adjust the payment to be able to
25 give a modification. Meaning, if their payment



1 could not be adjusted low enough to fall within
2 the 30 to 40 percent, the modification would
3 not be approved for HAMP. In addition to that
4 waterfall, there were certain criterias that
5 the lender was allowed to do or encouraged to
6 do to include initially there was even up to
7 50,000 or more forgiveness on loans, extending
8 the terms of the loan and like any government
9 program, this is a guideline. If you can make
10 it fall within this -- within this percentage
11 rate, you can get a HAMP loan or regular
12 modification.

13 Q: Okay.

14 A: After that came out, the government realized
15 not enough people qualified. It might have
16 actually been 30 to 35 percent. So, they
17 adjusted. There was a HAMP 2 program. The
18 HAMP 2 program extended it. You couldn't fall
19 within -- the ranges ended up changing because
20 they ended up finally having about four HAMP
21 tiers. Initially, it had to be your primary
22 residence. Eventually they added that it could
23 be a second home. Your property -- your
24 initial property value started off at nothing
25 over, I believe, 500,000. Eventually, it got



1 that it couldn't be over 750,000 for single
2 family residents. But they modified it several
3 times and they continued to extend the program
4 to allow more individuals to fall within the
5 criteria. The HAMP Program, you actually could
6 qualify for HAMP more than once. Because you
7 were allowed to apply to HAMP Tier 1. And if
8 you defaulted on HAMP Tier 1 or you didn't
9 qualify for HAMP Tier 1, you could apply for
10 HAMP Tier 2. Some people would apply for HAMP
11 Tier 1, still have a hard and would then apply
12 for HAMP Tier 2. Then you could apply for HAMP
13 Tier 3. I think there was a limit of how many
14 times. I cannot recall if it was -- how many
15 times you can apply. But you can apply for the
16 HAMP Program to fall within those criteria. In
17 addition to that, because of this program, a
18 lot of lenders started doing their own
19 modifications, mainly because these bad loans
20 were getting sold off to -- new lenders that
21 were buying them at pennies on the dollar and
22 they could modify more because they didn't pay
23 as much for the loan. Because another part of
24 this whole process is there are actually -- I
25 don't -- they were not HAMP sales, but there



1 were government sales of the government loans
2 to lower the value to allow for the
3 modifications to happen. So, it was a
4 government funded program just to allow
5 borrowers to get in. But it did end several
6 years ago. There were requirements that you
7 had to solicit, you had to apply. There was
8 even a point in time, as I recall, where we
9 didn't -- if you did not review for a mod, you
10 had to stop the foreclosure until you could get
11 a review for a mod or a denial because the
12 borrower would not apply for the mod. That was
13 maybe around 2012, 2013. It was several years
14 back. There are still guidelines on if a
15 borrower is applying for a mod, we still have
16 guidelines about dual tracking where we have to
17 put a foreclosure on hold and we'll have to
18 request to not do anything, because by federal
19 law, we're not required to dual track.
20 Depending on where you're at, judges see it
21 differently. Sometimes you have to continue
22 you with it because the judge says, no, you
23 have to continue the process. And that's it's
24 own predicament in itself. But we are still
25 required to not dual track. Some servicers



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1 understand it as you only have to apply for a
2 mod once and then you can continue the
3 foreclosure. Other servicers are, such as us,
4 if you're in the modification process, we put
5 it on hold. It doesn't matter if it's the
6 third or fourth try.

7 Q: Okay. And is it correct that the Home
8 Affordability Modification Program allowed
9 investors of a loan the mortgage or loan note
10 holder, which I guess in that case would be the
11 investor, correct?

12 A: Correct.

13 Q: All right. Didn't the Home Affordability
14 Modification Program require or allow for
15 voluntarily participation by investors?

16 A: Yes, Your Honor. You weren't forced to be in
17 it. So much so that the waterfall, the -- when
18 you were allowed to do, whether it was a 50,000
19 or extending the terms from 30 years to 40
20 years or all the different steps that they
21 allowed, it all depended on what the investor
22 was willing to do. They didn't have to offer
23 you any forgiveness if they didn't choose to.

24 Q: So, the investor -- just to be clear, the
25 investor -- investor participation in Home



1 Affordability Mortgage Program was a voluntary
2 act on behalf of the investor to participate in
3 the program?

4 A: Correct. That's my understanding.

5 Q: And if they did not participate in the program,
6 then the HAMP modification or the Home
7 Affordability Modification Program would,
8 therefore, not allow a borrower to enjoy what
9 would be the benefits of that program. Is that
10 -- is that a fair statement?

11 A: Yes. In accordance with the HAMP rules and
12 guidelines, some investors might offer some
13 kind of modification, but it would not be ---

14 Q: Under HAMP?

15 A: --- and they would not -- and the investor
16 would not get the benefits of being in HAMP.

17 Q: Does your -- do you recall in reviewing your
18 business records whether or not the investor --
19 well, let me back up. Did you review the
20 original -- any of the original records
21 concerning the People's Home -- People's Choice
22 Home Mortgage, did you review any of their
23 records at all? In your -- in your review for
24 this trial, did you review any People's Choice
25 Home Mortgage -- I think it's Home Mortgage.



1 **THE COURT:** People Choice Home Mortgage?

2 **MR. HAYES:** People's Choice Home Loans.

3 **THE COURT:** What?

4 **MR. BARNES:** People's Choice Home Loans, Your Honor.

5 **THE COURT:** Home Loans.

6 **Q:** Did you review any People's Choice Home Loan
7 documents?

8 **A:** Just the modification. Not the mod- -- the
9 note and the mortgage, which is created by ---

10 **Q:** Okay. Did you -- do you -- when a loan
11 transfers from one investor to a second
12 investor, does the inve- -- the second investor
13 also have the ability to participate in the
14 Mortgage Home Modification Program?

15 **A:** Yes, Your Honor.

16 **Q:** They do?

17 **A:** Yes.

18 **Q:** Do servicing agents generally have the power to
19 exercise the -- if an investor's participating,
20 do -- does the servicing agent do the
21 modification or is that done through the
22 investor?

23 **A:** It's done through the servicing entity or the
24 servicer through the guidelines of the
25 investor. So, if the investor wants to



1 participate in the HAMP, but they don't want to
2 extend more than 35 years, they don't want to
3 go as far as 40, a servicer will process any
4 modifications, as required through HAMP, which
5 there's a -- there's steps that we have -- the
6 goals, certain kinds of forms that need to be
7 filled out. And with anything that the
8 investor allows for offering on the
9 modification. Because an investor can also
10 participate in HAMP, but choose not to do the
11 debt forgiveness or choose not to do extensions
12 past 30 years. They -- they don't want to go
13 as far as 40.

14 Q: So, what you're telling me is the modification
15 processed after the investor voluntarily
16 participates becomes a negotiating -- a
17 negotiated agreement between the person
18 authorized to enter the modification agreement
19 and the -- and the borrower. Is that a fair
20 statement?

21 A: I wouldn't say it's so much negotiated, Your
22 Honor, because with the HAMP program, you have
23 sec- -- the government issues the rules ---

24 Q: Okay. Let ---

25 A: --- and that ---



1 Q: --- me back up. Let me back up. Let me
2 reframe the -- rephrase my question. Assuming
3 we have a participating investor ---

4 A: Yes.

5 Q: --- and a participating investor can be s
6 subsequent investor from the original investor?

7 A: Yes.

8 Q: Assuming we have a participating investor,
9 subsequent investor has a servicing agent and
10 the servicing agent has the ability to modify
11 the loan. Within the guidelines of the HAMP
12 program, the negotiation with the borrower and
13 the investor and who's represented by the
14 servicer, is negotiated within the parameters
15 of HAMP?

16 A: Yes. But there's not much negotiation because
17 once the numbers are put in, it's a HAMP
18 calculator.

19 Q: What do you mean by that?

20 A: The systems that are used to calculate the
21 modifications are -- are regulated by HAMP.
22 They were -- we have to -- you put in your NPV.
23 You put in the net present value of the
24 property. You put in the borrower's income as
25 per what the information that was provided by



1 the borrower. You put in the current property
2 value. And you hit a button and it calculates
3 it for you.

4 Q: Okay. So, all that ---

5 A: And ---

6 Q: --- it's -- it's -- it's in -- that comes out
7 of a computer software program?

8 A: Correct.

9 Q: That spits out the parameters of the
10 modification?

11 A: Correct. In terms of negoti- ---

12 Q: Do you ---

13 A: --- -ation.

14 Q: --- do you have -- excuse me. I'm ---

15 A: Yes, sir.

16 Q: --- sorry. Do you know who puts in the -- who
17 creates the -- the terms of the software that
18 was spit out, the -- the numbers for purposes
19 of the modification within the guidelines of
20 the Home Affordability Modification Program?
21 In other words, is that done by the investor,
22 servicer or is the software developed by the --
23 the Fannie Mae and Freddie Mac?

24 A: The software, to the best of my recollection,
25 the servicer software had to be approved for



1 HAMP.

2 Q: Who would approve it?

3 A: I do not recall, Your Honor, to be -- all
4 honest with you. But I know that it had to be
5 HAMP verified and approved. I don't know if
6 they had a sort of kind of agency was in it
7 that came and checked.

8 Q: So, each time -- we had a number of allonges to
9 this Note. We don't know the dates, though.

10 A: Correct.

11 Q: We all agree with that.

12 A: Yes, Your Honor.

13 Q: But each time the note is -- is -- there is a
14 -- an endorsement of the note. The endorsement
15 of the note is formalized by an allonge. The
16 allonge is simply an attachment of a document
17 to a note to allow for the endorsement to be
18 reflected on the note. In other words, you
19 could stamp the -- the endorsement on the note,
20 but if you start running out of room because
21 you have printed pages and they're -- the
22 margins are too narrow, so forth and so on, the
23 -- the endorsement might not be readable or
24 easily understood, and so, therefore, they
25 attach the allonge. Is that a fair statement?



1 A: Yes, Your Honor.

2 Q: All right. So, each time an allonge was -- was
3 -- each time an endorsement to this particular
4 loan, Mr. Singleton's loan, was made, the -- is
5 it a fair statement to say that the investor,
6 held the endorsement, even if they held it in
7 blank, would have the ability to participate in
8 HAMP as long as the HAMP program was in effect?

9 A: Yes, Your Honor.

10 Q: All right. Now, why would an investor choose
11 not to -- to -- give me an explanation in this
12 particular loan, I'll remind you that the
13 interest rate is 10.45 percent variable, with
14 a floor of 10.45 percent, what -- can -- can
15 you explain if -- if -- well, strike that.
16 Let's strike that. Strike that. Let me back
17 up. Each endorsee whether holding it, pay to
18 the order of a particular investor, or pay or
19 holding it in blank, as long as the Home
20 Affordability Modifications Program was in
21 effect, have the ability to participate
22 voluntarily in the HAMP program?

23 A: Yes. That is correct.

24 Q: All right. Do you know roughly when HAMP --
25 the HAMP program ceased? Or give me a date to



1 -- 2012, '13, '14, '15, somewhere in that time
2 period?

3 A: It went on for quite some time, Your Honor.

4 Q: Right.

5 A: As I said, it was extended multiple times.

6 Q: Yes, sir.

7 A: Easily until 2015, 2016. Maybe even a little
8 bit longer.

9 Q: Do you think it was in effect when the allonge,
10 Exhibit 12, was entered or the endorsement
11 represented by the allonge was signed in 20- --
12 excuse me. It's shown on Exhibit 12. I don't
13 think there's a date here.

14 A: Okay. Waterfall, Your Honor?

15 Q: Yes, sir.

16 A: Okay. Let's see. Seeing that it's the last
17 one, my -- from my knowledge and my business
18 records and roughly the year that it took it
19 over, I do not think the HAMP program has been
20 available during that time frame.

21 Q: So, let's back up then. So, at some point --
22 all right. At some point, HAMP stopped. Were
23 there any other programs offered by either
24 Freddie Mae or Fae Mac -- Fannie Mae for
25 Freddie Mac or the federal government from 2010



1 -- 2009, 2010 to the present other than the
2 Home Affordability Mortgage Program, other
3 federal programs that lenders could avail
4 themselves of to assist borrowers in the loan
5 modifications?

6 A: I know servicers are doing modifications.
7 Fannie and Freddie have their own guidelines
8 for how to modify their loans. But I do not
9 know the specific program, like HAMP, but we
10 are required to review. There are CFPB
11 guidelines that require us to review for loss
12 mitigation.

13 Q: All right. Stop right there. Explain the
14 acronym C- ---

15 A: FPB.

16 Q: --- -FPB. What does that stand for?

17 A: That's the Consumer Finance Protection -- I
18 think, Act or something along those lines. I
19 ---

20 Q: Maybe Agency?

21 A: Agency.

22 Q: Okay. Do you know if that particular agency is
23 an arm of the federal government?

24 A: I believe it is.

25 Q: Okay.



1 A: Yes. Because the head of the CFPB would be, I
2 think, selected by the President, if I'm not
3 mistaken. So, yes.

4 Q: Yes, sir. That's correct. He is, I think.
5 So, the Consumer Protection -- Consumer Finance
6 Protection Agency began to have some influence
7 or began to influence loans servicing in the
8 wake of the 2008 Great Recession. Would you
9 agree with that?

10 A: Yes, Your Honor.

11 Q: Okay. Did you take any training, have any
12 training, as a loan -- as a servicer, an agent
13 of a servicer, in the Consumer Finance
14 Protection Agency's regulations, guidelines or
15 policies?

16 A: That is a yearly required course that we have
17 to take, Your Honor. It's normally done online
18 for us.

19 Q: Okay. All right. And how many courses have
20 you taken in compliance with the Consumer
21 Finance Protection Agency's rules, regulations
22 and guidelines?

23 A: It's fair to say that at a minimum, twelve,
24 because there would have been one per year,
25 plus the ones with HR would put me over twelve



1 because they're done -- the way the servicers
2 do it, you're required -- so, certain things
3 they have to require everyone in the company to
4 do certain training for CFPB or RESPA, things
5 of that nature are to payable position. CFPB
6 is one of those that everyone takes on a yearly
7 basis.

8 Q: Okay.

9 **MR. HAYES:** Your Honor, I think it's Consumer
10 Finance Protection Bureau.

11 **THE COURT:** Bureau. I apologize. Thank you for
12 correcting the record.

13 **MR. HAYES:** Yes, sir.

14 **THE COURT:** All right.

15 Q: Correct me if I'm wrong, but wasn't there a
16 major change in the Consumer Protection --
17 Consumer Finance Protection Bureau's rules and
18 regulations sometime prior to or on or about --
19 toward the end of the Obama administration?

20 A: I know there were some major changes during
21 that time frame, Your Honor.

22 Q: Yes, sir.

23 A: There was a lot going on with what they were
24 enforcing, how it could be enforced and if it
25 could be enforced. And it also correlated with



1 the -- (inaudible) caps.

2 Q: Correct.

3 A: I had to do with the creation of CPB.

4 Q: Right. Were changes in CFPB, did those changes
5 make any requirements of investors to
6 participate in loan modification programs?

7 A: To my understanding, we're required to review
8 our -- for loan modification, whenever they
9 apply for it and it's because of CFPB.

10 Q: All right. Do you know if investors and/or
11 servicers -- let's just do investors. Are
12 investors required to offer loan modification
13 programs to borrowers if they're in default
14 under CFPB?

15 A: They're required to review. There is no
16 requirement to offer if they do not qualify.
17 But what is -- it -- they can offer some loss
18 -- what's considered loss mitigation through
19 the modification programs that are not
20 retentionable. Like short sales and deed in
21 lieu. Those are considered a part of the
22 review for loss mitigation that we're required
23 to do. So, you're not required to do a
24 modification. You're not required to do a
25 forbearance. You're not -- but you are



1 required to review for them. You're not
2 required to do a Deed in Lieu, you're not
3 required to do a short sale, but you -- you are
4 required to review for them. So, it's hard to
5 say that you're required to provide them a
6 modification because it's a financial term. A
7 borrower does not qualify for a modification to
8 get it within what is now considered fair
9 lending, that I believe you cannot be over 42
10 percent of gross income, your mortgage
11 payment's not allowed to be over 42, maybe 45
12 percent of your gross income. A borrower still
13 have -- could still be approved for options
14 that they do not like because they are not
15 modifications, which would be a short sale,
16 pending contracts or a deed in lieu. But you
17 are required to review them for them, but if
18 they don't qualify, you're not required to
19 offer it to them.

20 Q: Okay. Now, let's go back to the beginning of
21 your time in the finance world with your
22 master's degree in hand. Did you commonly or
23 on a fairly regular basis read the Wall Street
24 Journal?

25 A: I used to, Your Honor, earlier. Right before



1 I got my master's, which I got my master's
2 maybe three years into being in the industry.
3 I was reading the Wall Street Journal on a
4 pretty regular basis and it was even
5 requirements for some of my college classes.

6 Q: I noticed the note refers to a LIPOR rate as
7 published in the Wall Street Journal.

8 A: Yes, sir.

9 Q: Are you familiar with that term in the note?

10 A: Yes.

11 Q: What does that mean?

12 A: The LIPOR rate is actually a very common rate.
13 It's the rate that's most used to gauge
14 interest rates. I forgot what the abbreviation
15 stands for, but it is -- you have the
16 government issued rates, and then you have the
17 LIPOR, which is the bank lending rate.

18 Q: All right. Are you familiar with Financial
19 Times of London?

20 A: No. I've heard of them, but it's not anything
21 that I read on a regular basis.

22 Q: Okay. So, LIPOR is a commonly used acronym for
23 a term that I can't recall my -- off the top of
24 my head either, but it does have to do with --
25 and it is a commonly used index for adjustable



1 rate mortgages, correct?

2 A: Yes.

3 Q: All right. Do you know -- let's start back at
4 the beginning of your time in finance. Do you
5 know the general trend of the LIPOR rates from
6 the time you began your financing career with
7 your master's degree in hand, do you know the
8 trend of the LIPOR rate until the present time?

9 A: I don't have it memorized, but I can tell you,
10 Your Honor, that we dropped interest rates.
11 The government dropped interest rates to
12 basically zero and negative numbers, which
13 dropped the LIPOR rate to such a point that
14 when I was doing modifications, when I started
15 in the industry, I was working HAMP
16 modifications. I was seeing bars at 2.5
17 percent, 3.2 percent. That changed because
18 HAMP changed and eventually the average, I
19 think, went up to about 5 percent and it had
20 been there for many, many years. I would say
21 that the average rate that borrowers were
22 getting at 5 percent with decent credit was
23 around for maybe eight years. And now that the
24 government's raising interest rates again,
25 which has only been about a year and a half



1 more or less, Your Honor ---

2 Q: Yes, sir.

3 A: --- those -- it's starting to go back up.

4 Q: What ---

5 A: There's ---

6 Q: What incentive would a -- would an investor
7 holding a note at a rate of 10.45 percent have
8 in reducing the interest rate on a note to a
9 LIPOR index position rate as you just described
10 as low as zero and sometimes negative interest
11 rates?

12 A: Quite a few, actually, Your Honor. In the
13 finance of looking at a mortgage, it's fair to
14 say you're looking at numbers and you're trying
15 to get yourself into the black and out of the
16 red.

17 Q: Yes, sir.

18 A: A non-performing loan is in the red.

19 Q: Yes, sir.

20 A: A performing loan might take time to get into
21 the black, but will get into the black. In
22 addition to that, HAMP programs, to the best of
23 my recollection -- I do not remember the
24 details because I was not that high up in the
25 chain when HAMP was coming around, there was



1 incentives for the lenders to be in the HAMP
2 program. So, you were forgiving, but you were
3 also getting help for forgiving these amounts.
4 In addition to that, the sales that I had
5 spoken to you about, Your Honor, a lot of those
6 bad loans, bad paper, were being sent -- sold.
7 I don't want to say specifically for this loan
8 because I don't know, but more often than not,
9 they were sold at change of the dollar in the
10 sense of you're paying 50, 80 cents per dollar.
11 So, you were already getting it at a lower
12 initial value.

13 Q: But that's called a discount, right?

14 A: Yes. You're getting it at a discounted rate.
15 So ---

16 Q: What ---

17 A: --- it is in your interest ---

18 Q: Hold on one second. When you say discount, so
19 the -- the discount is on the principal balance
20 due or the total payments?

21 A: The value of the loan, which be -- would be the
22 total payments, everything. The value of the
23 loan is evaluated at -- this loan is this much
24 because it's going to make this much money.
25 You're getting a discounted rate from that



1 value and depending also on the -- whether it's
2 a (a) paper, (b) paper, bad paper. You can get
3 an additional discount because (a) paper,
4 you're more -- someone with a high credit
5 score, someone that high liquidity, they're
6 less likely to default. You tend to pay more
7 for those than the ones that maybe someone with
8 a bad interest rate -- I'm sorry. A bad credit
9 rating, and doesn't have many or any assets to
10 really show income. Those would obviously be
11 bad paper and would get sold for a lot less.

12 Q: Okay. Let me summarize what you're telling me.
13 And if I state it correctly, you can agree. If
14 I misstate it, please correct me. Over the
15 course of your career as a person in the
16 finance industry, you have seen interest rates
17 drop, the LIPOR index drop to as low as zero
18 and sometimes negative interest rates?

19 A: Yes.

20 Q: Over the course of time in your career as a
21 finance -- as a -- as a -- as a person working
22 in the finance industry, you are telling me
23 that there are incentives where investors
24 participate in HAMP-type programs or other
25 federal programs to move a loan that is a non-



1 performing loan into a position of being a
2 performing loan. Is that a fair statement?

3 A: Yes, Your Honor. Like any other government
4 program, they want participants ---

5 Q: Right.

6 A: --- where they give initiatives to get their
7 participants. I don't know the details of
8 those initiatives, but they were there.

9 Q: But there is an incentive?

10 A: Correct. There's also a financial incentive.
11 A lot of people don't see this part of it, but
12 even if you drop an interest rate, if you do
13 the math -- I mean, even if you were to drop an
14 interest rate from 10 percent down to 6
15 percent, now you're extending the terms of the
16 loan from a 30-year to a 50-year. You're
17 actually making more money, even though you cut
18 the interest rate in half.

19 Q: I understand.

20 A: Because you extended 20 years. So, your
21 payment does get reduced significantly, but the
22 value of your loan, in the investor's aspect,
23 has gone up because there's a new higher value
24 at the end after all the payments. Depending
25 on -- you know, depending on the loan. But



1 it's theoretically possible.

2 Q: I understand the -- the theory of that. In
3 your review of the business records from the
4 Singleton loan, did you see any -- strike that.
5 Let me go back to a basic principle. Investors
6 in these mortgages are looking for the cash
7 flow of the mortgage. Is that a fair
8 statement?

9 A: Yes, Your Honor. It's a fair statement. To be
10 blunt about it, yes.

11 Q: All right. So, when a loan stops being paid,
12 that cash flow is no longer being paid into the
13 pool and, therefore, the investors are not
14 being rewarded by their investment in the loan?

15 A: Correct.

16 Q: In your review of the business records of this
17 particular loan, could you -- or is it -- is it
18 likely that a modification of this loan could
19 have benefitted both parties? That is to say,
20 the borrower would be able to afford his
21 payments to the investor and the investor would
22 receive a performing loan?

23 A: I have not seen the borrower's financials, so
24 I do not know what kind of benefit, if any, he
25 would receive.



1 Q: Okay.

2 A: But from an investor's standpoint, Your Honor,
3 people don't see it this way, but foreclosures
4 are nothing but a loss and so are foreclosure
5 sales.

6 Q: Right.

7 A: A performing loan is always a benefit to an
8 investor, even if it's only one or two percent,
9 it is a steady flow of income increasing your
10 value on your portfolio versus a big loss.

11 Q: Would it be fair to say that Waterfall Victoria
12 Trust purchased the -- wait, first of all, did
13 they purchase this loan?

14 A: Yes, Your Honor.

15 Q: Would it be fair to say that they purchased
16 this loan at a discount?

17 A: I do not know the details of the purchase
18 agreement. Personally, I wouldn't doubt it.
19 But I can't speak to the terms of it because I
20 -- I wasn't involved with that -- that purchase
21 or the pricing of the purchase.

22 Q: Okay. But generally speaking, a non-performing
23 loan, I think you testified to this, a non-
24 performing loan, you said that investors were
25 purchasing the non-performing loans at



1 significant discounts?

2 A: Yes.

3 Q: And I guess -- let me just clarify this, the
4 discount is determined by the full value of the
5 loan paid over the entire course of the loan,
6 the 30-year term. In this case, you have a
7 fixed -- the -- the basic -- the fixed -- the
8 -- the rate of interest really is a fixed rate
9 because it never went below 10.45 percent; is
10 that true?

11 A: Correct, Your Honor.

12 Q: All right. And, so, your investor was able to
13 calculate out full 30 years of this loan and
14 come to a number of what the full value of that
15 loan would be if paid to it's very end month to
16 month. When you discount that, you'd first of
17 all discount that value to the present day
18 value of the loan; is that a fair statement?

19 A: Correct, Your Honor.

20 Q: Okay. Do you know what discount rate was used
21 to determine the value of the Singleton loan?

22 A: No, Your Honor. In addition, since they get
23 pooled ---

24 Q: Yes, sir.

25 A: --- when they pool loans, sometimes the number



1 is adjusted because you're getting so much good
2 paper, so much bad paper. So, depending on the
3 pool of loans also determines the rate of
4 discount. I'm going to explain to you the
5 calculations of one specific loan, but in a
6 pool of loans, everything changes because now
7 you have maybe one loan, but normally hundreds
8 of loans.

9 Q: All right. But does somebody in the -- at the
10 investor level go through each loan and
11 determine the discounted value of that loan?

12 A: I would expect them to. That would be a
13 regular course of business, from my
14 understanding. And that's partly how an MLS
15 gets created. The mortgage loan schedule
16 partly -- that's not in its entirety, but you
17 have your loans and you have your loan
18 information. And that is what's used to create
19 your value.

20 Q: What's the discounted -- all right. So, we
21 discount the present data value, the full value
22 of the loan. Is it fair to say that there
23 would be another discount in the purchase of
24 that loan, I think the way you described it was
25 pennies on the dollar?



1 A: Yes; pennies on the dollar.

2 Q: And that would be cents -- pennies on the
3 dollar of the discounted value of the present
4 day, correct?

5 A: Correct.

6 Q: All right. Now, in your review of this loan,
7 the interest rate -- I think you testified the
8 interest rate is calculated at the rate of
9 10.45 percent and it still remains that way?

10 A: Correct, Your Honor.

11 Q: So, is it fair to assume that there's been no
12 modification or there has been no effort to
13 modify the loan -- strike the term effort to
14 modify the loan. There's been no modification
15 of this loan which would benefit your client or
16 your -- your investor by changing the loan from
17 a non-performing loan to a performing loan?

18 A: Correct. The loan has not been modified as --
19 to the best of my review.

20 Q: Okay. Thank you.

21 **THE COURT:** Now, you can re-direct on my direct.

22 **MR. HAYES:** Your Honor, first, you didn't mention
23 People's Choice yesterday. Mr. Barnes
24 mentioned that People -- was asking the Court
25 to take judicial notice of the People's Choice



1 bankruptcy.

2 **THE COURT:** Yes, sir.

3 **MR. HAYES:** I would also like, in the same
4 bankruptcy case, to take judicial notice of the
5 Order issued in the -- the case allowing
6 People's Choice to sell their assets -- to sell
7 or transfer of their assets.

8 **THE COURT:** I think you mentioned that yesterday.

9 **MR. HAYES:** Okay. I didn't know if I did or not,
10 Your Honor.

11 **THE COURT:** You know, to the extent it's in there,
12 I'm going to trust you. I have -- if you want
13 to submit the Order as part of the record, I'll
14 be glad to -- to have it made part of the
15 record since we've mentioned it.

16 **MR. HAYES:** Your Honor, I -- I had it yesterday, but
17 I do not have it today. Can I email it to the
18 court reporter or someone and ---

19 **THE COURT:** Well, maybe Mr. Barnes has it. Do you
20 have it?

21 **MR. BARNES:** Do not, Your Honor.

22 **THE COURT:** Yes, you can supplement the record with
23 that Order.

24 **MR. HAYES:** Okay. Thank you.

25 **THE COURT:** All right.



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1 **MR. BARNES:** Judge, as long as we're doing that, as
2 long as we're going to take specific items from
3 the People's Choice bankruptcy case, just as a
4 preface, one of the first things that always
5 happens in lender bankruptcies, because I've
6 been involved in a couple of them in Delaware
7 where most of them are filed, the trustee's
8 obligation is to marshal the assets and stop
9 the bleeding. One of the first thing that's
10 done is a motion to avoid all executory
11 contracts so that no money goes out, no assets
12 go out. To the extent there is a motion, which
13 voids any contract with MERS and voids any
14 ability of MERS to divest the estate of assets,
15 I would like that to be included, as well. And
16 I'll look for it.

17 **THE COURT:** That's fine.

18 **MR. BARNES:** There were about 5,000 motions filed in
19 that case.

20 **THE COURT:** Yeah. As I've stated in previous
21 hearings, one of the biggest most troubling
22 parts of this case is the peculiar
23 circumstances related to the People's Choice
24 bankruptcy and I think it was also followed by
25 GMAC or G-MAC bankruptcy, and an Ocwen



1 bankruptcy. So, three lenders involved in this
2 case went through a bankruptcy.

3 **MR. BARNES:** The GMAC bankruptcy was part of a
4 bankruptcy involving 51 separate lenders and
5 servicers that was filed on May 15th of 2012.
6 The Ocwen bankruptcy file was shut down then by
7 the federal government for fraudulent mortgage
8 practices.

9 **THE COURT:** Ocwen's was?

10 **MR. BARNES:** Ocwen.

11 **THE COURT:** Okay.

12 **MR. BARNES:** And they sold off a bunch of their
13 assets in their bankruptcy, too. But ---

14 **THE COURT:** All right.

15 **MR. BARNES:** --- again, we don't know what.

16 **THE COURT:** Okay. So, let's -- each of you may
17 supplement the record with the -- with portions
18 of the bankruptcy record that you think are
19 pertinent for me to review.

20 **MR. HAYES:** Yes, sir.

21 **THE COURT:** It is rather daunting to open that
22 bankruptcy case, which I've done.

23 **MR. HAYES:** Yes.

24 **THE COURT:** And, quite frankly, I don't have a law
25 clerk. I have a full schedule and it's almost



1 impossible for me to delve into a bankruptcy of
2 that nature to pick out or pluck out an
3 instrumental document that might impact this
4 case.

5 **MR. BARNES:** Okay.

6 **THE COURT:** So ---

7 **MR. HAYES:** Your Honor ---

8 **THE COURT:** --- I will leave that to you to do. If
9 you want me to see it, provide it to me.

10 **MR. HAYES:** Okay. Thank you, Your Honor. Do we
11 have a time frame within which that has to be
12 provided?

13 **THE COURT:** Well, let's say by the time the -- I
14 presume you're going to have this transcript
15 transcribed?

16 **MR. HAYES:** Yes, sir.

17 **THE COURT:** I would say at least by the time the
18 transcript is ready. And that way we can -- you
19 can submit it to -- to me, to Mr. Barnes and
20 send it to the court reporter to add as a -- as
21 an additional exhibit ---

22 **MR. HAYES:** Okay.

23 **THE COURT:** --- under the heading People's Choice
24 Bankruptcy Proceedings ---

25 **MR. HAYES:** Okay.



1 **THE COURT:** --- of which I took Judicial notice.

2 **MR. HAYES:** Okay. Maybe ten days, Your Honor.

3 **THE COURT:** Whatever will be fine.

4 **MR. HAYES:** Okay.

5 **MR. BARNES:** Ten days is fine.

6 **MR. SLOAN:** I -- Judge, just because I'm ---

7 **THE COURT:** You're really busy, I understand.

8 **MR. SLOAN:** I'm going to trial ---

9 **THE COURT:** I know.

10 **MR. SLOAN:** --- Monday, so ---

11 **THE COURT:** Yeah.

12 **MR. SLOAN:** --- we'd ask for two weeks.

13 **MR. HAYES:** Two weeks? I'm fine with two weeks.

14 **THE COURT:** Let me -- let me just give you 30 days
15 to do it.

16 **MR. HAYES:** Yes, sir. Okay.

17 **THE COURT:** That way the court reporter will know
18 that she's got -- she doesn't have to produce
19 this thing expeditiously. It just has to be
20 done and I want it done properly and I want it
21 done fairly -- in the regular course of
22 business, but with some diligence.

23 **MR. HAYES:** Yes, sir.

24 **THE COURT:** I did have one other question of the
25 witness before I let you question him.



1 MR. HAYES: Okay.

2 MR. AMAYA - CONTINUED QUESTIONS BY THE COURT:

3 Q: Is People's Choice Home Loan -- Mortgage Loan
4 the -- the original lender -- is it considered
5 a sub-prime lender?

6 A: I do not know, Your Honor.

7 Q: Do you know what a sub-prime lender is?

8 A: Yes.

9 Q: What is a sub-prime -- sub-prime lender?

10 A: The lenders that were lending -- the best term
11 I can use is bad paper, not -- not prime paper,
12 not A-B paper or along the lines C-D paper.
13 They're -- I would say sub-prime also falls
14 under the categories of individuals that
15 weren't doing the greatest reviews of the loans
16 to provide quality prime paper. When I say
17 paper, I mean notes, loans. They weren't
18 always the best credit scores. There wasn't
19 always consistent income or sufficient proof of
20 income. That's what I would consider sub-prime
21 lenders. Someone who almost like a second-hand
22 lender that was, let's say your next day
23 cashing that they cash your check for next week
24 kind of place, that you would go to for when
25 you were desperate to get a loan. Basically,



1 the term sub-prime because it wasn't prime
2 paper. It wasn't A-B paper. It was -- it was
3 graded as below being a prime quality loan.
4 And the loans are graded by interest rates and
5 income -- not interest rates. I apologize.
6 Credit scores and income, for the most part.
7 Higher credit scores with good income, good
8 liquidity, you're -- you're going to get a
9 better paper. Or someone who maybe doesn't
10 have the highest credit score, but is a very
11 low debt to income on the mortgage in the sense
12 of -- the mortgage payment is only 20 or 30
13 percent of their actual income is a better loan
14 than someone who's stretching it out to the
15 high 40s or 50s. Because now it becomes harder
16 for them to balance their checkbooks because so
17 much of your money's going toward your
18 mortgage, so it's considered a higher risk.

19 Q: So, to summarize your statement, sub-prime
20 lenders lend money to the debtors who have
21 greater risk in the marketplace either because
22 of their credit scores, income to debt ratios,
23 or other factors in their credit history that
24 may prevent them from securing a loan from a
25 prime lender.



1 A: Yes. That is a very good analysis.

2 Q: Are you aware if any sub -- I mean, if you're
3 a sub-prime lender -- let me just put you in
4 this assumption. If you're a sub-prime lender
5 and you have a party who has -- well, sub-prime
6 len- -- well, let me back up. Sub-prime
7 lenders generally use mortgage brokers to
8 broker their loans, correct?

9 A: Correct.

10 Q: So, those are agents who are paid on a
11 commission based on the value of the loan?

12 A: Correct.

13 Q: And that commission might be two percent one
14 and a half percent or some value to the
15 principal amount lent, is that correct?

16 A: Yes.

17 Q: Is there any incentive for a sub-prime lender
18 broker to encourage a -- a -- a debtor to seek
19 a -- a more favorable loan through a prime
20 lender if they qual- -- if they can qualify for
21 it?

22 A: Personally, Your Honor ---

23 Q: Yes.

24 A: --- I -- not with -- I'm not saying that this
25 is what I would do.



1 Q: Yes.

2 A: But they're going to do what's in the best
3 interest for them for the most money, so if
4 they have someone that's going to apply for the
5 loan and it's a loan that they know they can
6 sell and make a profit, changes are more than
7 likely that that's what they're going to do.
8 Plus, there are incentives. The government was
9 issuing incentives prior to the bubble burst --
10 -

11 Q: Yes, sir.

12 A: --- to do sub-prime loans because they wanted
13 -- they wanted to help individuals who couldn't
14 get homes get homes. So, there were incentives
15 to create these loans that made you want to
16 skim them because you had an incentive to
17 create them. And the -- the other thing is the
18 borrower wouldn't qualify. You have to
19 understand, these sub-prime loans. A lot of
20 individuals -- my belief is a lot of
21 individuals that want the sub-prime loans
22 didn't have another choice. Because you didn't
23 qualify for a prime loan. Your credit score
24 wasn't there. You were under a 650. You --
25 your income wasn't there. You didn't have a



1 good debt to income ratio.

2 Q: What was -- the government was giving the sub-
3 prime lenders incentives to make these loans?

4 A: Not incentives. But they allowed it a little
5 bit more. Remember how HAMP had regulations?
6 My understanding is they actually stretched out
7 what kind of loans you could get. So, this is
8 actually before I got into the industry.

9 Q: Yes, sir. But you studied it?

10 A: I studied it. There were lenders and I know
11 people who personally expressed this to me
12 working for other banks. They were responsible
13 to do employment verification. Employment
14 verification, they called someone, hey, does so
15 and so work for so and so? Yes. They could
16 have been their cousin. Really don't know.
17 And there was no verification of income. What
18 you wrote down, yes, this is my income, you're
19 signing it's your income. There wasn't as in-
20 depth review as there is now that -- let us see
21 your tax returns and we're going to pull tax
22 transcripts to verify what the government says
23 to what you're telling us.

24 Q: All right.

25 A: Prime loans were still doing that. Sub-prime



1 was not. And this came out in probably a few
2 documentaries. Oh, don't worry, your payment
3 this just high. You can just modify it or --
4 or when your property value goes up because
5 property values were going so high, you can
6 refinance and get a better rate. And that's
7 the way the brokers were kind of trying to sell
8 it. Or you can sell the property and make a
9 ton of money. So, there was -- I hate to admit
10 to it because I'm in the -- well, I'm in the
11 servicing part, not in the lending part, but
12 there was some very what I would consider
13 unethical things happening back then. But not
14 everyone partook in it. But it did happen and
15 sub-prime borrowers didn't have an option
16 because your credit score wasn't good, so you
17 weren't going to qualify for this. And their
18 -- you -- you didn't qualify for a fixed rate.
19 You couldn't get it. Your -- your credit score
20 wasn't there. No one was going to lend you the
21 money because they knew chances are you're
22 going to default.

23 **THE COURT:** All right. That's all I have. Thank
24 you.

25 **MR. HAYES:** Excuse me, Your Honor. May -- may we



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1 take a five-minute ---

2 **THE COURT:** Yes, let's do that.

3 **MR. HAYES:** --- time out?

4 (Off the record from 10:11 a.m. until 10:23 a.m.)

5 **THE COURT:** This is after a short request from the
6 Court to have a bench conference. The purpose
7 of the conference was to determine if either of
8 the parties recalled that the investor was not
9 a participant in the Home Affordability
10 Modification Program. And we have concluded
11 after the -- the conference that there is,
12 indeed, in the allegations of the Complaint,
13 the following statement, paragraph 4. The
14 Plaintiff's servicing agent for the mortgage
15 loan described in this foreclosure action is
16 participating in the Home Affordability
17 Modification Program ("HAMP"), but that the
18 subject loan is not eligible for modification
19 because the investor has not given the
20 contractual authority to the servicer to modify
21 this loan.

22 All right. Mr. Hayes, I will recognize you
23 now ---

24 **MR. HAYES:** Yes, Your Honor.

25 **THE COURT:** --- any questions you might have



1 pursuant to my questioning.

2 **MR. AMAYA - RE-DIRECT EXAMINATION BY MR. HAYES:**

3 Q: Mr. Amaya, you -- you had mentioned -- Judge
4 Chellis had mentioned the -- the sub-prime,
5 there was a discussion about sub-prime and some
6 borrowers were approved that ordinarily would
7 not have been approved. And I think you said
8 that that was -- there was some lax regulations
9 for sub-prime lenders. Am I stating that
10 correctly?

11 A: Regulations in general ---

12 Q: Regulations ---

13 A: --- were lax.

14 Q: --- yes. Right.

15 A: And that's how you got the sub-prime loans.
16 The sub-prime lenders focused on those sub-
17 prime loans. They -- that was their niche.

18 Q: Okay. Did borrowers who ordinarily would not
19 have been able to get a loan to buy a house
20 obtain loans to buy the house because of the
21 sub-prime lending?

22 A: Yes.

23 **MR. HAYES:** I don't have any further questions, Your
24 Honor.

25 **THE COURT:** Mr. Barnes?



1 MR. BARNES: I have a couple.

2 MR. AMAYA - RE-CROSS EXAMINATION BY MR. BARNES:

3 Q: In your review of the business records, Mr.
4 Amaya, did you determine whether or not Mr.
5 Singleton had been eligible for a standard
6 conventional 30-year fixed rate loan at the
7 time he made an application for the loan that's
8 subject in this case?

9 A: I was not involved with the origination. I
10 didn't review the origination file on this.

11 Q: Okay. Well, that was going to be my next
12 question. Did you review the origination file,
13 but you just said you didn't so, okay.

14 A: The origination file, meaning I've seen the
15 original origination documents, but I have not
16 seen what he filed in the sense of his
17 application and -- or the HUD or any of the
18 numbers that would be related to the approval
19 of his loan.

20 Q: Okay. So, we don't know today sitting here
21 whether or not this ten and a half point loan
22 was something that Mr. Singleton could have
23 avoided by being -- obtaining a 30-year fixed
24 rate loan; correct?

25 A: That's what he qualified for and what he agreed



1 to.

2 Q: Well, but, again, you didn't review his loan
3 application originally to determine whether or
4 not -- and nor could you, because you weren't
5 involved, as to whether or not he could've
6 qualified for something other than an option
7 ARM, LIPOR based option ARM.

8 A: I don't know what he would have qualified for.
9 I did not review it. It's what he was approved
10 for at that time and it's what he agreed to
11 pay.

12 Q: Okay. One other question. I just want to
13 follow up on what Judge Chellis was asking.
14 Notwithstanding the fact that the LIPOR index,
15 which is the -- as I understand to be the
16 London Inter-Bank Offering Rate, it's an
17 acronym for that, fluctuated drastically over
18 the course of those years that you've
19 discussed, even going into a rate of less than
20 zero, this loan, which is styled an adjustable
21 rate loan based on the LIPOR index remained at
22 ten and a half interest rate from day one to
23 the present; correct?

24 A: In accordance with the terms of the Note that
25 fixed it at a minimum at a 10.45. So, it did



1 go to its lowest point and stayed at it's
2 lowest and then never got up to its highest
3 point, which I believe was -- it's in the note.
4 I think something around 16 percent.

5 Q: Thank you.

6 **THE COURT:** Any re-direct?

7 **MR. HAYES:** No, Your Honor.

8 **THE COURT:** All right.

9 **MR. HAYES:** Is it okay if Mr. Amaya is released?

10 **MR. BARNES:** Well, I had asked to reserve, because I
11 wanted to call him. I might want to call him
12 as an adverse witness on my case. I know
13 there's a couple little things I need to go
14 into. But part of that is going depend on what
15 Mr. Dean asks -- Mr. Hayes, sorry.

16 **MR. HAYES:** That's all right. I've been called
17 worse.

18 **MR. BARNES:** So have I. As you know. What he asks
19 Mr. Singleton.

20 **THE COURT:** Right. Is he under subpoena from you,
21 Mr. Hayes?

22 **MR. HAYES:** Who?

23 **THE COURT:** Mr. Amaya.

24 **MR. HAYES:** Well, he's not on a subpoena. He's just
25 -- he's our witness, yes.



1 **MR. BARNES:** He's a designated rep, I think he's the
2 party. So, I think he has to stay here. We
3 listed him on our witness list as, you know,
4 one of the parties and their representatives
5 and all witnesses listed by anybody else.

6 **THE COURT:** I'm going to require him to stick
7 around.

8 **MR. HAYES:** Okay.

9 **THE COURT:** I think it -- while we have him here, he
10 may be -- it may be helpful to have him, if
11 necessary, to edify us all in some aspect of
12 this loan that Mr. Singleton is involved in.

13 **MR. HAYES:** Okay.

14 **THE COURT:** So, Mr. Amaya, although I'd like to let
15 you head back to your -- to your home base ---

16 **MR. AMAYA:** Understood.

17 **THE COURT:** --- I think the importance of this case,
18 I would be remiss if I didn't ask you to stick
19 around and, in fact, require you to stick
20 around so that if a question is brought up that
21 can be clarified with further testimony from
22 you, we can get that testimony.

23 **MR. AMAYA:** Understood, Your Honor. Am I -- am I
24 off the stand and allowed to talk to my
25 attorneys or am I ---



1 **THE COURT:** You -- you won't be -- since you're
2 still a witness, you can talk to them, but not
3 about your testimony. Okay.

4 **MR. AMAYA:** Understood, Your Honor.

5 **THE COURT:** Any objection to that instruction?

6 **MR. BARNES:** No, Your Honor.

7 **MR. HAYES:** No, Your Honor.

8 **THE COURT:** Thank you. All right. Mr. Hayes?

9 **MR. HAYES:** Your Honor, I would like to call
10 Defendant, Jamie Singleton, to the stand,
11 please.

12 **THE COURT:** Good morning, sir. Before you sit down,
13 would you put your left hand on the Bible?

14 **MR. SINGLETON:** Yes, sir.

15 **THE COURT:** Raise your right hand.

16 **MR. SINGLETON:** (Witness complies.)

17 **THE COURT:** Do you solemnly swear or affirm that
18 you'll tell the truth, the whole truth and
19 nothing but the truth, so help you, God?

20 **MR. SINGLETON:** Yes, Your Honor.

21 **THE COURT:** All right. You're under oath. Please
22 answer any questions Mr. Hayes may have. Now,
23 we'll note for the record, you are the
24 Defendant. Mr. Hayes, as he stated yesterday,
25 is calling you as an adverse witness and,



1 therefore, he will be allowed to lead you in
2 his questioning.

3 **MR. SINGLETON:** Yes, sir.

4 **MR. SINGLETON - DIRECT EXAMINATION BY MR. HAYES:**

5 Q: Mr. Singleton, where do you live?

6 A: 5505 Rowsham Place, North Charleston.

7 Q: Okay. Do you own that property?

8 A: Yes.

9 Q: Okay. When did you buy it?

10 A: January 2006.

11 Q: Did you use the money that People's Choice
12 loaned you in this case to purchase the
13 property you now live in?

14 A: Correct.

15 Q: Okay. All right. Would you look at
16 Plaintiff's Exhibit Number 1 -- excuse me,
17 Number 7. Number 7, Number 7. Okay. Would
18 you look at Number 7?

19 **(Plaintiff's Exhibit Number 7 was referenced.)**

20 **MR. BARNES:** Which exhibit, sir?

21 **MR. HAYES:** I'm sorry. That's the -- that's the
22 note, the promissory note.

23 Q: Is that an original of the note that you
24 signed?

25 A: I don't know.



1 Q: You don't know. Okay. Do you have a copy of
2 the note you signed?

3 A: Not in my possession today.

4 Q: Didn't you have a copy of the note and mortgage
5 at your house?

6 A: At some point I did.

7 Q: Didn't you give it to your attorney?

8 A: That's correct.

9 Q: Did you -- haven't you reviewed that note in
10 Florida?

11 A: I did.

12 Q: Okay.

13 A: This -- I reviewed a note in Florida.

14 Q: Okay. So, you -- you -- you can't say that you
15 reviewed this particular note in Florida?

16 A: What was produced in Florida does not look like
17 what I'm looking at now.

18 Q: It doesn't? Did -- prior to your deposition in
19 2022, you were provided with a copy of the note
20 for the deposition; correct?

21 A: A photocopy.

22 Q: You were provided with a copy of the note;
23 correct?

24 A: Yes.

25 Q: Okay.



1 A: A copy.

2 Q: Did you -- you said you had a copy of the note
3 and mortgage that you received from closing;
4 correct?

5 A: That's correct.

6 Q: At any time -- at -- I think in your deposition
7 in 2022, you said that you didn't take the copy
8 of the note and mortgage that you received from
9 the closing to Florida to compare it with what
10 you knew was a copy of the note that you
11 signed, nor did you compare it to the note that
12 was provided to you -- the copy of the note
13 that was provided to you prior to your
14 deposition. Why didn't you compare -- you have
15 a copy of the note that you know you signed.
16 Why ---

17 **OBJECTION:**

18 **MR. BARNES:** Objection; compound ---

19 Q: --- didn't you compare the copies?

20 **MR. BARNES:** Judge, at this point ...

21 **THE COURT:** Sustained. Mr. Hayes, I'm going to ask
22 you to break the question down.

23 **MR. HAYES:** Okay.

24 **THE COURT:** I really don't like compound questions.

25 **MR. HAYES:** Okay. I understand.



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1 **THE COURT:** I think they confuse the witness. You
2 need to go step by step.

3 **MR. HAYES:** Okay.

4 **THE COURT:** To the point that you want to make.

5 Q: Mr. Singleton, you have a true copy of the note
6 and mortgage that you possessed from the
7 closing; correct?

8 A: Not in my possession.

9 Q: But you gave it to your attorney, didn't you?

10 A: That's correct.

11 Q: Okay. Couldn't you have gotten that note, the
12 copy of the note that you received from
13 closing, and compared it to the original note
14 in Florida?

15 A: I suppose so.

16 Q: Okay. Do you have a copy of that or- -- that
17 note now that you received from closing?

18 A: I do not.

19 Q: You don't have a copy. Does your attorney have
20 a copy of it?

21 A: I gave it to him when the case started.

22 Q: So ---

23 **THE COURT:** Which attorney did you give it to?

24 **MR. SINGLETON:** Mr. Sloan.

25 **THE COURT:** Mr. Sloan. Okay. Thank you.



1 Q: Can you get a copy of the note from your
2 attorney that you received at closing?

3 A: I suppose so.

4 Q: Could -- would you ask your attorney for a copy
5 of the note?

6 **MR. SLOAN:** Your Honor, he wasn't requested here
7 duces tecum.

8 **MR. HAYES:** Your Honor, he ---

9 **THE COURT:** Well, listen. That's kind of an odd
10 question, Mr. Hayes. I think by virtue of the
11 fact that his lawyer has a copy of the note, he
12 possesses a copy of the note constructively ---

13 **MR. HAYES:** Yes, sir.

14 **THE COURT:** --- and, therefore, I'm going to direct
15 Mr. Sloan to provide the copy that he was given
16 by Mr. Singleton of the clo- -- of the note
17 that ---

18 **MR. HAYES:** Okay.

19 **THE COURT:** --- was -- that he -- of the note that
20 he was given at closing. Let's just put ---

21 **MR. HAYES:** Okay.

22 **THE COURT:** --- it that way. I don't know if it's
23 signed -- a copy of the signed note or just a
24 copy of the blank note.

25 **MR. SLOAN:** Your -- Your Honor, we -- we intended to



1 enter ---

2 **THE COURT:** I just want you to bring it to him, Mr.
3 Sloan.

4 **MR. SLOAN:** Yes, sir. Thank you.

5 **THE COURT:** Let me have it.

6 **MR. HAYES:** Yes, sir.

7 **THE COURT:** Mr. Sloan, is the best copy you have? I
8 mean this is the -- this is what he actually
9 gave you at the time that the case was
10 initiated?

11 **MR. SLOAN:** I -- I -- I cannot say that with
12 certainty. I -- I looked at -- I have three
13 copies of the note and that, by far, is the
14 cleanest of the three copies. I -- I -- I
15 can't say for sure that that was the one that
16 Mr. Singleton gave me and ---

17 **THE COURT:** Well, give me all three copies.

18 **MR. SLOAN:** Yes, sir.

19 **THE COURT:** While we are waiting for Mr. Sloan to
20 find those copies, do you recall, Mr. Hayes or
21 Mr. Barnes, whether or not your -- the Answer
22 or the Amended Answer admitted that the note
23 was -- admitted the note or not, are there any
24 allegations -- allegations that the note
25 existed?



1 **MR. HAYES:** Your Honor, I think the -- that the --
2 the -- it's not whether you admit the note, you
3 admit the signature on the note. I think under
4 the *Deep Keel* and under -- under S.C. Code
5 Section 36-3-308(a), it states, in an action
6 with respect to an instrument, the authenticity
7 of and authority to make each signature on the
8 instrument is admitted unless specifically
9 denied in the pleadings. In the *Deep Keel* they
10 tried to allege that it ---

11 **THE COURT:** That was my question. Did he deny it in
12 the -- in the pleadings.

13 **MR. HAYES:** He may have generally denied it, but he
14 did not specifically deny it, Your Honor.

15 **THE COURT:** So, did you admit or deny the note?

16 **MR. SLOAN:** Your Honor, I'm first going to read from
17 the Complaint, Number 7 of the Complaint.
18 Heretofore on or about January 4th, 2006, Jamie
19 Singleton made, executed and delivered a
20 certain adjustable rate note, "Note", in the
21 principal sum of \$212,000 payable in monthly
22 installments. And in my -- in our most recent
23 Answer of 2014, Defendant admits that he signed
24 such a promissory note that as mentioned in
25 Number 7. To non-party People's Choice Home



1 Loans, Inc., Defendant does not admit the
2 validity of such note or that the Plaintiff has
3 any right to enforce said note.

4 **MR. HAYES:** That is not a specific denial in my
5 opinion, Your Honor. That is a general denial.

6 **THE COURT:** I'm glad you have an opinion, Mr. Hayes.

7 **MR. HAYES:** (Laughing.) Thank you.

8 **THE COURT:** What paragraph is that, Mr. Sloan?

9 **MR. SLOAN:** Your Honor, it's Number 7 of -- of the
10 Complaint.

11 **THE COURT:** Number -- oh, no. The Answer.

12 **MR. SLOAN:** Oh, it's -- it's Number 7.

13 **THE COURT:** Number 7 of your Answer, this is dated -
14 - this was filed October -- October 28, 2014.
15 It's an Amended Answer and Counterclaim and
16 Third Party Complaint.

17 **MR. SLOAN:** That -- that is correct, Your Honor.

18 **THE COURT:** And paragraph 7 of that Answer states,
19 Defendant admits that he signed such a
20 promissory note as mentioned in Number 7 to the
21 Complaint -- I'll add, it's inferred -- to the
22 -- to non-party People's Choice Home Loans,
23 Inc. Defendant does not admit the validity of
24 such note or that the Plaintiff has any right
25 to enforce said note.



1 **MR. HAYES:** They do not specifically deny the
2 signature, Your Honor.

3 **THE COURT:** I agree with you, they don't. But they
4 deny the right to enforce it.

5 **MR. HAYES:** They also, in their Request to Admit, in
6 paragraph 2, admitted that the copy attached as
7 Exhibit A is a true and accurate copy of the
8 original note. I can provide you with that,
9 too, Your Honor.

10 **THE COURT:** Would you publish that for me, please?

11 **MR. HAYES:** Yes, Your Honor.

12 **MR. SLOAN:** Your Honor, we don't have that. We
13 don't have those Requests to Admit.

14 **MR. HAYES:** You answered them.

15 **MR. SLOAN:** I understand. I don't have that at my -
16 - at my fingertips like I do the Answer. Let's
17 see. When was this? Is this in the 2022
18 deposition?

19 **THE COURT:** It's a Request to Admit, apparently not
20 the deposition.

21 **MR. SLOAN:** Your Honor, it is an Exhibit to Mr.
22 Singleton's 2013 deposition.

23 **THE COURT:** All right.

24 **MR. SLOAN:** It says admit that Exhibit A is a true
25 and correct copy of the original note



1 heretofore described copy -- correct copy and
2 of the two allonges to the note. Defendant
3 admits that the note is a true and correct
4 copy. Defendant lacks the personal knowledge
5 to admit or deny the validity of the allonges
6 to the note.

7 **MR. HAYES:** So, they have admitted that the true and
8 -- would you like to see that, Your Honor? I
9 can ---

10 **THE COURT:** No, no.

11 **MR. HAYES:** I can publish it.

12 **THE COURT:** That's fine, you can publish it.

13 **MR. HAYES:** Okay.

14 **THE COURT:** Excuse me. Is there a question.

15 **MR. SLOAN:** And, Your Honor, just -- just to clarify
16 that those were in 2013 prior to the time that
17 we have a lost note affidavit.

18 **THE COURT:** That's correct.

19 **MS. TAYLOR:** That was in the 2018 deposition.

20 **THE COURT:** Ms. -- Ms. Taylor, please address your
21 comments to me, please.

22 **MS. TAYLOR:** I'm sorry, Your Honor.

23 **MR. SLOAN:** Your -- Your Honor, that ---

24 **THE COURT:** What did you say? I didn't hear you.

25 **MS. TAYLOR:** I -- I believe that was the 2018



1 deposition of Mr. Singleton.

2 **MR. SLOAN:** That may or not be correct, Your Honor.

3 But those -- those were Answers to the Requests
4 to Admit were dated April 26th, 2013.

5 **THE COURT:** Thank you.

6 **MR. SLOAN:** April 26, 2013.

7 **MR. HAYES:** But it's still the original -- the copy
8 of the original note. The note didn't change.
9 There were later allonges, but the note did not
10 change, Your Honor.

11 **THE COURT:** Well, you've got to establish that. You
12 can argue that, but you've got to establish it.

13 **MR. HAYES:** Your Honor, again, I do not think they
14 can question the authenticity of the signatures
15 on the note because they didn't specifically
16 deny it. Now, they denied the ability to
17 enforce it, but not the signatures, Your Honor.

18 **THE COURT:** I agree with you.

19 **MR. HAYES:** And I think in *Deep Keel* you have to
20 specifically deny the signatures.

21 **MR. HAYES:** Beg your pardon, Your Honor?

22 **THE COURT:** Sure.

23 **MR. HAYES:** May I look it up?

24 **THE COURT:** (No audible response.)

25 **MR. HAYES:** We've killed a lot of trees in this



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1 case.

2 (Off the record discussion.)

3 **MR. HAYES:** Your Honor, in *Deep Keel*, they're
4 talking about the admission of the note and the
5 Appellant is saying -- the Court is saying,
6 Atlantic points out, however, that in its
7 Answer, it made reference to the original loan
8 documents and denied any allegations of these
9 paragraphs inconsistent therewith. Atlantic
10 argues this denial was sufficient to contest
11 the validity of the authenticity of Rohlfing's
12 signature on the note. We disagree and find
13 Atlantic -- Atlantic's Answer did not
14 specifically deny the validity of the
15 signatures and was too general to challenge the
16 authenticity of the first five loan documents.
17 They specifically say signature, Your Honor.

18 **THE COURT:** What's your point?

19 **MR. HAYES:** Well, my point is they can't contest the
20 -- the signatures on the note because they
21 didn't specifically deny it in their Answer.

22 **MR. BARNES:** Your Honor, that's a totally ---

23 **THE COURT:** That's a far stretch, Mr. Hayes, but
24 I'll hear from Mr. Barnes.

25 **MR. BARNES:** Yeah. Judge, that's a -- I agree.



1 That's a quantum leap. What he's asking him to
2 do is because of an admission that was made
3 back in 2013 of what was obviously a different
4 version of the note presented at the
5 deposition, that this note, which magically
6 appeared at 11:00 o'clock at night the day
7 before the summary judgment hearing, which they
8 now claim is the found original, is something
9 he can't contest, which is not what was
10 previously presented at any time prior to that.

11 **MR. HAYES:** Your -- your Honor, I would like Mr.
12 Barnes to back up his statement that a
13 different copy of the note was previously
14 provided.

15 **MR. BARNES:** And, Judge, the copy of the note that
16 was presented to him before upon which the
17 Request for Admissions were re- -- were based
18 did not contain a stamp. Your Honor, he can --
19 again, you -- you can overrule it, but --
20 obviously -- but my point is it ---

21 **THE COURT:** Let me back up a second.

22 **MR. BARNES:** Yes, sir.

23 **THE COURT:** Let's go basic here. What does
24 authentic- -- authenticate mean?

25 **MR. BARNES:** It -- it means that it's authentic.



1 **THE COURT:** But doesn't it just simply mean that it
2 represents what it says it represents?.

3 **MR. BARNES:** Yes, exactly.

4 **THE COURT:** All right.

5 **MR. BARNES:** So, if ---

6 **THE COURT:** But don't you agree that a party can
7 contest or -- or -- or argue or give facts that
8 it's not authentic?

9 **MR. BARNES:** Yes, but you specifically have to deny
10 it in the pleadings in order to ---

11 **THE COURT:** No, you have to deny the signature?

12 **MR. BARNES:** Correct. In the pleadings.

13 **THE COURT:** But that's -- that doesn't necessarily
14 mean that the -- that the document isn't -- is
15 authentic ---

16 **MR. BARNES:** Yes ---

17 **THE COURT:** --- or even allows for this witness to
18 contest its authenticity.

19 **MR. BARNES:** Your Honor, I disagree. If you read
20 Deep Keel, I disagree, Your Honor.
21 Respectfully, disagree, but I disagree.

22 **THE COURT:** Where were you reading from in Deep
23 Keel?

24 **MR. BARNES:** I'm sorry?

25 **THE COURT:** Where were you reading from in Deep



1 Keel?

2 **MR. BARNES:** Your Honor, it is shown -- it must be
3 the -- it starts on the S.C. -- 413 S.C. and it
4 starts on 69.

5 **THE COURT:** Mr. Hayes, I agree that you have -- this
6 document is in evidence ---

7 **MR. HAYES:** Yes, sir.

8 **THE COURT:** --- because it's self authenticated.

9 **MR. HAYES:** Yes, sir.

10 **THE COURT:** I don't agree with you that the
11 Defendant cannot, in reply to it's
12 authenticity, state that he doesn't believe --
13 believe the document is authentic even though
14 he has not pled that the signature is forged.

15 **MR. HAYES:** I understand, Your Honor. I
16 respectfully disagree, but I understand. May
17 I ask ---

18 **THE COURT:** Would you -- would you show me the exact
19 language on the signature issue?

20 **MR. HAYES:** It's at -- Your Honor, it's right at the
21 -- it's right at the 69 and 70 ---

22 **THE COURT:** I just read both of those pages ---

23 **MR. HAYES:** --- pages of that ---

24 **THE COURT:** --- and can't see the lines ---

25 **MR. HAYES:** Because they were trying -- they were



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1 trying to contest the authenticity. And I can
2 show you, if you ---

3 **THE COURT:** Well ---

4 **MR. HAYES:** --- want to see the Code section.

5 **THE COURT:** Give me one second, Mr. Hayes? In *Deep*
6 *Keel*, the question was whether the note was
7 admitted or not.

8 **MR. HAYES:** Right.

9 **THE COURT:** Your note is admitted. This -- this ---

10 **MR. HAYES:** Right.

11 **THE COURT:** --- document is before the -- the Court.
12 It's been authenticated. Now, you're asking
13 him to -- just because it's authenticated,
14 doesn't mean that he can't dispute it's
15 authenticity.

16 **MR. HAYES:** Okay. I -- okay, Your Honor. That's --
17 that's fine.

18 **THE COURT:** I mean, I agree with you. In order for
19 Mr. Singleton to say, that's not my signature,
20 those are not my initials, Mr. Sloan and Mr. --
21 Mr. Barnes would have had to have allege a
22 forgery.

23 **MR. HAYES:** Correct.

24 **THE COURT:** That they were specifically not his
25 signature.



1 **MR. HAYES:** Right.

2 **THE COURT:** But in this case, we have admissions
3 from your client that the note was lost.

4 **MR. HAYES:** Correct, Your Honor.

5 **THE COURT:** And now we have a note that has been
6 found.

7 **MR. HAYES:** Correct, Your Honor.

8 **THE COURT:** And I think it's fair for this Defendant
9 to be able to say what he thinks about what the
10 note -- what he thinks about the note that has
11 been found, that you have properly had entered
12 into evidence because it's self-authenticated.

13 **MR. HAYES:** Okay.

14 **THE COURT:** Okay.

15 **MR. HAYES:** Your Honor, may I have a copy of the --
16 may I approach and ---

17 **THE COURT:** Sure.

18 **MR. HAYES:** --- obtain the copies of the ---

19 **THE COURT:** Well, I -- yeah. Let's -- let's do --
20 the first document you gave me, Mr. Hayes, was
21 the four-page document entitled the Adjustable
22 Rate Note. It has an Exhibit Number 2 and
23 Exhibit Number 4 to the Valanti (ph)
24 deposition. That's what he gave me and then I
25 asked him for the other copies that he had. If



1 you would let me see those, I'll publish what
2 he ---

3 **MR. HAYES:** Yes, sir.

4 **THE COURT:** --- gave me. The second copy that he
5 provided to me was a -- excuse me one second.
6 I think I gave you the wrong one.

7 **MR. HAYES:** I apologize.

8 **THE COURT:** The first one he gave me did not have
9 the exhibit numbers on it, but it was a four-
10 page document and I'll tell you what it looks
11 like.

12 **MR. HAYES:** This one -- this one is the -- this one
13 has an exhibit number on it, Your Honor.

14 **THE COURT:** Right. I think the first document Mr.
15 Sloan gave me is the one that did not have the
16 exhibit numbers on it.

17 **MR. HAYES:** Okay.

18 **THE COURT:** Then he gave me two other documents.
19 I don't know if they came in -- they came in
20 together, so I'll just designate the difference
21 between them. One is a four-page document. It
22 has the -- has a designation Exhibit 2 on it.
23 It also an exhibit tab in the Valanti (ph)
24 deposition Number 4. And the third document
25 has a -- is a two-page document, very small



1 print. It's known as Defendant's Exhibit
2 Number 11. It doesn't say anything further,
3 but it's a two-page document.

4 **MR. HAYES:** Okay. May I ---

5 **THE COURT:** Yes.

6 **MR. HAYES:** --- get these marked and ---

7 **THE COURT:** Yes.

8 (Off the record discussion while marking exhibits.)
9 **(Plaintiff's Exhibit Numbers 28, 29, and 30 were**
10 **marked for identification purposes.)**

11 Q: Mr. Singleton, I'm providing you with three
12 copies of the note that I believe you,
13 yourself, say that the copies you gave to your
14 attorney at -- William Sloan or Bill Sloan is.
15 Would you look at these? And compare them to
16 the original note, please.

17 **OBJECTION:**

18 **MR. BARNES:** Object to form.

19 **THE COURT:** Sustained.

20 **MR. BARNES:** Thank you.

21 Q: Would you ---

22 A: I can't see them.

23 Q: I'm sorry. Would you look at the copies that
24 you provided to your attorney and compare them
25 to the signatures on the note that's marked as



1 Plaintiff's Exhibit Number 7?

2 **(Plaintiff's Exhibit Number 7 was referenced.)**

3 A: I can't see the signatures on the copy well.
4 It's ---

5 Q: Okay. Look at the -- let's look at the --
6 let's look at the signatures. I mean, you --
7 maybe you can't see the entire signature, but
8 you can see where it goes up and down. Can you
9 see the initials at the bottom of the pages?

10 A: I see the initials.

11 Q: Okay. Do they appear to be the same on the
12 copies, the three copies that were given to
13 you, Plaintiff's, I think, 28, 29 and 30 as the
14 signature and initials on Plaintiff's Exhibit
15 Number 7?

16 A: I can't be for certain. Because a lot of the
17 lines ---

18 Q: Okay.

19 A: --- are distorted in the copy.

20 Q: Okay. Mr. Bar- -- excuse me. I apologize.
21 Mr. Singleton. This case has been going on
22 since 2011 ---

23 A: I agree.

24 Q: --- is that correct?

25 A: I agree.



1 Q: You have had -- you admit you had documents
2 from the closing, the note and the mortgage?

3 A: Yes, sir.

4 Q: Correct? Why is it that you never thought to
5 compare -- you're telling the Court today that
6 you never thought to compare the copies of the
7 note and mortgage that you knew were of the
8 original note and mortgage with the -- the note
9 and mortgage that were previously given to the
10 -- and -- and remember -- excuse me. The
11 original note was produced in 2016. The --
12 there's an Order from Judge Chellis actually
13 stating the attorney had the original note.
14 Did you compare the original note that was
15 produced in Court to the copies that you knew
16 were of the original note because you had them
17 at your house?

18 **OBJECTION:**

19 **MR. BARNES:** Objection.

20 **MR. HAYES:** Compound.

21 **MR. BARNES:** No, more than that. It's compound,
22 but, in addition, it's -- it's an incomplete
23 question. He just -- counsel just said the
24 original note was produced in Court in 2016.

25 **THE COURT:** Yeah, let's -- I'm going to -- I'm going



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1 to sustain the objection. Let's try another
2 way, Mr. Hayes.

3 **MR. HAYES:** Okay.

4 Q: So, you say you can't be sure about the
5 signatures on the -- the note. So, you -- are
6 you denying the note is -- that you signed the
7 note that is admitted into evidence as
8 Plaintiff's Exhibit Number 7? Admitting or
9 denying it?

10 A: I'm saying that I signed a note originally when
11 I took ---

12 Q: What I'm asking you is a question.

13 A: Can I please finish my answer?

14 Q: Okay.

15 A: Please.

16 Q: Go ahead.

17 A: What I'm saying is that when I took out the
18 loan, I did sign an original note.

19 Q: Okay. What I'm asking you is to look at
20 Plaintiff's Number 7 and say yes or no, whether
21 that is your signature on that ori- -- that
22 note submitted as Plaintiff's Number 7?

23 A: I can't be for certain. We have a lost note
24 affidavit. I can't be for certain.

25 **MR. HAYES:** (Laughing.) Your Honor.



1 **THE COURT:** Mr. Hayes, I don't think it's
2 appropriate to be laughing at the witnesses.

3 **MR. HAYES:** That was not a laugh. That was an
4 incredulous -- I apologize.

5 **Q:** Do you admit -- so you admit signing the note;
6 correct?

7 **A:** Correct.

8 **Q:** Okay. And you admit that -- do you admit the
9 terms of the note?

10 **A:** Correct.

11 **Q:** Okay. The terms of the note being that you
12 borrowed \$212,000 and the interest rate was
13 adjustable. It was to be between 16.45 percent
14 and 10.45 percent and that it never has gone
15 above 10.45 percent?

16 **A:** That's correct.

17 **Q:** Okay. Okay. Have you seen the -- the mortgage
18 in this case? Plaintiff's Number 1. Could you
19 look at that?

20 **(Plaintiff's Exhibit Number 1 was referenced.)**

21 **A:** (Witness complies.)

22 **MR. HAYES:** Your Honor, we're going to need some
23 paper.

24 **THE COURT:** What were you asking him to do?

25 **MR. SINGLETON:** I just spilled water.



1 MR. HAYES: He just spilled some water, Your Honor.

2 THE COURT: Okay. She'll take care of it. But not
3 on the exhibits?

4 MR. SINGLETON: No. No, sir.

5 COURT REPORTER: I was about to say the same thing.

6 (Off the Record)

7 Q: Would you look at Plaintiff's Exhibit Number 1,
8 Mr. Singleton? Would you look at the bottom of
9 each page and see if those are your initials at
10 the bottom of the page and if that's your
11 signature on the I think next to the last page?
12 I ... That would be on the page -- it would be
13 page 182 would be at the top right of
14 Plaintiff's Exhibit 1, 182 being the page
15 number of the book and page number.

16 A: Okay. I've looked at it.

17 Q: Is that your signature on -- on Plaintiff's
18 Exhibit Number 1?

19 A: It looks similar.

20 Q: Is that your signature on Plaintiff's Exhibit
21 Number 1.

22 A: It looks similar.

23 Q: I'm not asking if it looks similar. I'm asking
24 if that's your signature.

25 A: That is similar to the way I would sign my



1 signature.

2 **THE COURT:** Mr. Singleton, you're not answering the
3 question. Please answer the question yes or
4 no. Is that your signature or not?

5 A: Yes.

6 Q: Okay. Let's go back to the note, the original
7 note.

8 **MR. HAYES:** Your Honor, do you have the original
9 note up there, Plaintiff's Number 7 -- oh, here
10 it is.

11 **THE COURT:** I'm getting my exercise today.

12 Q: Plaintiff's Number 7.

13 (Plaintiff's Exhibit Number 7 was referenced.)

14 **OBJECTION:**

15 **MR. BARNES:** Judge, so I don't have to keep
16 interrupting things ---

17 **THE COURT:** Yes, sir.

18 **MR. BARNES:** --- make a standing objection. Mr.
19 Hayes keeps saying the original Note. It's the
20 alleged original Note or claimed original Note
21 at this point.

22 **THE COURT:** It's the -- just refer to it as ---

23 **MR. HAYES:** It's Plaintiff's Exhibit 7.

24 **THE COURT:** Refer to it as Exhibit 7.

25 **MR. HAYES:** Okay.



1 **MR. BARNES:** Thank you.

2 **MR. HAYES:** Exhibit 7.

3 **Q:** Look at your signature on Exhibit 7.

4 **THE COURT:** And while we're there, let me just enter
5 into -- let me just make this statement. Deep
6 Keel says, and they cite a U.S. Supreme Court
7 case ---

8 **MR. HAYES:** Yes, sir.

9 **THE COURT:** --- United States vs. Vidacak, it's a
10 federal Fourth Circuit case. So, it's not the
11 Supreme Court. Federal Fourth Circuit --
12 Fourth Circuit. I assume it's an appellate
13 decision. I haven't looked at it. It's a
14 parenthetical statement in citing that
15 particular case. And it says, finding the
16 exhibits properly admitted whether the -- the
17 -- where the Appellant "offered no basis for
18 inferring that the exhibits were forged or
19 altered that would arouse this Court's
20 suspicion as to their authenticity." I would
21 tell you that I think the fact that the note
22 was lost and we have a lost note affidavit or
23 an admission that there was a lost note
24 affidavit ---

25 **MR. HAYES:** Yes, sir.



1 **THE COURT:** --- and we have a note that was found,
2 arouses the suspicion of the Court as to it's
3 authenticity.

4 **MR. HAYES:** Okay.

5 **THE COURT:** Okay. And, therefore, I'm allowing Mr.
6 Singleton to testify and -- and -- as to his
7 view of what -- whether or not it's authentic
8 or not.

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

10 **Q:** Mr. Singleton, you have said that the signature
11 on Plaintiff's Number 1 is your signature.
12 Would you look at Plaintiff's Number 7, which
13 is -- would you look at Plaintiff's Number 7
14 and tell me, yes or no, is that your signature?

15 **A:** Again, I don't think that's a matter of a yes
16 or no answer because of the lost note
17 affidavit. I can say it looks similar.

18 **MR. HAYES:** Your Honor, I'm asking him yes or no, is
19 it his signature. The Court required him to --
20 to tell me on the mortgage. I think he's
21 required to tell me on the note, Your Honor.

22 **THE COURT:** So, your question is look at the
23 signature on page 4 of the note.

24 **MR. HAYES:** Of Number 7, Your Honor. Yes.

25 **THE COURT:** Yeah, okay. Exhibit Number 7. Can you



1 identify that signature as your own? Yes or
2 no?

3 **MR. SINGLETON:** Can I compare it to the mortgage?

4 **THE COURT:** Sure.

5 A: (Reviewing the documents.) Your Honor, no, I
6 cannot be 100 percent certain. I can't -- no,
7 I can't be 100 percent certain.

8 **THE COURT:** Okay. No, I cannot be 100 percent
9 certain.

10 **MR. HAYES:** Okay.

11 Q: When you took out this loan in I think it was
12 2000--- it was 2006, when you took that -- you
13 admit taking out the loan on January the 4th,
14 2006, correct?

15 A: That's correct.

16 Q: Okay. And you originally made the payments on
17 time; correct?

18 A: That's correct.

19 Q: Okay. For several years. When did you first
20 start missing payments?

21 A: I believe in 2000- -- if I can remember
22 correctly, sometime after the summer of 2008.

23 Q: Okay. You originally made payments to People's
24 choice; correct?

25 A: That's correct.



1 Q: Okay. The original lender?

2 A: Correct.

3 Q: Then you made payment -- mortgage payments to
4 -- when I refer to payments, I'm talking about
5 payments on this note and mortgage, okay. Then
6 you made the Mortgage payments to Ocwen;
7 correct?

8 A: That's correct.

9 Q: Okay. And then you made payments to GMAC; is
10 that correct?

11 A: That's correct.

12 Q: Okay. And that was about 2008; correct?

13 A: (No audible response.)

14 Q: Okay. And in 2008 is when you first started
15 missing payments?

16 A: That's correct.

17 Q: Okay. Do you remember why you were missing
18 payments?

19 A: Absolutely.

20 Q: I'm sorry?

21 A: Absolutely, yes.

22 Q: Okay. Would you -- would you tell me?

23 A: In 2008, I was in two car accidents within six
24 months.

25 Q: Okay. And did that cause you to miss work?



1 A: Yes.

2 Q: Is that the reason for the IRS tax lien?

3 A: That's correct.

4 Q: So, okay. So, you had an I- -- you had an IRS
5 -- when -- when was the lien from the IRS
6 placed against you?

7 A: I don't remember exactly when.

8 Q: Are you still making payments on it?

9 A: I have not.

10 Q: Were you mak- ---

11 **OBJECTION:**

12 **MR. BARNES:** Objection; relevance.

13 **MR. HAYES:** Well, it goes to -- I think it goes to
14 his ability to make the payments, Your Honor.
15 He -- there's -- he's given testimony that he
16 -- he is willing and able to make the payments.
17 After, Your Honor -- after the Summary Judgment
18 Order was issued, he offered to pay off the
19 balance that Your Honor said was owed. In the
20 depo- -- in his deposition testimony, he had
21 stated that he -- he has not been saving any of
22 the mortgage payments to apply toward the ---

23 **THE COURT:** Well, Mr. Hayes, I -- I appreciate all
24 of that.

25 **MR. HAYES:** Okay.



1 **THE COURT:** But his objection is relevance. It may
2 be relevant.

3 **MR. HAYES:** Okay.

4 **THE COURT:** But I don't think you can just make this
5 leap from questioning about an IRS lien. I'm
6 not sure.

7 **MR. HAYES:** Okay.

8 **THE COURT:** You -- you got to ---

9 **MR. HAYES:** I understand.

10 **THE COURT:** --- you got to get down to the base
11 question and slowly build up the questions --
12 -

13 **MR. HAYES:** Okay.

14 **THE COURT:** --- until you're at a point where you
15 can make or ask him to draw a conclusion on it.
16 You can -- or I can draw a conclusion.

17 **MR. HAYES:** Right. Okay.

18 **THE COURT:** All right.

19 **MR. HAYES:** Thanks, Your Honor.

20 **THE COURT:** It's just sort of a basic principle of -
21 --

22 **MR. HAYES:** Okay.

23 **THE COURT:** --- evidence.

24 **Q:** Did -- when you missed payments in 2008, did
25 you receive a letter from GMAC --- I'll refer



1 to GMAC as G-MAC, if that's okay.

2 A: That's fine.

3 Q: When you missed payments in 2008, did you
4 receive a letter from GMAC telling you that
5 they were servicing the loan?

6 A: That's correct.

7 Q: Okay. Did you receive monthly statements from
8 GMAC?

9 A: That's correct.

10 Q: Okay. And you heard testimony yesterday about
11 there being quite a few service transfers of
12 your loan over the past 19 years?

13 A: Yes.

14 Q: Okay. And I think you were previously asked
15 about it in your deposition and you ---

16 **THE COURT:** Mr. Hayes ---

17 **MR. HAYES:** I apologize, Your Honor.

18 **THE COURT:** --- you can't do it that way.

19 **MR. HAYES:** Okay.

20 **THE COURT:** You've got to -- you ---

21 **MR. HAYES:** Okay.

22 **THE COURT:** --- you just can't do it that way.

23 **MR. HAYES:** Okay.

24 **THE COURT:** I mean, let's ---

25 Q: Did you -- did you receive ---



1 **MR. HAYES:** I apologize.

2 Q: Did you receive letters from all of the
3 servicers, monthly statements, telling you how
4 much was due?

5 **THE COURT:** Mr. Hayes. Again, the form of that
6 question is ---

7 **MR. HAYES:** Okay.

8 **THE COURT:** --- so ---

9 Q: Did ---

10 **THE COURT:** --- broad.

11 **MR. HAYES:** Okay.

12 **THE COURT:** Why don't you ask him -- I mean, you
13 have the right to -- to -- he's an adverse
14 witness.

15 **MR. HAYES:** Right.

16 **THE COURT:** You have the right to lead him.

17 **MR. HAYES:** Okay.

18 **THE COURT:** Why don't you take him through each one?

19 **MR. HAYES:** Okay.

20 Q: Did -- let's go through all the servicers.

21 **THE COURT:** Ask him to admit it.

22 **MR. HAYES:** Okay.

23 Q: Did -- do you admit receiving notices from the
24 servicers while you were delinquent?

25 A: Yes.



1 Q: Okay. Did all of the servicers send you
2 monthly statements?

3 A: Yes.

4 Q: Okay. So, while you were delinquent, you still
5 received monthly statements from the servicers?

6 A: Correct.

7 Q: Okay. Do you understand the different between
8 a servicer and a lender or investor?

9 A: To some degree, yes.

10 Q: Okay. Would you tell me what your
11 understanding is?

12 A: The servicer collects the payment, the owner
13 owns the loan.

14 Q: Okay. Thank you. So, you understand that a
15 loan can be serviced by someone different from
16 who owns it?

17 A: That's correct.

18 Q: Okay. All right. And that the servicer -- the
19 servicer and the investor or the note holder
20 could be the same person; correct? Or it could
21 be the same entity; correct? Your -- your --
22 just your understanding.

23 A: I imagine so.

24 Q: Okay. But ---

25 **THE COURT:** Mr. Hayes. I'm going to strike that



1 question and the answer because it just totally
2 yells out calls for speculation.

3 **MR. HAYES:** Okay. I apologize.

4 Q: What -- you understand that a servicer collects
5 the pay- -- monthly payments on the loan;
6 correct?

7 A: That's correct.

8 Q: Okay. And you admit receiving monthly
9 statements from the servicers while you were in
10 default?

11 **OBJECTION:**

12 **MR. BARNES:** Asked and answered.

13 **MR. HAYES:** Okay.

14 **THE COURT:** Let's move on.

15 Q: And the -- these monthly statements that you
16 received, did they tell you where to send your
17 monthly payments on the mortgage?

18 A: Correct.

19 Q: Okay. You heard testimony yesterday from Mr.
20 Amaya that says a letter was sent to you in May
21 of 2008 regarding your delinquency. Do you
22 remember getting a copy of that letter?

23 A: I don't remember that letter.

24 **OBJECTION:**

25 **MR. BARNES:** Assumes facts not in evidence and it's



1 based upon a document that the Court did not
2 admit into evidence.

3 **THE COURT:** Sustained.

4 **Q:** Did you receive any doc- ---

5 **MR. HAYES:** Your Honor, there -- there is not a
6 letter in evidence, but there was indication
7 that it was sent in the servicer's records on
8 May 16th, 2008. So, the recor- -- there is a
9 record of it being sent. The actual letter is
10 not in evidence.

11 **MR. BARNES:** I respectfully disagree. That document
12 -- all it said was Singleton default. It
13 didn't say a letter was sent ---

14 **MR. HAYES:** Yes -- yes ---

15 **MR. BARNES:** --- it didn't say when it was mailed,
16 it didn't say anything. Nothing whatsoever.

17 **THE COURT:** Sustained.

18 **MR. BARNES:** Thank you.

19 **MR. HAYES:** May I look at the exhibit, Your Honor?

20 **THE COURT:** Certainly.

21 **MR. HAYES:** (Reviewing document.) Your Honor,
22 there's a notation on 5/16/2008 that says
23 breach, Jamie Singleton.

24 **THE COURT:** Do you want to tell me about it?

25 **MR. HAYES:** Well, that -- no, it was the testimony



1 yesterday from Mr. Amaya that the breach letter
2 was sent on May the 16th. And I'm asking --
3 all I'm asking is if he received the letter.

4 **THE COURT:** Let me see what you're referring to.

5 **MR. HAYES:** And this was admitted into evidence,
6 Your Honor.

7 **MR. BARNES:** Your Honor, respectfully, Mr. Amaya did
8 not say a letter was sent, nor does this
9 document say that. All it says is breach,
10 Jamie Singleton. That's all it says.

11 **THE COURT:** Okay.

12 **MR. BARNES:** It doesn't say a letter was sent,
13 doesn't say when it was sent, doesn't say
14 anything about that.

15 **THE COURT:** I'll -- your objection is sustained.

16 **MR. BARNES:** Thank you, Your Honor.

17 Q: You said you went into default sometime in
18 2008. Did you bring the loan current at any
19 time after 2008?

20 A: I tried. I made payments and I never got
21 caught up.

22 Q: Okay. Did GMAC -- and, again, that's GMAC
23 Mortgage, they filed a foreclosure action
24 against you in July of 2008?

25 A: That sounds consistent.



1 Q: Okay. And do you remember if a judgment was
2 entered against you in that foreclosure action
3 that was started by GMAC on July the 11th,
4 2008?

5 A: Yes.

6 Q: Okay. A judgment was entered against you?

7 A: Yes.

8 Q: Okay.

9 A: A default judgment.

10 Q: Yeah. And you filed bankruptcy on March the
11 2nd, 2009; correct?

12 A: That's correct.

13 Q: Okay. And you included GMAC as a creditor in
14 your bank- -- you filed Chapter 13 bankruptcy;
15 correct?

16 A: That's correct.

17 Q: Okay. And you included GMAC as a creditor in
18 your Chapter 13 bankruptcy plan; correct?

19 A: That's correct.

20 Q: Okay. And you also -- you understand what a
21 bankruptcy -- a Chapter 13 bankruptcy plan is?

22 A: Vaguely. I -- I don't know much about
23 bankruptcy.

24 Q: Okay.

25 A: I don't.



1 Q: Would you agree that you -- you pay a certain
2 amount to the Trustee or the Bankruptcy Court
3 ---

4 A: That's correct.

5 Q: --- and that they distribute money to the
6 creditors that were owed money prior to the day
7 you filed your pet- -- bankruptcy petition?

8 A: I understand that, yes.

9 Q: Okay. And -- and in -- in -- so, in your
10 Chapter 13 bankruptcy plan, you actually
11 provided for payments to GMAC, right

12 A: I'm not sure I understand. What do you mean?

13 Q: Okay.

14 A: Please clarify that.

15 **MR. HAYES:** Do you have a copy of that?

16 **MR. BARNES:** Your Honor, I've been handed a five-
17 page document by Mr. Hayes. The first page
18 indicates it's a filing in the United States
19 Bankruptcy Court for the District of South
20 Carolina, In Re Jamie Singleton, case number
21 09-09576-jw, Notice Chapter 13 Plan. And it's
22 single-sided.

23 **THE COURT:** Thank you, Mr. Barnes.

24 **MR. HAYES:** And, Your Honor, I -- I have -- these
25 are certified copies.



1 **THE COURT:** Okay. From the Bankruptcy Court. I see
2 a stamp on the last page. Is that the
3 certification?

4 **MR. HAYES:** Yes. The original is -- is right here,
5 Your Honor.

6 **THE COURT:** Okay.

7 **MR. HAYES:** So, I -- I think they're self-
8 authenticating.

9 **THE COURT:** They are. Any objec- -- I don't think
10 you have an objection, do you, Mr. Barnes?

11 **MR. BARNES:** No. Not at all.

12 **MR. HAYES:** Okay.

13 **THE COURT:** So, this is going to be exhibit what?

14 **MR. BARNES:** 28?

15 **MR. HAYES:** Except I think it's at least 30-
16 something.

17 **COURT REPORTER:** 31.

18 **MR. HAYES:** 31, Your Honor.

19 **THE COURT:** Exhibit 31?

20 **MR. HAYES:** Yes, sir.

21 **(Plaintiff's Exhibit Number 31 was marked for**
22 **identification purposes.)**

23 **MR. HAYES:** Your Honor, the last four of Mr.
24 Singleton's Social Security Number is on the
25 caption. I don't know if the Court wants to



1 strike that or redact it?

2 **THE COURT:** That's fine.

3 **MR. HAYES:** Okay. It is filed with the ---

4 **THE COURT:** I mean, it's ---

5 **MR. HAYES:** --- Bankruptcy Court.

6 **THE COURT:** --- fine. Leave it like it is.

7 **MR. HAYES:** Yeah.

8 **THE COURT:** It's part of the record of the Court.

9 **MR. HAYES:** Okay.

10 **THE COURT:** That is to say the Bankruptcy Court.

11 **MR. HAYES:** Yes, sir.

12 Q: Would you look at, Mr. Singleton, on -- on 31,
13 would you look at page 3 down at the bottom,
14 and it says, long term or mortgage debt curing
15 default. Would you agree that it says,
16 arrearage payments and then it says, the
17 trustee shall pay the arrearage as stated in
18 the creditor's claim allowed or as otherwise
19 ordered by the Court to GMAC Mortgage at a rate
20 of \$211 or more per month?

21 A: That's correct.

22 Q: Okay. So, your understanding was after looking
23 at this, it was included in your bankruptcy?

24 A: (No audible response.)

25 Q: And ---



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1 **THE COURT:** It was included, what are you referring
2 to was included?

3 **MR. HAYES:** I'm sorry. The -- the arrearage payment
4 to GMAC for the pre-petition debt ---

5 **THE COURT:** Was included ---

6 **MR. HAYES:** --- was included. Yes, Your Honor.

7 **THE COURT:** All right.

8 Q: And did -- did GMAC file a -- do you know what
9 a proof of claim is?

10 A: I don't.

11 Q: Okay. If I told you that a proof of claim is
12 something that the creditor files in bankruptcy
13 to say they have a claim against the -- the
14 person who filed bankruptcy, would that -- I
15 mean, would that be your understanding, or you
16 have no idea?

17 A: I don't have any -- I don't have any
18 understanding.

19 Q: Okay. Do you know if GMAC filed a proof of
20 claim in your bankruptcy case?

21 A: I don't know.

22 Q: Okay.

23 **THE COURT:** You know, Mr. Hayes, it'd be a lot
24 quicker if you have the document that's from
25 the Court that's self-authenticating, you don't



1 have to ask him to try to identify ---

2 **MR. HAYES:** Okay.

3 **THE COURT:** --- or authenticate it.

4 **MR. HAYES:** I -- I ---

5 **THE COURT:** Just present it as evidence.

6 **MR. HAYES:** Okay. That's fine, Your Honor. I don't
7 think I asked him to identify this document.

8 **THE COURT:** Well -- well, I mean, are you -- are you
9 -- are you going to try to get in his
10 bankruptcy records into ---

11 **MR. HAYES:** Yes, sir.

12 **THE COURT:** --- this proceeding? Is there any
13 objection to that, Mr. Barnes?

14 **MR. BARNES:** Well, Your Honor, that's kind of a
15 broad-based question. I don't know what
16 bankruptcy documents he's trying to get in and
17 whether they're relevant.

18 **MR. HAYES:** Your Honor, it's ---

19 **MR. BARNES:** They may be self-authenticating, but
20 are they relevant?

21 **MR. HAYES:** It's relevant to show he didn't contest
22 the amount due during the bank- -- well,
23 actually, I think he did contest the amount due
24 during the bankruptcy and then there was an
25 Order of Agreement as to the amount due. So,



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1 I think that's relevant as to the debt that was
2 due at the time in the bankruptcy. And I think
3 that's relevant.

4 **THE COURT:** Okay. Let -- you want to go through
5 them one by one?

6 **MR. HAYES:** I'll -- I'll do it however the Court
7 wants.

8 **THE COURT:** No, I want you to try your case the way
9 you want to try it.

10 **MR. HAYES:** Okay.

11 **THE COURT:** Do it the way you want to do it and then
12 you've got 31 -- Exhibit 31 before us and this
13 is a certified copy of what?

14 **MR. HAYES:** All right. Your Honor, this is a
15 certified copy of a proof of claim ---

16 **THE COURT:** Okay.

17 **MR. HAYES:** --- filed by GMAC. It's 28 pages. And,
18 again, I'm not -- I'm not going to walk through
19 these word by word. I'm just -- I'm just
20 showing that -- that the claim was filed.

21 **THE COURT:** All right.

22 **MR. HAYES:** Okay. Okay. All right.

23 Q: Mr. Singleton, the Plaintiff's, I think, 32,
24 would you look at right here, it says, secured
25 claim. And -- and the amount of the arrearage



1 is shown as being \$27,790.70. Correct?

2 **(Plaintiff's Exhibit Number 32 was marked for**
3 **identification purposes).**

4 A: Correct.

5 Q: And attached -- attached to the Proof of Claim,
6 pages twenty- -- excuse me -- page 3 through
7 page 28 are a copy of the note and mortgage,
8 correct, to support the claim?

9 A: (No audible response.)

10 Q: GMAC -- these were not filed by you. These
11 were filed by GMAC. I'm not saying these were
12 filed by you.

13 A: It's a copy.

14 Q: Okay. Okay. And, again, a copy of the note
15 and mortgage are attached to Plaintiff's Number
16 32, which is the Proof of Claim from GMAC;
17 correct?

18 A: Correct.

19 Q: Would you look at page 3 of the Proof of Claim.
20 I think it's Plaintiff's 32. Okay. Would you
21 go to -- this is an adjustable rate note.
22 Would you go to page 6 -- or, excuse me --
23 would you -- would you look at the bottom of
24 page 3, the bottom right. And it shows some
25 initials; correct?



1 A: Correct.

2 Q: Okay. And at the bottom of page 4, which is
3 page 2 of the note, it shows some in- -- some
4 initials at the bottom of that page, as well;
5 correct?

6 A: Correct.

7 Q: Okay. Let's go to page 5 of the Proof of
8 Claim, which would be page 3 of the note, and
9 it shows initials at the bottom right of that
10 one; correct?

11 A: Page 5?

12 Q: Excuse me. Page 6. It's right there
13 (indicating). See, it's kind of confusing and
14 stuff. It's page 5 here, page 3 here. What
15 I'm asking is if ---

16 A: Yes, I'm with you.

17 Q: Okay. If the -- at the bottom of page 5 of the
18 Proof of Claim, which is Plaintiff's Number 32,
19 shows signature -- excuse me, initials at the
20 bottom right corner.

21 A: Correct.

22 Q: Okay. And page 6 of the Proof of Claim, which
23 is Plaintiff's 32, has a signature at the
24 bottom; correct?

25 A: Correct.



1 Q: Okay. Would you compare that signature to the
2 signature on the original note that is
3 Plaintiff's Number 7?

4 **THE COURT:** Sustained.

5 **MR. BARNES:** Thank you.

6 **THE COURT:** Objection. Refer to it as Plaintiff's
7 7, I think it was.

8 **MR. HAYES:** Well, I said ---

9 **THE COURT:** You called it the original note.

10 **MR. HAYES:** Okay.

11 Q: Would you compare the signature on Plaintiff's
12 Number 7, page 4 of Plaintiff's Number 7, with
13 the signature on page 6 of Plaintiff's Number
14 32? Do those signatures appear to be similar?

15 **(Plaintiff's Exhibit Number 7 was referenced.)**

16 A: I can't be for certain because I'm -- I'm
17 looking at the L and the L looks a little
18 different.

19 Q: Okay.

20 **THE COURT:** The L in which document? The L in 7 or
21 the L in 32?

22 **MR. SINGLETON:** The L in -- this looks a little
23 different.

24 **THE COURT:** In your right hand is Exhibit 7.

25 **MR. SINGLETON:** Right.



1 **THE COURT:** And you're saying the L in Exhibit 7
2 looks a little different than the L in Exhibit
3 32?

4 **MR. SINGLETON:** Yes, sir, to me.

5 **MR. HAYES:** Okay. Thank you.

6 **THE COURT:** Clarify the record.

7 Q: Okay. And the ---

8 **MR. HAYES:** I beg your pardon, Your Honor.

9 Q: Mr. Singleton, on page 2 of Plaintiff's Number
10 32, there is a sheet and it is entitled
11 Arrearage Statement. Do you see that?

12 **(Plaintiff's Exhibit Number 32 was referenced.)**

13 A: I do.

14 Q: Okay. The -- the Arrearage Statement, it says,
15 principal balance \$209,656.89. Would you agree
16 with that?

17 A: I see it.

18 Q: Okay. And it says, at that time that five
19 payments for April 1, 2008 through August 1st,
20 2008 at \$2,134.48 each.

21 A: That's correct.

22 Q: Do you see that? And -- and over there to the
23 right of the delinquent five payments, it's
24 showing 10,672.40; correct?

25 A: Correct.



1 Q: Okay. And then down below it, it says, six
2 payments for September 1st, 2008 through
3 February 1st, 2009 at \$1,978.73 each. Would
4 you agree with that?

5 A: I agree.

6 Q: Okay. And then down below the sixth payment,
7 it says one payment for March 1st, 2009 at
8 \$1,933.02. Would you agree with that?

9 A: I agree.

10 Q: Okay. And then there's an attorney's fee of
11 \$300, foreclosure attorney's fees of 720 --
12 \$720, and foreclosure attorney's costs shown on
13 page 2 of Plaintiff's 32 of \$1,165.72.
14 Correct?

15 A: Correct.

16 Q: Okay. And the total arrearage is shown as
17 being \$27,790.70; correct?

18 A: Correct.

19 Q: Okay. Did -- do you remember if you objected
20 to that Proof of Claim or not?

21 A: I don't remember.

22 Q: Your -- your -- your attorney at that time was
23 Rob Pappa (ph).

24 A: Rob Pappa (ph).

25 Q: Rob is -- Mr. Pappa (ph) is no longer



1 practicing law, is he?

2 A: I don't know.

3 Q: Okay.

4 **MR. BARNES:** Your Honor, I've been handed an eight-
5 page document, single-sided by Mr. Hayes. It's
6 a filing in the bankruptcy case of Mr.
7 Singleton, called Response to Objection of
8 Claim.

9 **THE COURT:** Thank you, Mr. Barnes.

10 **MR. BARNES:** You're welcome.

11 **(Plaintiff's Exhibit Number 33 was marked for**
12 **identification purposes).**

13 Q: Mr. Singleton, Plaintiff's Number 33. You said
14 you don't know if you objected to -- to GMAC's
15 Proof of Claim; correct?

16 A: I don't remember. I said ---

17 Q: That's fine. That's fine. Would you agree
18 that this -- this document is entitled Response
19 to Objection to Claim?

20 A: That's what this says.

21 Q: Okay. And it includes a -- it appears to
22 include -- if you look at page 3 of the
23 document, at the top of page 3 of Plaintiff's
24 Number 33, it's actually notated as page 1 on
25 the document. Would you agree that from page



1 1 to page 5 of Plaintiff's Number 33 appears to
2 be a payment history?

3 **OBJECTION:**

4 **MR. BARNES:** Calls for speculation.

5 **MR. HAYES:** I'm -- I'm just asking if -- if he ---

6 **THE COURT:** Overruled.

7 A: Yes.

8 Q: Okay. Thank you.

9 **MR. BARNES:** Just for the record, Your Honor ---

10 **THE COURT:** Uh-huh.

11 **MR. BARNES:** --- the prior documents that Mr. Hayes
12 handed me have filed stamps on the top of the
13 case number. This one doesn't.

14 **MR. HAYES:** It's certified as a true copy, Your
15 Honor.

16 **THE COURT:** It is certified as a true copy by the
17 Bankruptcy Clerk -- Deputy Clerk, on page -- on
18 the last page.

19 **MR. HAYES:** I think most of these are certified on
20 the last page, Your Honor.

21 **MR. BARNES:** Just making a reference.

22 **THE COURT:** Thank you.

23 Q: Okay. Do you remember, Mr. Singleton, if --
24 you said you didn't reme- -- excuse me. You
25 said that you did not remember whether you



1 filed an objection to the Proof of Claim or not
2 to GMAC; correct?

3 A: Correct.

4 Q: Okay. Do you remember if an agreement was
5 later entered into? Did you amend your Chapter
6 13 plan?

7 A: I don't remember.

8 Q: You don't remember?

9 A: I don't remember.

10 Q: Okay.

11 **MR. BARNES:** I've been handed a six-page document by
12 Mr. Hayes, again filed in Mr. Singleton's
13 bankruptcy, Filed Amended Plan Number 1.

14 **THE COURT:** I'm sorry?

15 **MR. BARNES:** I'm sorry, styled Amended Plan Number 1.
16 **(Plaintiff's Exhibit Number 34 was marked for**
17 **identification purposes).**

18 Q: Mr. Singleton, would you look at Plaintiff's
19 Number 34, which you were just given, and look
20 at the fourth page? And look at paragraph
21 number 3 on Plaintiff's Number 33, page 4. And
22 wouldn't you agree that that paragraph says, is
23 entitled long-term or mortgage debt curing
24 default. A, arrearage payments. The Trustee
25 shall pay the arrearage as stated in the



1 creditor's claim or as otherwise ordered by the
2 Court to GMAC Mortgage, LLC at the rate of \$211
3 or more per month for 5505 Rowsham, R-O-W-S-H-
4 A-M, Place, North Charleston, South Carolina
5 29418, along with zero percent interest. Is
6 that correct?

7 A: That's correct.

8 Q: Okay. And then paragraph B, it says,
9 maintenance of non-arrearage payments. Are --
10 are you -- do you understand what arrearage ---

11 A: Absolutely.

12 Q: You do? Arrearage payments. Do you understand
13 that when you -- when you file bankruptcy,
14 there's what's called pre-petition, which is
15 the debt owed prior to you filing the petition,
16 the bankruptcy petition. And then there's the
17 post-petition debt, your ongoing regular
18 monthly payments. Do you understand the
19 difference between those?

20 A: Yes.

21 Q: Okay. Do you understand that you pay the --
22 the pre-petition to the bankruptcy trustee, who
23 then distributes it to the creditors and that
24 you pay the post-petition debt to the -- the
25 creditor directly?



1 A: Correct.

2 Q: Okay. And ---

3 **OBJECTION:**

4 **MR. BARNES:** Your Honor, at this point, I make a
5 relevance objection. Where are we going with
6 all of this?

7 **THE COURT:** I've got the same question. Mr. Hayes,
8 I don't understand the distinction between the
9 original plan and the amended plan as to the
10 arrearage plan.

11 **MR. HAYES:** Your Honor, and -- well ---

12 **THE COURT:** It's an amended plan? I mean ---

13 **MR. HAYES:** He -- he objected it to the -- he
14 objected -- the difference is when the creditor
15 filed the Proof of Claim, he objected to it.
16 Later, there -- he amended his -- his plan to
17 include the same thing, but he had -- he had
18 already objected to the plan. He had objected
19 to the Proof of Claim by -- filed by GMAC. My
20 point is that he later filed an amended plan
21 and agreed with GMAC's Proof of Claim.

22 **THE COURT:** Yeah, so, his original plan included a
23 payment for the arrearage of \$211 on the
24 secured property. And that was in paragraph
25 3(a) of the plan. And then paragraph (b),



1 maintenance of the regular non-arrearage
2 payments, to me there appear to be exactly the
3 same language. I don't see the distinction
4 between the two and, therefore, I question the
5 relevancy going into all of this.

6 **MR. HAYES:** Your Honor ---

7 **THE COURT:** I mean, why do I need to look at this?

8 **MR. BARNES:** Judge, my -- these -- I don't -- my --
9 my objection was a little bit different. I'm
10 sorry if I didn't articulate it. What does
11 this bankruptcy have to do with the issues and
12 defenses in this foreclosure case? How is this
13 in any way marginally relevant?

14 **THE COURT:** I think he's trying to establish that at
15 the time of filing the bankruptcy, that the
16 principle debt was a specific number.

17 **MR. BARNES:** But that's in the payment history,
18 which is already in evidence.

19 **THE COURT:** I agree.

20 **MR. BARNES:** So, it's redundant.

21 **MR. HAYES:** Well, I think there's -- we're allowed
22 to show that he -- that the -- he agreed ---

23 **THE COURT:** Right.

24 **MR. HAYES:** --- during the bankruptcy what the debt
25 was ---



1 THE COURT: Right.

2 MR. HAYES: --- and what he was supposed to pay ---

3 THE COURT: Right.

4 MR. HAYES: --- both pre-petition and post-petition.

5 And that's my point, Your Honor.

6 THE COURT: Okay.

7 MR. HAYES: And then I think that's relevant.

8 THE COURT: All right. I -- I agree with that.

9 It's a little laborious ---

10 MR. HAYES: Okay.

11 THE COURT: --- way of going about it. But you can
12 continue.

13 MR. HAYES: I just want to make sure I have the
14 records in there, Your Honor.

15 THE COURT: Sure.

16 MR. HAYES: Okay.

17 THE COURT: That's perfectly fine and your right.

18 MR. HAYES: Okay. And -- and, I apologize. This is
19 not going a lot longer.

20 THE COURT: Thank you.

21 Q: If you look at Plaintiff's Number 34, page 4 of
22 Plaintiff's 34, under the paragraph number 3,
23 it says, B, maintenance of regular non-
24 arrearage payments. Beginning April 2009, the
25 debtor shall pay directly to the creditor non-



1 arrearage payments arising under the agreement
2 with the secured creditor. The creditor shall
3 apply each payment under this paragraph solely
4 to the post-petition obligations that accrue
5 during or after the month specified. Correct?

6 A: Correct.

7 Q: Okay. Do you remember if you defaulted on the
8 payments in the bankruptcy?

9 A: Actually, I did. What happened was GMAC
10 contacted me about working out a modification
11 payment.

12 Q: Okay.

13 A: During that process, we were going back and
14 forth, we finally agreed to dismiss it and part
15 of the agreement was if you will dismiss your
16 bankruptcy, we will work out this -- this
17 modification agreement with you.

18 Q: Okay.

19 A: Okay. So, at that point, I acquired of Mr.
20 Pappa (ph) at that appoint. I said, Ron, GMAC
21 wants to work out a deal with me. I think I
22 should do it. It will help me lower my
23 payments. Mr. Pappa (ph) said, Mr. Singleton,
24 don't do it. Over him, I decided to do it.
25 So, I called down to the Trustee's office, they



1 told me there's two ways to have it dismissed,
2 either stop making the payments or have the
3 attorney formally dismiss it. I didn't pay the
4 -- I didn't want to pay the money to have the
5 attorney do it, so I quit making the payments.
6 It got dismissed. GMAC transferred my servicer
7 to WealthBridge at that point.

8 Q: Okay.

9 A: WealthBridge sent me the first modification
10 agreement.

11 **THE COURT:** What company?

12 **MR. SINGLETON:** WealthBridge.

13 **THE COURT:** WealthBridge.

14 **MR. HAYES:** I think there was testimony about that
15 yesterday.

16 (Multiple speakers.)

17 A: Right after the incident.

18 **MR. BARNES:** Your Honor, I've been handed -- I can't
19 count the number of pages in this document, but
20 it's another filing in Mr. Singleton's
21 bankruptcy called Notice of Motion Seeking 11
22 U.S.C. Section 362 (D) Relief.

23 **THE COURT:** Thank you, Mr. Barnes.

24 **MR. BARNES:** Attached is a Motion to Modify Stay.

25 **THE COURT:** Thank you, Mr. Barnes.



1 MR. BARNES: You're welcome.

2 (Plaintiff's Exhibit Number 35 was marked for
3 identification purposes).

4 Q: Okay. Mr. Singleton, and I think you said you
5 -- you said you voluntarily stopped making the
6 payments to the trustee? Is that correct?

7 A: After GMAC contacted me.

8 Q: All right. And would you agree that this is a
9 motion from GMAC that -- by it, I mean
10 Plaintiff's Number 35, it's a motion from GMAC
11 to lift the bankruptcy stay. Now, I'm not sure
12 if you know what bankruptcy stay is, but
13 wouldn't you agree that it's entitled Motion to
14 Modify Stay on the second paragraph?

15 A: That's correct.

16 Q: Okay. And wouldn't you agree in paragraph 4 it
17 says, currently monthly payments due for and
18 after April 1st, 2009 have not been received
19 outside the plan resulting in a total amount
20 due of \$4,059.34, as of May 29th, 2009?

21 A: That's what it says.

22 Q: Okay.

23 (Plaintiff's Exhibit Number 36 was marked for
24 identification purposes).

25 MR. BARNES: Your Honor, I've been handed a five-



1 page document by Mr. Hayes in Mr. Singleton's
2 bankruptcy. This is styled, Objection to 362
3 Motion of GMAC Mortgage, LLC.

4 **THE COURT:** Thank you, Mr. Barnes

5 **MR. BARNES:** You're welcome.

6 Q: Mr. Singleton, you said that you voluntarily
7 stopped making the mortgage payments to --
8 directly to GMAC because they said they were
9 going to enter into some agreement with you or
10 said they would consider you?

11 A: Yes.

12 Q: Okay. Is -- and -- and do you know why you
13 would have filed -- they had filed a Motion to
14 Lift the Bankruptcy Stay, which is Plaintiff's
15 Number 35. Do you -- do you know why if they
16 filed the Motion to Relieve -- to Lift the
17 Bankruptcy Stay and you voluntarily did that,
18 that you would have filed an objection to their
19 Motion to Lift the Bankruptcy Stay?

20 A: I don't know.

21 Q: It -- would you agree that Plaintiff's Number
22 36, on the first page, in bankruptcy case -- in
23 the bankruptcy case, 200901576, it says,
24 Objection to Section 362 Motion of GMAC
25 Mortgage, LLC?



1 A: I see that.

2 Q: Okay.

3 (Plaintiff's Exhibit Number 37 was marked for
4 identification purposes).

5 MR. BARNES: Your Honor, I've been handed a four-
6 page document by Mr. Hayes styled Settlement
7 Order filed in Mr. Singleton's bankruptcy,
8 although his name is not mentioned on the cover
9 page.

10 Q: Mr. Singleton, would you agree that Plaintiff's
11 Number 37 on the first page, it says, it's from
12 the U.S. Bankruptcy Court, District of South
13 Carolina, and it says Settlement Order?

14 A: Correct. That's what it says.

15 Q: And below Settlement Order, it says, the relief
16 set forth on the following pages for a total of
17 three pages, including this page, is hereby
18 ordered; correct?

19 A: Where are you at on the page?

20 Q: I'm sorry. Right -- right below Settlement
21 Order. It says, the relief set forth on the
22 following pages ...

23 A: Correct.

24 Q: Okay. And it appears to be signed by -- it
25 says U.S. Bankruptcy Court Judge; correct?



1 A: Correct.

2 Q: And it was filed on July -- excuse me, June the
3 24th, 2009? On the first page.

4 A: Yes.

5 Q: Okay. Look at the second page. The second
6 page, would you agree, is entitled Settlement
7 Order?

8 A: Correct.

9 Q: Okay. And wouldn't you agree that it says,
10 second paragraph, it says, Now, therefore, upon
11 Motion of movement -- movant and with the
12 consent of counsel for the debtor, it is hereby
13 ordered that 1) debtor shall cure the post-
14 petition arrearage and pay the attorney's fees
15 and costs in the total amount of \$6,889.01.
16 This total amount consists of post-petition
17 payments for the months of April 2009 through
18 June fir- -- excuse me, April 1st, 2009 through
19 June 1st, 2009 in the amount of \$1,933.02, late
20 charges of \$96.65 and attorney's fees in the
21 amount of \$650 and costs in the amount of \$150?

22 A: That's what it says.

23 Q: Okay. And I'm not going to get -- and then
24 wouldn't you agree in paragraph 1A of
25 Plaintiff's 37 that it says you shall make six



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1 monthly installment payments of \$1,148.17 in
2 addition to the regular monthly payments
3 currently in the amount of \$1,933.02 beginning
4 July the 1st, 2009 and continuing to December
5 the 1st, 2009 and that you shall continue to
6 make the mon- -- regular monthly payments after
7 the arrearage is cured on December the 1st,
8 2009?

9 A: That's what it says.

10 Q: Okay. Would -- would you agree that you
11 entered into this Settlement Order or your
12 attorney, Rob Pappa (ph), did on your behalf?

13 A: It looks like it.

14 Q: Okay.

15 **MR. BARNES:** Your Honor, just a housekeeping
16 question. Given the hour ---

17 **THE COURT:** Yes, sir.

18 **MR. BARNES:** --- we've been going three straight
19 hours, plus.

20 **THE COURT:** You want to take a break now?

21 **MR. BARNES:** Well, I -- I don't know how -- Mr.
22 Hayes originally indicated this wouldn't take
23 long. It's been over three hours, so.

24 **THE COURT:** That's right. I agree with you. He did
25 say that. Mr. Hayes, one point I have --



1 question I have, you -- you say the purpose of
2 entering all of these bankruptcy records was to
3 establish that he agreed that the balance due
4 at a certain date was a certain amount.

5 **MR. HAYES:** Yes, sir. And ---

6 **THE COURT:** We've gone way beyond that.

7 **MR. BARNES:** How many more do we have?

8 **MS. TAYLOR:** Two.

9 **MR. HAYES:** That's -- I mean, we have two more after
10 this one.

11 **THE COURT:** What is the relevance of this repayment
12 order?

13 **MR. HAYES:** That he agreed ---

14 **THE COURT:** Settlement Order.

15 **MR. HAYES:** That he agreed to make the payments
16 pursuant to the payment -- the Settlement
17 Order. I mean ---

18 **THE COURT:** What does that have to do with the
19 amount due that you were claiming the relevance
20 ---

21 **MR. HAYES:** Well, it has to do with the default,
22 Your Honor. I mean, if he agreed to make these
23 payments and he didn't make them, he defaulted
24 on them.

25 **THE COURT:** Okay. So, you're really now reaching



1 into his credibility; is that what you're
2 doing?

3 **MR. HAYES:** That -- that's correct, Your Honor. He
4 entered into an agreement that was confirmed by
5 a Bankruptcy Court Judge's Order.

6 **THE COURT:** Okay.

7 **MR. HAYES:** That's my point.

8 **THE COURT:** All right.

9 **MR. HAYES:** Again, I -- I apologize for all the
10 documents.

11 **THE COURT:** That's all right.

12 **(Plaintiff's Exhibit Number 38 was marked for**
13 **identification purposes).**

14 **MR. BARNES:** I've been handed a three-page by Mr.
15 Hayes also filed in Mr. Singleton's bankruptcy,
16 styled Trustee's Motion to Dismiss Chapter 13
17 Case for Non-payment.

18 **THE COURT:** Thank you, Mr. Barnes.

19 **Q:** Okay. Mr. Singleton, you have -- your --
20 you've been handed Plaintiff's Number 38, which
21 is -- would you agree is entitled Trustee's
22 Motion to Dismiss Chapter 13 Case for Non-
23 Payment?

24 **A:** That's what it says.

25 **Q:** Okay. And would you agree that in -- in



1 paragraph 13 it says you're past due \$1,252 as
2 of July the -- of 2009?

3 A: That's what it says.

4 Q: Okay. And, again, it lists the payments that
5 are delinquent in paragraph 3. I'm not going
6 to run through them. But wouldn't you agree
7 there's payments listed there?

8 A: That's correct.

9 Q: Okay.

10 **(Plaintiff's Exhibit Number 39 was marked for**
11 **identification purposes).**

12 **MR. BARNES:** Your Honor, I've been handed a two-page
13 document by Mr. Hayes filed in Mr. Singleton's
14 bankruptcy, styled Order.

15 **THE COURT:** Thank you, Mr. Barnes.

16 **MR. BARNES:** You're welcome.

17 Q: Mr. Singleton, looking at Plaintiff's Number
18 39, wouldn't you agree it's entitled Order?

19 **THE COURT:** This is Exhibit 40, I believe.

20 **MR. HAYES:** Yeah. Is it -- 30- ---

21 **THE COURT:** It's 39.

22 **MR. BARNES:** 39.

23 **MR. HAYES:** 39.

24 **THE COURT:** Where do they get off-numbered?

25 **MR. HAYES:** Do you want me to let you find it, Your



1 Honor?

2 **THE COURT:** Just hold one second.

3 **MR. HAYES:** Okay.

4 **THE COURT:** Okay. Go ahead.

5 Q: Mr. Singleton, on Plaintiff's Number 39, would
6 you look at the X by P-III, III, not -- and
7 doesn't it say the relief sought is denied
8 based upon an agreement between the trustee and
9 the debtor and/or the attorneys for the debtor
10 whereby this case may be dismissed upon request
11 of the trustee without further notice of
12 hearing if the debtor fails to comply with the
13 terms of this agreement. Would you agree with
14 that?

15 A: That's what it says.

16 Q: Okay.

17 **MR. BARNES:** You said you had two more exhibits.
18 Three exhibits are coming in.

19 **MS. TAYLOR:** No, we said in addition two ---

20 **MR. HAYES:** Yeah.

21 (Plaintiff's Exhibit Number 40 was marked for
22 identification purposes).

23 **MR. BARNES:** I've been handed a one-page document,
24 Your Honor. It's got the file of Mr.
25 Singleton's bankruptcy, Motion to Dismiss Case



1 for Noncompliance Pursuant to Settlement
2 Agreement.

3 **THE COURT:** Thank you, Mr. Barnes.

4 **MR. BARNES:** You're welcome.

5 Q: Mr. Singleton, you've been handed what's been
6 marked as Plaintiff's Exhibit Number 40 and
7 it's entitled Mo- -- again, Motion to Dismiss
8 Case for Noncompliance Pursuant to Settlement
9 Agreement and prior P-III -- P-III Order of the
10 Court Non-Payment. And it appears to be signed
11 by James M. Wyman, Chapter 13 Trustee. And the
12 second paragraph says, the debtor has failed to
13 make the payments pursuant to the Settlement
14 Agreement and pursuant to the Court's prior P-
15 III Order without further notice or hearing.
16 The Trustee seeks dismissal of this case.
17 Would you agree with that?

18 A: That's what it says.

19 Q: Okay. Thank you. Did -- do you remember, the
20 Bankruptcy Court dismissed your bankruptcy case
21 for failure to make -- your failure to make the
22 bankruptcy plan payments; correct?

23 A: Again, I go back to what I said. This whole
24 time, GMAC had contacted me about dismissing to
25 work out this agreement. Once this got -- the



1 date is consistent. WealthBridge took over the
2 servicing, basically the forbearance
3 modification agreement.

4 Q: If -- if you were doing this intentionally, why
5 did you twice enter into agreements to repay
6 it? I mean, it's a matter of record that there
7 were two motions to dismiss and you contested
8 both of them until it was finally dismissed.
9 Why would you contest the dismissal if you were
10 doing it voluntarily?

11 **OBJECTION:**

12 **MR. BARNES:** Objection to form and also
13 argumentative at this point.

14 **THE COURT:** It is argumentative. I agree. You
15 might want to change the form of the question.

16 **MR. HAYES:** Okay.

17 Q: You -- you agree the bankruptcy case was
18 dismissed for your failure to make the
19 payments; correct?

20 A: That -- that -- yes.

21 Q: Okay. And your statement is that you did that
22 voluntarily; is that correct?

23 A: Upon talking to GMAC about working out a
24 forbearance and modification.

25 Q: Okay. Did you stop making the pa- --



1 bankruptcy payments voluntarily?

2 A: After speaking to GMAC -- yes, after speaking
3 to GMAC.

4 Q: Okay.

5 A: Uh-huh.

6 Q: My question is if you dismissed -- if you
7 stopped making the payments voluntarily, why
8 contest the dismissal of your bankruptcy case
9 twice?

10 A: I don't remember all of the details of
11 everything that happened throughout the
12 bankruptcy proceeding.

13 Q: Okay. And ---

14 A: I don't want to testify to something that I
15 don't remember ---

16 Q: I don't want you to.

17 A: --- with a definite answer.

18 Q: Okay. Did -- after the bankruptcy case was
19 dismissed, did the -- was the lender GMAC at
20 the time the bankruptcy case was dismissed?

21 A: When -- when the case was dismissed, GMAC
22 immediately transferred to WealthBridge.

23 Q: Okay. Did the next servicer, Weal- -- you said
24 it was WealthBridge?

25 A: That's correct.



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1 Q: Did they try to work something out with you?

2 A: They sent me a forbearance to a modification
3 agreement.

4 Q: Okay. Is -- is that the same one that was
5 shown to you in your deposition in 2022; do you
6 remember?

7 A: I don't remember.

8 **THE COURT:** Here's what I want to do, let's take a
9 break now.

10 **MR. HAYES:** Okay.

11 **THE COURT:** Let's go to lunch. For some reason my
12 dinner bell rings about 12:00 o'clock.

13 (Laughter)

14 **THE COURT:** So, we're going to take a break for an
15 hour. Y'all go get some lunch. I'll get me
16 some lunch for myself and then we'll get back
17 together at 1:15.

18 **MR. SLOAN:** Yes, sir.

19 **THE COURT:** Now, before we go there, Mr. Hayes, you
20 made a representation to the Court that you'd
21 be a few minutes. You've been questioning this
22 witness for about two hours I think.

23 **MR. SLOAN:** More. Closer to three.

24 **MR. HAYES:** I think my statement was much longer.
25 The few minutes was referring to the bankruptcy



1 documents, Your Honor.

2 **THE COURT:** Well, anyway, I told y'all yesterday
3 that at lunch break we would try to determine
4 where we were time-wise in terms of the
5 progress of the case.

6 **MR. HAYES:** Yes, sir.

7 **THE COURT:** Would you give me a guesstimate on what
8 you think is ---

9 **MR. HAYES:** Your Honor, I ---

10 **THE COURT:** --- how much more? You're still on your
11 case. How much more do you have on your case?

12 **MR. HAYES:** Your Honor, I -- I think I will be done
13 in -- depending on -- I think within two hours
14 I will be completely finished.

15 **THE COURT:** Okay.

16 **MR. HAYES:** Or an hour and a half maybe.

17 **THE COURT:** Mr. Barnes, what -- what length of time
18 is your case going to take?

19 **MR. BARNES:** Not long at all. Probably one-tenth of
20 what his took.

21 **MR. HAYES:** Okay.

22 **MR. BARNES:** And I'll be done with Mr. Singleton. I
23 -- I have maybe 15 minutes of questions with
24 him. I have a couple of questions for Mr.
25 Amaya, maybe a couple of Mr. Singleton.



1 **THE COURT:** Okay.

2 **MR. BARNES:** In the poll that will take probably
3 less than an hour.

4 **THE COURT:** So, it looks like we might be able to
5 finish this afternoon.

6 **MR. HAYES:** I hope so.

7 **THE COURT:** All right. Let's take our break.
8 Everybody get refreshed.

9 **MR. HAYES:** Thank you, Your Honor.

10 **(Off the record from 12:15 p.m. until 1:34 p.m.)**

11 **THE COURT:** Mr. Singleton, you're still under oath.

12 **MR. SINGLETON:** Yes, sir.

13 **MR. SINGLETON - CONTINUED DIRECT EXAMINATION BY MR.**

14 **HAYES:**

15 **Q:** Mr. Singleton, we were talking about your
16 bankruptcy and the bankruptcy being dismissed.
17 At the time your bankruptcy dismissed, I think
18 you said that the loan was assigned either
19 shortly before it was dismissed or shortly
20 thereafter to WealthBridge?

21 **A:** That's correct.

22 **Q:** Did -- did you deal with WealthBridge any
23 regarding forbearance or loan modification or
24 anything?

25 **A:** Yes.



1 Q: Okay. Do you know if you si- -- actually
2 signed a forbearance agreement with them?

3 A: I did.

4 Q: Okay. Thank you. Did you -- you signed -- did
5 you sign the forbearance agreement with
6 WealthBridge in October of 2009?

7 A: That sounds consistent without having it in
8 front of me, yes.

9 Q: Do you want me to -- I mean, I can provide it
10 if you want me to.

11 **THE COURT:** Do you have the sealed transcript?

12 **MR. HAYES:** No, sir. We do not have the sealed
13 transcript on this one. The -- Michael Taylor
14 was not the attorney of record at the time this
15 was taken. There's -- unfortunately, Your
16 Honor, this thing has been through a lot of
17 attorneys.

18 **THE COURT:** Now you're experiencing my
19 consternation.

20 **MR. HAYES:** Okay. I apologize, Your Honor. I'm
21 just asking him -- he can look at the -- the
22 forbearance agreement that is attached to this
23 document. All I'm asking is to confirm that he
24 actually entered into a forbearance agreement
25 with WealthBridge. That's all I'm asking.



1 **MR. BARNES:** He already said he didn't.

2 **MR. HAYES:** But I asked him about the date, I said
3 October of 2009 and he said he didn't know.

4 **MR. BARNES:** Well, is the simple purpose being to
5 refresh his recollection as to when?

6 **MR. HAYES:** Yes.

7 **MR. BARNES:** Is that all it's for?

8 **MR. HAYES:** Yes.

9 **MR. BARNES:** If that's all it's for, I don't have a
10 problem with that.

11 **THE COURT:** Okay.

12 **MR. HAYES:** Okay.

13 Q: Would you look at ---

14 **MR. HAYES:** Which exhibit is that, do you remember?

15 **MS. TAYLOR:** 5.

16 **MR. HAYES:** 5.

17 Q: Would you look ... And it's pretty far back,
18 Mr. Singleton. And it has a 5 at the bottom.
19 (Looking through documents.)

20 Q: I guess this is Plaintiff's ---

21 **MR. HAYES:** Is this 41?

22 (No audible response.)

23 Q: Plaintiff's 41.

24 **MR. BARNES:** Well, wait a minute. What's 41?

25 **MR. HAYES:** Well, it's -- it's just being used for



1 the -- for the identification of the date.

2 **THE COURT:** You just want him to recollect his
3 memory, correct?

4 **MR. HAYES:** Okay. Correct. That's it.

5 **THE COURT:** All right. So, let me help you out.
6 Mr. Singleton, look this thick document that
7 was given to us, at the very back of it is an
8 Exhibit Number 5. It's entitled Forbearance to
9 Modification Agreement and has four pages and
10 -- and then attached -- also attached to this
11 is a forbearance agreement dated April 16,
12 2010. April 16th, 2010, okay. I'm just going
13 to give you some context, Mr. Singleton. The
14 exhibit dismissing your bankruptcy was dated
15 October -- I believe October 29, 2009. To be
16 precise, it was October 5th, 2009. So, it
17 would be October, November, December. We get
18 into the next year, 2010. And it appears on
19 the fourth page there is a date, October -- it
20 looks like October 30th, 2009. Is that
21 consistent with your recollection ---

22 **MR. SINGLETON:** Yes, sir.

23 **THE COURT:** --- of the date of the forbearance
24 agreement and --

25 **MR. SINGLETON:** Yes, sir.



1 **THE COURT:** --- the modification ---

2 **MR. SINGLETON:** Yes, sir.

3 **THE COURT:** --- Modi-- excuse me. The modification
4 agreement would have been earlier than that
5 because this forbearance and modification. And
6 it appears that ...

7 **MR. HAYES:** And, Your Honor, all I'm asking is if he
8 signed the -- the forbearance agreements for --
9 in 2009 and 2010. And ---

10 **THE COURT:** Was that -- does that refresh your
11 recollection?

12 **MR. SINGLETON:** Yes, sir.

13 **THE COURT:** All right.

14 **MR. HAYES:** Okay. Thank you.

15 Q: When was the last time you made a payment on
16 the loan, do you remember, Mr. Singleton?

17 A: Please ask the question again.

18 Q: When ---

19 **MR. BARNES:** So, we're not marking this?

20 **THE COURT:** Apparently not.

21 **MR. HAYES:** Okay.

22 Q: When was the last time you made a payment on
23 the loan?

24 A: 2013, I believe.

25 Q: Okay. Did you -- the -- the forbearance



1 agreements we were just talking about in 2009,
2 2010, did you make the payments on those or did
3 you default? Do you ---

4 A: I made five on-time payments.

5 Q: Okay.

6 A: The last payment was going to be, I believe,
7 one or two days late.

8 Q: Okay.

9 A: They didn't want to accept it, so they put me
10 back into another agreement.

11 Q: And that was the one in -- the one -- you said
12 they put you back into another one. By that,
13 you mean the one in 2010, is that correct?

14 A: That's correct.

15 Q: Okay. Do you remember when the ---

16 **THE COURT:** Hold on a second. When you say they
17 put me back in, what do you mean by that?

18 **MR. SINGLETON:** They, WealthBridge.

19 **THE COURT:** Did what?

20 **MR. SINGLETON:** Well, I made five out of six
21 payments.

22 **THE COURT:** Yes, sir. I've got that.

23 **MR. SINGLETON:** The last one was going to be a day
24 or two late.

25 **THE COURT:** Okay.



1 **MR. SINGLETON:** I called them and let them know,
2 listen, I'm going to put this in the FedEx.
3 They said, well, if we get it, it's going to be
4 marked late. So, at that point, I believe the
5 guy, my contact over there, was Matthew Bolt.
6 He said he would talk to his boss, whoever that
7 was, and he will be in touch. Well, they
8 called me back and they put me back into
9 another agreement. WealthBridge did.

10 **THE COURT:** Is that the forbearance to the
11 modification agreement?

12 **MR. SINGLETON:** This first one was the forbearance
13 to modification.

14 **THE COURT:** Okay.

15 **MR. SINGLETON:** The next one was the modification
16 agreement.

17 Q: Mr. Singleton, I asked when you made the last
18 payment on the loan. Did you say 2013 or 2010?

19 A: 2013.

20 Q: Okay. Who did you make it to, do you remember?

21 A: AMS Servicing.

22 Q: Okay. Did you make all the payments between
23 2011 and 2013?

24 A: At that point, I didn't. I was supposed to
25 have gotten a modification, which they didn't



1 give me.

2 Q: Okay. Do you have any documents from that
3 modification that they offered you in 2013 or
4 2011?

5 A: My attorneys do. Excuse me, what -- I'm sorry.
6 What year did you say?

7 Q: Okay. You said you made your last payment in
8 2013.

9 A: Correct.

10 Q: Okay. I think you also said you -- you
11 defaulted on the 2010 agreement, correct?

12 A: Correct.

13 Q: Okay. And did -- after 2010, were you offered
14 another forbearance agreement or loan
15 modification by the servicer?

16 A: Yes.

17 Q: Okay. Which servicer was that?

18 A: Also WealthBridge.

19 Q: It was WealthBridge. Do you have a copy of
20 that document?

21 A: We do.

22 Q: Okay. Okay. I have not seen it. The -- and
23 -- and this -- after the -- after, I think it
24 was GMAC, filed the foreclosure action and got
25 the judgment, they set it aside and in 2011,



1 April 2011, this foreclosure action was filed

2 ---

3 A: That's correct.

4 Q: --- against you? Okay. At that time, was AMS
5 servicing your loan?

6 A: Yes.

7 Q: Okay.

8 **MR. BARNES:** Sorry, Judge. May I?

9 **THE COURT:** Sure.

10 **MR. BARNES:** Thank you.

11 **MR. HAYES:** Okay. That's fine.

12 **MR. BARNES:** Thank you, Judge.

13 **MR. HAYES:** Thank you, Judge.

14 (Off the record from 1:45 p.m. until 1:53 p.m.)

15 (Plaintiff's Exhibit Number 41 was marked for
16 identification purposes during the break.)

17 **THE COURT:** All right. Let's go back on the record.
18 Okay?

19 **MR. HAYES:** Yes, sir.

20 Q: Mr. Singleton, I think the last question was at
21 the time this foreclosure action was filed, AMS
22 was servicing your loan and you said -- I
23 believe you said correct.

24 A: Correct.

25 Q: And you received notice that they were



1 servicing your loan from AMS, correct?

2 A: From?

3 Q: AMS. They told you they were servicing ---

4 A: Yes.

5 Q: Okay. And when the foreclosure action was
6 filed, you filed a -- this foreclosure action
7 was filed that we're dealing with today, I
8 think you filed a Motion to Dismiss and you
9 requested foreclosure intervention; is that
10 correct?

11 A: I don't remember how it went about.

12 Q: Okay. I understand. But -- but when the for-
13 -- this foreclosure was filed, you did want to
14 -- to enter foreclosure intervention?

15 A: That's correct.

16 Q: Okay. Okay. Okay.

17 **THE COURT:** Excuse me one second. I just want to
18 clarify something. Mr. Barnes, you were out of
19 the room when we decided to mark the exhibit to
20 the deposition, mark it for identification only
21 for the purposes of Mr. Singleton's
22 recollection of the date of the forbearance
23 agreement.

24 **MR. BARNES:** Okay.

25 **THE COURT:** Okay.



1 **MR. BARNES:** Thanks, Judge.

2 **THE COURT:** Yes, sir.

3 **MR. BARNES:** But it is going to be in the same
4 sequence?

5 **THE COURT:** It's Number 41, that's right.

6 **MR. HAYES:** Okay.

7 **THE COURT:** For identification only.

8 **(Plaintiff's Exhibit Number 42 was marked for**
9 **identification purposes).**

10 Q: And, Mr. Singleton, you've been handed what I
11 believe is Plaintiff's 42. And this is a
12 letter, I believe, from your attorney, William
13 Sloan, to the foreclosure attorney at that
14 time, Robert Davis with Rogers, Townsend and
15 Thomas requesting foreclosure intervention.
16 Wouldn't you agree with that?

17 A: (No audible response.)

18 Q: Okay. Thank you. Did the lender review you
19 for foreclosure intervention?

20 A: (No audible response.)

21 Q: Do you remember?

22 A: I don't remember.

23 Q: Okay. Let me -- I think we have this -- I
24 think the Order was issued -- if -- if there's
25 an Order in the Court's file that says that you



1 were considered for foreclosure intervention
2 and denied foreclosure intervention, would you
3 dispute that?

4 A: Can I see the document?

5 Q: Sure. Sure.

6 A: Is it ---

7 Q: Yeah. Please. I'm not sure if it's in there
8 or not, but there's an Order that was -- we had
9 earlier today that was admitted from this case
10 that says you were considered for foreclosure
11 intervention. Oh, sorry. It's Plaintiff's
12 Number 27. Let's see. All right.

13 **(Plaintiff's Exhibit Number 27 was referenced.)**

14 A: I've never seen this.

15 Q: Okay. But you don't deny this is filed with
16 the Court in this case?

17 A: I mean, it's clocked in. I don't deny that.

18 Q: And after that, you filed a Motion to Disburse
19 Insurance Proceeds, Motion for More Definite
20 Statement -- excuse me, a Motion for a More
21 Definite Statement, Motion to Dismiss and a
22 Motion to -- to Dismiss for Failure to Join the
23 Necessary Party. Do you remember filing those
24 or your attorney filing those on your behalf?

25 A: I don't remember all the specific filing, but



1 I know he did file some things on my behalf.

2 Q: Okay.

3 **THE COURT:** Just for clarification, Mr. Hayes.

4 **MR. HAYES:** Sure.

5 **THE COURT:** Did you refer to Plaintiff's 27?

6 **MR. HAYES:** Yes, sir.

7 **THE COURT:** As an Order?

8 **MR. HAYES:** Well, it -- I'm sorry. It wasn't an
9 Order, Your Honor. It was a statement, a
10 notice that if I stated -- said it was an
11 Order, I misstated. It was a statement that --
12 -

13 **THE COURT:** Clarification.

14 **MR. HAYES:** Correct, Your Honor. I apologize.

15 **THE COURT:** Thank you.

16 **(Plaintiff's Exhibit Number 43 was marked for**
17 **identification purposes).**

18 Q: And this is Plaintiff's Number 43; is that
19 correct? 43. Mr. Singleton, this is just an
20 Order that denies your motion. This is
21 actually by the -- the prior Master-In-Equity,
22 Judge Murphy. Do you deny that -- that the
23 motions were dismissed or ...

24 **THE COURT:** Mr. Hayes, let me just interfere and
25 interrupt. I'm gonna take judicial notice of



1 any Orders ---

2 **MR. HAYES:** Okay.

3 **THE COURT:** --- in this case.

4 **MR. HAYES:** Okay.

5 **THE COURT:** Which would include Judge Murphy's
6 Order dated October 30th, 2012.

7 **MR. HAYES:** Okay. So, any orders issued in this
8 case, judicial notice, Your Hon- -- I mean ---

9 **THE COURT:** Well, anything. I mean, that's a
10 matter of law that ---

11 **MR. HAYES:** Okay.

12 **THE COURT:** The Court is on judicial notice of any
13 orders that's ever issued in this -- in this
14 courtroom or in this Court. So, I don't think
15 I can avoid that.

16 **MR. HAYES:** Okay. All right. Thank you, Your
17 Honor.

18 **THE COURT:** Yes, sir.

19 **MR. HAYES:** Beg the Court's indulgence.

20 **THE COURT:** Sure.

21 **MR. HAYES:** Judge, does that -- taking judicial
22 notice of all the orders -- the Order that was
23 issued on May the 13th, 2014, can it become
24 part of the record that -- because it's the one
25 that states the -- the -- Your Honor said that



1 the original note was in the Plaintiff's hand
2 in the courtroom.

3 **THE COURT:** I'll take judicial notice of the Order
4 as I stated. I'm not sure the characterization
5 is correct, but to the extent it's in the file,
6 I'll take judicial notice of it.

7 **MR. HAYES:** Okay. All right. Thank you.

8 Q: Mr. Amaya (sic), have you been ---

9 **MR. BARNES:** Mr. Amaya?

10 **MR. HAYES:** I'm sorry. I apologize.

11 Q: Mr. Singleton, have you been paying insurance
12 premiums on this property the whole time, even
13 after you've been in default?

14 A: Absolutely.

15 Q: Okay. You personally have been paying those
16 insurance premiums?

17 A: Absolutely.

18 Q: Okay. Have you been paying the taxes?

19 A: They started paying the taxes. Taxes come out
20 October ---

21 Q: Right.

22 A: --- of each year. It's due on the 18th of
23 January. When I go down to the County office
24 to pay the tax, they inform me it's paid. I
25 acknowledge it's my responsibility to pay it,



1 but somebody's been paying.

2 Q: Okay. Would you dispute that that someone
3 paying it could have been the mortgage company?

4 **OBJECTION:**

5 **MR. BARNES:** Objection calls for speculation.

6 Q: So, you don't know who's been paying your
7 insur- -- your taxes -- property taxes on your
8 property at issue in this case?

9 A: I haven't been.

10 Q: Okay. Do you know who your current servicer
11 is?

12 A: SLS.

13 Q: Okay. Did you know who your current servicer
14 was at the time of your deposition in 2022?

15 A: StateBridge, I believe.

16 Q: Okay. And would you dispute that during that
17 deposition, you said that StateBridge was your
18 servicer and you knew who it was?

19 A: At that time I did.

20 Q: Yeah. Okay. Have you been -- as far as the --
21 the payments, you -- there's an affidavit that
22 was entered that said you wanted -- I think
23 this was after Your Honor issued the Order
24 granting summary judgment. I believe there was
25 an affidavit in which you said that you wanted



1 to make -- you wanted to pay the amount that
2 judg- -- the Order stated was due.

3 **THE COURT:** Mr. Hayes, let me ask you this. You
4 have a tendency to characterize a document.

5 **MR. HAYES:** Okay.

6 **THE COURT:** Why don't you present him with the
7 document. I think that'd be better.

8 **MR. HAYES:** Okay.

9 **THE COURT:** I would prefer that you present him with
10 the document that you -- I'm not sure what the
11 purpose of that is, are you trying to impeach
12 his credibility or are you trying to get him to
13 admit something further or exactly what. But
14 it would be better that you, rather than trying
15 to characterize the contents of the document
16 just as you did with my Order, I would prefer
17 that you just simply refer to the document, you
18 know, let him read it and then you can question
19 him or do with it as you please. But I would
20 prefer that you not characterize a document.

21 **MR. HAYES:** Okay.

22 **THE COURT:** Because it tends to put you in a
23 position of testifying.

24 **MR. HAYES:** Okay.

25 **THE COURT:** All right. Thank you.



1 **MR. HAYES:** Okay. Thank you.

2 **Q:** Mr. Singleton, you said you had been making
3 hazard insurance premiums on your property.
4 Have you informed the servicer that you're
5 making those hazard insurance premium payments?

6 **A:** Absolutely.

7 **Q:** Okay. Do you have any documents that show
8 you've provided that information to the
9 servicer?

10 **A:** When they sent -- sent it to me, I sent it to
11 my attorney. He asked me to send them the
12 declaration page with the insurance in tact.
13 I sent it to my attorney and he forwarded it to
14 whoever was the opposing attorney.

15 **Q:** Okay. The -- do you have the money to
16 reinstate the loan the -- the amount that --
17 the amount of arrearage payments that we claim
18 -- the Plaintiff claims is due?

19 **OBJECTION:**

20 **MR. BARNES:** Objection, Your Honor. Lack of
21 foundation. What is this amount, where did it
22 come from?

23 **MR. HAYES:** Well, the -- the amount was stated in
24 the ---

25 **THE COURT:** Well, I'm going to sustain the



1 objection. I think you need to come at it a
2 little bit differently, Mr. Hayes.

3 **MR. HAYES:** An amount. Yes, sir.

4 **MR. BARNES:** Your Honor, also, what that appears to
5 be is a Rule 408 settlement discussion subject,
6 which would be inadmissible to prove any claim
7 or defense in this case.

8 **THE COURT:** My understanding, Mr. Barnes, is he's
9 looking for the amount that he's claiming that
10 was presented by Mr. Amaya.

11 **MR. BARNES:** Amaya.

12 **MR. HAYES:** Amaya.

13 **MS. TAYLOR:** Amaya.

14 **THE COURT:** Amaya.

15 **MR. HAYES:** Yes, sir.

16 **THE COURT:** Is that what you're looking for?

17 **MR. HAYES:** Yes, sir.

18 **MR. BARNES:** And the question is, does he have the
19 money to pay it.

20 **THE COURT:** Pay it. Yeah.

21 **MR. BARNES:** That's -- I don't even think that's
22 relevant, so I would object on that ground, as
23 well. Or any post-judgment execution.

24 **MR. HAYES:** Your -- Your Honor, he said he's just --
25 in his deposition and in -- well, in his



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1 affidavit that was filed with the Court, he
2 stated that he wanted to pay it and what I'm
3 trying to find out is if he has the money that
4 is owed -- that we say is owed on the debt.

5 **MR. BARNES:** What affidavit? The one he hasn't
6 shown him?

7 **MR. HAYES:** Sure.

8 **THE COURT:** Mr. Hayes, it's sort of akin to a
9 question, let's say I was trying a car wreck
10 case and I, as the plaintiff's lawyer, put up
11 \$750,000 in actual damages, including all
12 specials, lost wages, so forth and so on, and
13 you asked -- and the plaintiff's lawyer asking
14 the defendant do you have the ability to pay my
15 -- what I claim is the -- should be in the
16 judgment.

17 **MR. HAYES:** Okay.

18 **THE COURT:** I just don't think it's proper.

19 **MR. HAYES:** Okay. Your Honor ---

20 **THE COURT:** It strikes me as an improper question.
21 I don't think it's really relevant.

22 **MR. HAYES:** Okay.

23 **THE COURT:** You're asking or presuming that I'm
24 going to issue a judgment. Your going to ---

25 **MR. HAYES:** Your Honor, I think a better -- what my



1 question was getting to has he been setting
2 aside his mortgage payment -- the amount that
3 would go to the mortgage payment to pay any
4 amount that ---

5 **THE COURT:** All right. Well, I mean, that's your
6 line of questioning, that's a little different.
7 But ---

8 **MR. HAYES:** Okay.

9 **THE COURT:** --- that's not how you asked it.

10 **MR. HAYES:** That -- okay. I apologize.

11 **OBJECTION:**

12 **MR. BARNES:** Judge, again, that would call for
13 speculation on his part and that's assuming
14 that they're going to get a judgment for the
15 full amount, which has -- which hasn't been
16 proven. And then, as you said, the affidavit
17 related to the -- Mr. Singleton's essentially
18 offered to pay the amount that Your Honor
19 awarded, which he was prepared to do and he
20 told me that.

21 **MR. HAYES:** Your Honor, I can ask him if he's been
22 setting -- I believe, that he can -- I can ask
23 him if he's been setting aside ---

24 **MR. BARNES:** Right.

25 **MR. HAYES:** --- the payments that would go to the



1 mortgage payment. I think that's proper.

2 **THE COURT:** That's probably ---

3 **Q:** Mr. Singleton ---

4 **THE COURT:** I'll let you ask that question.

5 **Q:** --- have you been setting aside the pa- -- the
6 money that would go to pay your mortgage? Have
7 you been setting aside that to apply to the
8 mortgage payment after it is determined what
9 you owe, if anything? Okay. Have you been
10 setting aside the payments the -- have you been
11 setting aside the money that would go to pay
12 your mortgage since your default?

13 **THE COURT:** All right.

14 **OBJECTION:**

15 **MR. BARNES:** Objection.

16 **THE COURT:** Let's back up a second. You asked two
17 questions, you didn't allow him to answer ---

18 **MR. HAYES:** Okay.

19 **THE COURT:** --- the first question. So, do you
20 want to strike the first question?

21 **MR. HAYES:** Ye- -- yes, sir.

22 **THE COURT:** All right. The first question's
23 struck.

24 **MR. HAYES:** Okay.

25 **THE COURT:** Now, I think his question is, Mr.



1 Singleton, you have a -- he is -- you -- he's
2 claiming that you have an enforceable Note that
3 sets out a payment, monthly payment. He wants
4 to know are you setting aside that monthly
5 payment into some form of an account for
6 purposes of -- of satisfying what he presumes
7 to be the obligation under the note.

8 **MR. BARNES:** Judge, the objection would be, what is
9 that monthly payment amount? He didn't say
10 what it was.

11 **THE COURT:** That's -- that's a true statement.

12 **MR. HAYES:** Okay.

13 **THE COURT:** So, do you want to sharpen up the
14 question?

15 **MR. HAYES:** Okay.

16 **THE COURT:** His question was ...

17 **MR. HAYES:** The monthly statement -- the monthly
18 payment amount would be set forth in the -- the
19 bankruptcy Orders, Your Honor. The monthly
20 payments.

21 **THE COURT:** Why wouldn't they be set forth in the
22 note?

23 **MR. HAYES:** No, they would be set forth in -- but
24 the -- the amount was set forth in the
25 bankruptcy Orders, too. It's also set forth in



1 the note.

2 **MR. BARNES:** The bankruptcy was dismissed.

3 Q: Mr. Singleton, have you been setting aside
4 \$1,931.33 per month to pay the mortgage
5 payments on the loan?

6 A: I have saved a lot of money to satisfy what the
7 Court determines that I owe.

8 Q: I'm -- I'm sorry?

9 A: I've saved a lot of money to satisfy what the
10 Court determines that I owe.

11 Q: Okay. May I ask what that amount is?

12 A: I don't have it ---

13 Q: Okay.

14 A: --- off the top of my head.

15 Q: Mr. Singleton, you -- you had -- was it a fire
16 or something that you had at your house?

17 A: Correct.

18 Q: Okay. Did you file a -- you said you were
19 paying the insurance yourself. Did you file a
20 claim with the insurance company?

21 A: That's correct.

22 Q: Okay. Did the insurance company give you money
23 for filing the claim?

24 A: They sent me 19,000 and I believe \$183 and some
25 change.



1 Q: Okay. Was that -- the claim, was that filed --
2 the insurance claim filed with the insurance
3 company that you, personally, were making the
4 payments to? The premium.

5 A: Absolutely.

6 Q: Okay. Have you been receiving notice from SLS
7 about where to send your monthly payments?

8 A: I have.

9 Q: Okay.

10 A: I have.

11 Q: But you haven't made any payments since 2010;
12 correct?

13 A: I have made a payment since 2010.

14 Q: Okay. All right. Do you have any proof of
15 that because the -- the payment history we have
16 shows that the last payment was made in 2010?

17 A: There's one in Mr. Barnes' hand.

18 Q: Okay. Just to -- have you been receiving any
19 notices from any other servicers about where to
20 send your monthly payments?

21 A: It's been so many with -- I don't understand.
22 Are you talking about currently? I don't
23 understand what you're saying. It's been so
24 many servicers.

25 Q: Okay. Okay. Okay.



1 **MR. HAYES:** Beg the Court's indulgence.

2 Q: Look at Plaintiff's Number 41, page 15. And
3 look at line 10 through line 12.

4 **(Plaintiff's Exhibit Number 41 was referenced.)**

5 **THE COURT:** Wait a minute, now. You haven't
6 admitted this.

7 **MR. HAYES:** It's not admitted, but I'm trying to
8 refresh his memory just like I was about the
9 ...

10 **THE COURT:** Then let's -- let's -- let's try to
11 rephrase the question so that it's clear on the
12 record that you're questioning him for the
13 purposes of refreshing his recollection ---

14 **MR. HAYES:** Okay.

15 **THE COURT:** --- of a document that's been marked
16 for identification, but not yet in evidence.

17 **MR. HAYES:** Okay.

18 Q: Mr. Singleton, you testified, I believe, that
19 your last payment was made in 2013; correct?

20 A: Correct.

21 Q: Okay. Would you look at Plaintiff's Number 41,
22 page 15, and look at lines 10 through 12, and
23 see if this refreshes your memory?

24 **THE COURT:** Just so there's no confusion, Exhibit
25 41 is marked for identification only.



1 MR. HAYES: Correct.

2 THE COURT: The purpose of this question is to
3 refresh the witness' recollection as to a date
4 and time of payment.

5 MR. HAYES: Correct.

6 THE COURT: That's on page 13?

7 MR. HAYES: 15, Your Honor.

8 THE COURT: 15. What line?

9 MR. HAYES: 15, 11 -- excuse me, 10 through 12.

10 Q: Does that refresh your memory, Mr. ---

11 A: Yeah. At the time of my deposition, that's
12 what I remember. In preparation for trial, me
13 and my wife on Sunday night started looking
14 through everything to make sure I had
15 everything I needed to bring and that's when we
16 discovered that one payment.

17 Q: Okay.

18 MR. HAYES: Your Honor, I don't have any further
19 questions.

20 THE COURT: Thank you, Mr. Hayes.

21 MR. SLOAN: Your Honor, may Mr. Barnes and I have a
22 two-minute ---

23 THE COURT: Sure.

24 MR. SLOAN: --- discussion outside? Thank you.

25 THE COURT: Take a break, two minutes.



1 (Off the record from 2:20 p.m. until 2:24 p.m.)

2 **THE COURT:** Are you going to cross your own witness
3 or -- I mean, your own client, or how do you
4 want to handle this?

5 **MR. BARNES:** Well, there's -- I'd like to ask a
6 favor.

7 **THE COURT:** Yes, sir.

8 **MR. BARNES:** I wasn't involved in this case from the
9 beginning, Mr. Sloan was through this
10 foreclosure intervention thing. Do you mind if
11 Mr. Sloan asks Mr. Singleton a few questions
12 about that process that were not asked of him
13 yet and I would do the rest?

14 **THE COURT:** I don't have a problem with that.

15 **MR. BARNES:** Thank you, Judge.

16 **THE COURT:** Y'all have any objection to that?

17 **MR. HAYES:** No, sir.

18 **THE COURT:** Okay. Go ahead.

19 **MR. SLOAN:** Thank you, Your Honor. The first thing
20 -- missing one of these, it is -- I was going
21 to ask Madame Court Reporter for -- it could be
22 one of Plaintiff's exhibits, it would be in the
23 upper 20s. It would be a document dated
24 December -- are all the Plaintiff's Exhibits
25 up there?



1 **THE COURT:** They're up there.

2 **MR. SINGLETON - CROSS EXAMINATION BY MR. SLOAN:**

3 Q: Mr. Singleton, do you see Plaintiff's Exhibit,
4 which is the AMS modification offer of December
5 15th, 2010? Do you see ---

6 **THE COURT:** That hasn't been entered.

7 **MR. SLOAN:** Okay. All right. Madame Court
8 Reporter, what is -- what would the Defendant's
9 Exhibit ---

10 **COURT REPORTER:** I was just checking on that. I
11 believe it's 8, but let me confirm, please.

12 **MR. SLOAN:** Okay. Absolutely. The bailiff ---

13 **THE COURT:** Now, make sure I understand that some
14 of these Defendant's exhibits have not been
15 entered. They're only for identification --
16 for purposes of identification. So, we're
17 going to mark it 8 for identification?

18 **MR. SLOAN:** At this point, yes, Your Honor.

19 **THE COURT:** Okay. Go ahead.

20 **(Defendant's Exhibit Number 8 was marked for**
21 **identification purposes.)**

22 **MR. SLOAN:** Would you had that to ---

23 **COURT REPORTER:** Sure.

24 **MR. SLOAN:** Okay.

25 **MR. SLOAN:** Would you hand that to Mr. Singleton,



1 please?

2 Q: Mr. Singleton, I'm handing you what looks like
3 a seven or eight-page document; is that
4 familiar to you?

5 A: Yes, sir.

6 Q: Can you please tell the Court the document that
7 I just handed to you?

8 A: This is the modification agreement once I
9 completed the second modification with
10 WealthBridge.

11 Q: So, you had a second modification with
12 WealthBridge. I don't want to lead you, but
13 you -- you testified a little bit earlier you
14 had a modification in late '09, early '10 and
15 you missed a payment by one or two days, so you
16 had to start over?

17 A: That's correct.

18 Q: Okay. And -- and you had a second trial. Did
19 you have a second trial modification with ---

20 A: That's correct.

21 Q: Okay.

22 A: WealthBridge.

23 Q: And what happened at the end of that six-month
24 period.

25 A: At the fifth payment, I got -- between the



1 fifth and sixth payment I got a letter saying
2 that the servicer -- the servicing was now
3 going over to AMS. So, I called WealthBridge
4 and I said, listen, where do you guys want me
5 to send this last payment? After talking, they
6 said, send it to us. So, I sent it to
7 WealthBridge and then the servicing went to
8 AMS.

9 Q: Okay. And did AMS -- and did you complete all
10 those trial modification payments?

11 A: Absolutely.

12 Q: And what happened -- what did AMS do after they
13 offered you -- after you completed all those
14 trial modification payments?

15 A: Well, what happened was once the loan servicing
16 was going to AMS, I called AMS the day they
17 supposed to take the loan. And they said they
18 didn't have the loan yet. Call back in a week.
19 I called back every day and the third day, I
20 got John Malibar (ph), Maliber, Malibar.
21 Whatever his name is. I got him on the phone
22 and he said, yes, we see that you're up for
23 this modification. We'll get this over to you.

24 Q: Did they get it over to you?

25 A: That's this.



1 Q: And that's what's marked as Defendant's Exhibit
2 8 for identification?

3 A: Correct.

4 Q: Okay. Can -- can you briefly describe what
5 Defendant's -- Defendant's 8 is?

6 A: It's a loan modification from AMS Servicing,
7 Walden Avenue, Depew, New York, that gives a
8 loan number, my address, my name. And it says,
9 Dear Mortgager. Congratulations. Since you
10 have successfully completed the requirements of
11 your special forbearance program, we are now
12 able to offer you a modification. All big
13 letters, with no fees.

14 Q: Okay. Did you ultimately sign that
15 modification?

16 A: I didn't.

17 Q: I'm sorry, you did?

18 A: I did not.

19 Q: Okay. And without divulging the private
20 communications you and I had, can you tell the
21 Court why you ultimately did not do that?

22 A: Sure. While the amount that they were saying
23 in the facts section that I owed, I thought
24 that there was a discrepancy. Then it named a
25 DV502007 Trust, who I never -- didn't even know



1 anything about. And then -- it was one of
2 these, number 11, it says, release of claim.
3 And they were asking me for my understanding as
4 a condition for me to accept this modification,
5 I commented not to sue anybody before AMS or
6 thereafter or have any claims going forward
7 about this loan. And I thought, who would put
8 something in an agreement like this, let alone
9 who would sign this.

10 Q: So, that made you uncomfortable to the point
11 where you ---

12 A: Very.

13 Q: --- wouldn't sign it?

14 A: Very.

15 Q: Okay. All right. I hate to back track.

16 **MS. TAYLOR:** We've never seen any of this.

17 **MR. HAYES:** Yeah, we've never seen these documents.

18 **MR. SLOAN:** I'm not necessarily going to enter them
19 into evidence, but I want to show it to Mr.
20 Singleton to refresh his memory. Found it
21 Sunday night before the trial Monday morning.

22 **MR. HAYES:** It's convenient.

23 **MS. TAYLOR:** Yeah, it's convenient.

24 **OBJECTION:**

25 **MR. HAYES:** Judge, these are doc- -- these last two



1 documents are documents that have not been
2 produced until today in Court. I think
3 discovery was served. Mr. Sloan said that Mr.
4 Singleton found them Sunday night, but I think
5 at the very least they had an obligation to
6 turn them over to us prior to the trial today
7 under the discovery rule.

8 **THE COURT:** Well, we've got a bit of a quandary
9 here, Mr. Hayes.

10 **MR. HAYES:** I'm sorry?

11 **THE COURT:** You -- you called the witness.

12 **MR. HAYES:** Right.

13 **THE COURT:** Correct.

14 **MR. HAYES:** Yes.

15 **THE COURT:** And he doesn't know before you question
16 the witness what his cross examination of the
17 witness is going to be. So, how would he know
18 what documents he needed to provide you before
19 he knows what your cross examination is -- I
20 mean, your direct examination?

21 **MR. HAYES:** If we ask them for doc- -- documents
22 that they may -- that may be used as exhibits
23 at trial, I mean, if they had something like
24 this, they should have shown it to us.

25 **MR. SLOAN:** Your Honor, Mr. Hayes called Mr.



1 Singleton first and was asking him about
2 attempts to modify the loan. I -- I have
3 Defendant's 8 as issues to the modification
4 attempts. I initially wasn't planning on
5 discussing the modification attempts prior to
6 the filing of this lawsuit, but I'm using it on
7 cross examination of my client based on the
8 testimony that the plaintiff -- the plaintiff
9 has solicited from my client.

10 **MR. HAYES:** But my point is, Your Honor, we -- those
11 documents were requested previously. If they
12 found them Sunday night, they should have
13 turned them over to us Monday morning. That's
14 my point, Your Honor. Instead of right now.

15 **MR. SLOAN:** Well, Your Honor, I'm not moving to
16 enter Defendant's 8 for -- into evidence, I'm
17 simply asking -- having it to refresh Mr.
18 Singleton's memory.

19 **THE COURT:** You have a document you want to refresh
20 his memory with?

21 **MR. SLOAN:** That was -- that was the attempted loan
22 modification. And, Your Honor, I had -- I had
23 zero plans on introducing this letter, which --
24 which appears to be a letter from Mr. -- from
25 Mr. Pappa to the Trustee, James Wyman, related



1 to Mr. Singleton's bankruptcy because Mr. Hayes
2 asked a long litany of questions about Mr.
3 Singleton's bankruptcy and the letter from Mr.
4 Pappa says, I represent the defendant, Mr.
5 Singleton. Mr. Singleton is attempting to work
6 out with counselor, NACA, Neighborhood
7 Assistance Corporation of America. And Mr.
8 Wyman has a hand -- there's -- Mr. Wyman writes
9 back handwritten, Rob, I have no objection to
10 you or Mr. Singleton contacting GMAC or a
11 counselor with NACA on behalf of Mr. Singleton.

12 **MR. HAYES:** Your Honor, Mr. Barnes asked Mr. Amaya
13 yesterday regarding foreclosure intervention,
14 so they knew it was an issue prior to today.
15 My point being that should have been turned
16 over to us.

17 **THE COURT:** I'm going to overrule the objection and
18 let the evidence come in as a -- I mean, he was
19 probably just as surprised by your cross
20 examination as -- I mean, by your direct
21 examination of his client on the bankruptcy.
22 I think it's fair game for him -- you've opened
23 that door and I think it's fair game for him to
24 provide whatever he thinks necessary to further
25 inform the Court as to the facts of this case.



1 **MR. HAYES:** Okay. But we did let them know prior to
2 the hearing that were going to introduce
3 bankruptcy documents.

4 **THE COURT:** Okay. Thank you. Nonetheless, I'm
5 going to overrule the objection and it may help
6 me decide the case.

7 **MR. HAYES:** Okay.

8 **THE COURT:** Thank you.

9 **MR. SLOAN:** Madame Court Reporter, could you please
10 identify that for identification as Defendant's
11 9?

12 **(Defendant's Exhibit Number 9 was marked for**
13 **identification purposes.)**

14 **Q:** Mr. Singleton, I am handing you a one-page
15 letter. Does -- does it look familiar to you?

16 **A:** Yes, sir.

17 **Q:** Okay. Can -- can you briefly summarize what
18 the letter states?

19 **A:** It goes back to -- it says, Dear -- Dear
20 Gentleman. I represent the Defendant Jamie
21 Singleton in the above-referenced case. Mr.
22 Singleton is attempting to work with a
23 counselor at NACA, Neighborhood Assistance
24 Corporation of America. They have requested a
25 letter from you granting them permission to



1 contact GMAC Mortgage regarding possible
2 modification on Mr. Singleton's mortgage.
3 Please let me know if this is possible. With
4 kind regards I am, Papa, Ungaro Falkiewicz, Rob
5 Papa.

6 Q: Okay. Is there anything else written on that
7 piece of paper?

8 A: Yes. A response from James Wyman. Rob, I have
9 -- I have no objection to you or Mr. Singleton
10 contacting GMAC or counselor with NACA on
11 behalf of Mr. Singleton. Signed by James
12 Wyman.

13 Q: All right. Thank you, Mr. Singleton. Let's
14 continue our trip down memory lane to 2011.
15 After you declined to sign the modification
16 offer, did AMS send you a communication shortly
17 thereafter?

18 A: Yes. They sent me, I believe a month or two
19 later, a one-page document USPS overnight
20 asking me to modify my loan with my tax return.

21 Q: Okay.

22 A: I'd just completed a modification they didn't
23 give to me.

24 Q: And you -- you have previously testified, and
25 this is of record in this case, that this



1 lawsuit was filed April 25th, 2011. Is that
2 consistent with your memory?

3 A: Correct.

4 Q: Okay. Did you hire me from day one to
5 represent you in this case?

6 A: I did.

7 Q: Okay. And as shown by the court documents,
8 were you interested in getting foreclosure
9 intervention?

10 A: I wanted to put this nightmare behind me. My
11 wife and I, we had just gotten married in 2010.
12 She inherited this case. It's not her fault.
13 She walked into it. We did everything that was
14 asked of me to do. GMAC asked me to come out
15 of bankruptcy to do this. Never got it done.
16 They kept wanting to put in modification
17 agreements and I didn't know when it was ever
18 going to end. I just wanted to get into my
19 loan and move on with my life.

20 Q: And in 2011, did you, through counsel, did you
21 engage in foreclosure intervention with the
22 Plaintiffs at the time, the Plaintiff's
23 attorney?

24 A: I did.

25 Q: And did -- and did you engage with the



1 servicer, AMS?

2 A: I did.

3 Q: And did you -- and -- and you mentioned a John
4 Maliber (ph). Did you engage in foreclosure
5 intervention with Mr. Maliber (ph) during 2011?

6 A: I don't remember exactly what date, but I know
7 him and I talked quite a few about getting this
8 modification done.

9 Q: And how did that ultimately end out?

10 A: He -- he kind of got frustrated and said sign
11 the agreement or I'm going to foreclose.

12 Q: Did they -- did Mr. Maliber (ph) give you a
13 specific offer or did he -- or did he outline
14 terms? What -- what -- what did he do?

15 A: I don't remember the exact conversation at that
16 point. I remember this and me and him having
17 a conversation about the figures in Number 11
18 of the agreement. And he said he's not
19 changing it.

20 Q: I'm not going to put words in your mouth. I'm
21 not going to testify for you. Did you just say
22 you had an issue with the numbers in -- in a
23 proposed modification?

24 A: Correct.

25 Q: Okay.



1 **MR. SLOAN:** Madame Court Reporter, what -- the 2012
2 Order ---

3 **THE COURT:** When you use the word numbers, are you
4 talking about the amount of dollars?

5 **MR. SINGLETON:** Yes, sir.

6 **THE COURT:** Okay. That's all I need.

7 (Off the record discussion.)

8 Q: Mr. Singleton, on the Plaintiff's exhibits, do
9 you see what's probably Number 39, which is an
10 Order of the Court when Judge Murphy was the
11 judge of this case from 2012?

12 A: 39 was a bankruptcy order.

13 Q: Okay. Page 1 looks like this (indicating).
14 That's a Form 4 on top of it.

15 A: It's form -- 43.

16 Q: 43. Do you have it in front of you, Mr.
17 Singleton?

18 **(Plaintiff's Exhibit Number 43 was referenced.)**

19 A: (No audible response.)

20 Q: Okay. Please flip -- I promise I will not make
21 you read the entire Order. Please turn -- do
22 you see in bold, paragraph B; it's numbered
23 page 4? It begins, alternatively because the
24 Defendant has an adequate remedy of law. Do
25 you see that?



1 A: I do.

2 Q: Okay. Skip down to -- skip down to the last
3 paragraph.

4 A: Yes.

5 Q: And read only for me the first sentence of that
6 Order.

7 A: The Court finds that the disbursement of the
8 insurance proceeds is governed exclusively --
9 exclusively by the mortgage contract.

10 Q: Okay. Thank you. Grab for me, please, Mr.
11 Singleton, Exhibit Number -- Plaintiff's
12 Exhibit Number 1, the mortgage.

13 **(Plaintiff's Exhibit Number 1 was referenced.)**

14 A: (Witness complies.)

15 Q: Please flip to what's numbered page 4 of 15.

16 **THE COURT:** What's the book and page number?

17 **MR. SLOAN:** Oh. I may have the wrong page, Your
18 Honor.

19 **THE COURT:** Book and page is at the top.

20 **MR. SLOAN:** The first page of the mortgage is Book
21 5142, page 168.

22 **THE COURT:** Are you referring to paragraph 5 on
23 page 173?

24 **MR. SLOAN:** Yes, Your Honor.

25 **THE COURT:** Okay. Go ahead.



1 MR. SLOAN: Thank you, Your Honor.

2 Q: Mr. Singleton -- I was going to say scroll
3 down. Go down to the last paragraph on that
4 page, which begins with in the event of loss.
5 And read one, two, three, four, the first four
6 and a half lines up until the last word that
7 ends the sentence, lessened, please.

8 A: In the event of loss, borrower shall give
9 prompt notice to the insurance carrier and
10 lender. Lender may make proof of loss if not
11 made promptly by borrower. Unless lender and
12 borrower otherwise agree in writing, any
13 insurance proceeds whether or not the
14 underlying insurance was acquired by lender
15 shall be applied to restoration of repairs of
16 the property if the rest- -- if the restoration
17 or repairs is economically feasible and
18 lender's security is not lessened.

19 Q: Thank you, Mr. Singleton. What -- what
20 happened at your house on or around Father's
21 Day 2012, eleven ---

22 A: Fa- ---

23 Q: --- years ago?

24 A: Father's Day, my wife and I, we were upstairs
25 along with our at the time Jayden (ph), my 18-



1 month-old son, and the smoke detectors went
2 off. My and me, we ran downstairs. So, I
3 grabbed my son and I ran down behind her. And
4 when I got downstairs, the kitchen was in
5 smoke. So, I got my wife and my son out of the
6 house and I ran back in and there was a pot on
7 the stove. So, I grabbed it and ran it, threw
8 it outside in the front yard. And it was a
9 mess. The kitchen was a mess.

10 Q: Did -- did -- did you file an insurance claim?

11 A: I did.

12 Q: And who was your insurance company at the time?

13 A: Liberty Mutual.

14 Q: Okay. Did you -- did you give prompt notice to
15 Liberty and to -- who -- who was the loan
16 servicer at the time?

17 A: The loan servicer was AMS.

18 Q: It was still AMS. Did you give prompt notice
19 of this incident to AMS?

20 A: Absolutely.

21 Q: Okay. And what happened next?

22 A: I called -- Liberty Mutual gave me a claim
23 number and told me someone would contact me.
24 They contacted me the next day. And I told
25 them what happened. And they said they would



1 send out Service Master, I believe ---
2 Q: Okay.
3 A: --- to do some cleaning and ---
4 Q: Uh-huh.
5 A: --- inspection and see what happened.
6 Q: Uh-huh.
7 A: They did that. And after that, they took
8 pictures and they sent it to the claims
9 adjuster in Florida for Liberty Mutual.
10 Q: Okay. And what happened next vis-a-vis AMS
11 Loan Servicing.
12 A: Okay. After going through the process with the
13 mortgage company, they settled, they sent their
14 check. They sent me a check. I had my wife
15 endorse the check. I brought the check to your
16 office and we sent it to AMS.
17 Q: What happened next?
18 A: After that, we -- we tried to get the money
19 from them to fix the kitchen.
20 Q: Did they give you the money to fix the kitchen?
21 A: They didn't.
22 Q: What did they say?
23 A: They said they wouldn't give me the money.
24 Q: Did you agree in writing to use any insurance
25 proceeds to the -- to the application of any --



1 any loan payments on this loan?

2 A: No.

3 Q: Okay.

4 **MR. SLOAN:** I beg the Court's indulgence, Your
5 Honor. Okay. Your Honor, I thank the Court.
6 I wanted to walk Mr. Singleton through the time
7 I was his sole attorney. For the Court's
8 indulgence, I'm going to turn the examination
9 over to Mr. Barnes.

10 **THE COURT:** Thank you. We're still on cross-
11 examination of the Plaintiff's witness.

12 **MR. BARNES:** Correct.

13 **THE COURT:** Okay.

14 **MR. BARNES:** I don't have much, Your Honor.

15 **MR. SINGLETON - CONTINUED CROSS EXAMINATION BY MR.**
16 **BARNES:**

17 Q: Mr. Singleton, during the course of your
18 questioning by Mr. Hayes concerning payments
19 you made or the last payment you made on the
20 loan, you testified that you made a payment to
21 AMS Servicing in 2013?

22 A: That's correct.

23 Q: Okay. Did you maintain any records of that
24 payment?

25 A: Only what I have there.



1 Q: Okay. Now ---

2 MR. BARNES: You've seen this, right?

3 MR. HAYES: Yeah. I mean, that's the first time
4 I've seen it, it wasn't provided to us
5 previously.

6 MR. BARNES: Well, as he testified to, he just found
7 it Sunday night. May I approach the witness?

8 THE COURT: Sure.

9 MR. BARNES: I guess we'll mark this as Number 10
10 for identification.

11 **(Defendant's Exhibit Number 10 was marked for**
12 **identification purposes.)**

13 Q: Mr. Singleton, I'm showing you a -- what
14 appears to be a receipt for a cashier's check
15 in the amount of 1,688.89 paid to the order of
16 AMS Servicing, LLC. And the purchaser is Jamie
17 Singleton. Is -- is this the payment that you
18 were speaking about to Mr. Hayes?

19 A: Yes, sir.

20 Q: Okay. Is it a regular practice of you to keep
21 records of payments that you made?

22 A: I generally do keep good records.

23 Q: Okay. So, this would be something you would
24 keep in the ordinary course of your personal
25 business?



1 A: Yes.

2 Q: And is this a true and accurate representation
3 of the cashier's check that was sent to AMS
4 which you discussed with Mr. Hayes and Mr.
5 Sloan?

6 A: Yes, sir.

7 Q: And do you have personal knowledge of the fact
8 that that amount was sent to AMS?

9 A: I did it myself. It's out of my account.

10 Q: Okay.

11 **MR. BARNES:** We move this into evidence, Judge, as
12 Defendant's 10.

13 **(Defendant's Exhibit Number 10 was offered into**
14 **evidence.)**

15 **THE COURT:** Any objection?

16 **MR. HAYES:** I'm sorry.

17 **MR. BARNES:** We move this into evidence as
18 Defendant's 10.

19 **OBJECTION:**

20 **MR. HAYES:** I object. I mean, it -- we weren't
21 provided until today with any information
22 regarding that check.

23 **THE COURT:** Overruled.

24 **MR. BARNES:** I don't know if we've got separate
25 piles here or whatever.



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1 **THE COURT:** Let's put that on a sheet of paper.

2 **MS. TAYLOR:** Can we see that check?

3 **MR. BARNES:** Yeah.

4 **THE COURT:** Can you hand her a piece of copy paper
5 and she can use this tape? Do y'all object if
6 we tape it to a piece of paper?

7 **MR. BARNES:** Not at all.

8 **COURT REPORTER:** Do you have the check?

9 **MR. BARNES:** They have it. They're looking at it.

10 **THE COURT:** How much is that check for?

11 **MR. BARNES:** How much? 16- ---

12 **MR. HAYES:** 1,688.89, Your Honor. \$1,688.89.

13 **MR. BARNES:** I knew it had a lot of eights in it.

14 **MR. HAYES:** Well ---

15 **MR. BARNES:** For cashier's check, that's how you got
16 to characterize it.

17 **MR. HAYES:** Yeah, it's not a -- it's technically not
18 a cashier's check. It's a ---

19 **MR. BARNES:** That's not what I called it.

20 **MR. HAYES:** It's a coupon that comes with it, I
21 believe. Or not a coupon ...

22 **MS. TAYLOR:** We don't know.

23 **THE COURT:** It's a receipt ---

24 **MR. HAYES:** Receipt, yeah.

25 **THE COURT:** --- of a cashier's check.



1 **MR. BARNES:** Correct. That's exactly how I asked
2 it.

3 **(Defendant's Exhibit Number 10 was admitted into**
4 **evidence.)**

5 **THE COURT:** All right. Just for the record, this
6 is a purchaser's copy of a cashier's check
7 issued by Wells Fargo Bank paid to the order of
8 AMS Servicing, LLC in the amount of \$1,688.89
9 dated June the 1st, 2013.

10 Q: Mr. Singleton, could I ask you to pull up
11 Plaintiff's Exhibit 32, GMAC's Proof of Claim?
12 It would have a green sticker.

13 A: What number?

14 Q: 32.

15 A: 32. I don't see a 32.

16 Q: Here's 31. No, I'm looking for 32. Okay. I
17 know we asked him several questions.

18 A: I got it.

19 Q: Got it? Wonderful. Okay.

20 **MR. BARNES:** Your Honor, may I?

21 **THE COURT:** Of course. Go for it.

22 **MR. BARNES:** Okay.

23 Q: Mr. Singleton, if you would turn to page 2 of
24 this document where it says, arrearage summary.

25 **(Plaintiff's Exhibit Number 32 was referenced.)**



1 A: Yes.

2 Q: If you go to the first line up from the bottom,
3 it says, interest rate on mortgage note, 11.75
4 percent. Do you see that?

5 A: I do.

6 Q: Now, you heard Mr. Amaya testify that this
7 interest rate on this loan never ever went
8 above 10.5 percent; correct?

9 A: That's correct.

10 Q: So, this is -- would you say that this is
11 inaccurate -- an inaccurate statement?

12 A: Yes, sir.

13 Q: Okay. Now, if you would turn to the first
14 page, I don't know if you're able to read it,
15 but at the very, very bottom underneath the
16 line, it starts with the word penalty. Can you
17 read that? All the way down the first page.

18 A: Okay.

19 Q: All the way at the bottom. Very small print.

20 A: Yes.

21 Q: Could you read that sentence, please, that
22 whole line?

23 A: Penalty for presenting fraudulent claim. Fine
24 of up to 500,000 or imprisonment for up to five
25 years or both. Then it gives some 181 U.S.C.



1 code.

2 Q: Now, Mr. Singleton, given the fact that your
3 note has a 10.5 interest rate on it and given
4 Mr. Amaya's sworn testimony under oath that the
5 interest rate on this loan never deviated from
6 10.5 percent, is this Proof of Claim that says
7 the interest rate on the note is eleven and
8 three-quarter percent a fraudulent claim?

9 A: I would say so.

10 Q: Thank you. Now, I want to talk a little bit
11 about what happened in Florida. Did you make
12 arrangements to review what was supposed to be
13 presented to you as the original note?

14 A: I did.

15 Q: And did you travel to Florida to do that?

16 A: I did.

17 Q: Did you do so at your own expense?

18 A: I did.

19 Q: Okay. Now, where was this inspection done?

20 A: Delray Beach, Florida, I believe.

21 Q: Okay. And do you remember who was present?

22 A: It was myself, a examiner and, I believe, the
23 attorney said her name was Ms. Deacon, I
24 believe.

25 Q: Okay.



1 A: I think so.

2 Q: What documents were presented to you at that
3 meeting?

4 A: It was what they called a note and allonges.

5 Q: Okay. Could you describe the condition of the
6 paper of the documents that were presented to
7 you?

8 A: That note looked just like you would print off
9 on regular white paper. No age at all on that
10 document. Not at all.

11 Q: Okay. And was that represented to you to be
12 the original note?

13 A: As I understood it. Yes.

14 Q: Okay. And, so, when you reviewed that
15 document, which was represented to be the
16 original note, did any of the pages presented
17 to you contain the stamp?

18 A: I didn't see a stamp.

19 Q: Okay. Now, I want you to look at Plaintiff's
20 Exhibit 7.

21 **(Plaintiff's Exhibit Number 7 was referenced.)**

22 A: (Witness complies.)

23 Q: Now, you've looked at this a couple of times.
24 Is this the document which was presented to you
25 in Florida?



1 A: I am not a hundred percent certain it is.

2 Q: Well, let's go through this a little bit. Are
3 there staple holes -- are there punch holes on
4 the top of this document?

5 A: Yes.

6 Q: Is this document a little bit wrinkled? Are
7 there tears in it?

8 A: More -- more than I saw in Florida. Yes.

9 Q: Okay. So, what you're telling me is the
10 document that you were shown in Florida was
11 different in terms of signs of wear, punch
12 holes, tears and paper quality than Exhibit 7?

13 A: 100 percent.

14 Q: Now, going back to Exhibit 32, if you would
15 turn to the -- that's the one we looked at a
16 moment ago. The third page, beginning on the
17 third page where it says, adjustable rate note.
18 If you'd go to the pages of the note, first,
19 second, third and fourth page.

20 A: Second? First, second, third?

21 Q: Just look at them. First, second, third and
22 fourth page and tell me if there's any stamp on
23 any of those pages?

24 A: No, sir.

25 Q: Looking through the rest of this document, are



1 there stamp -- does that stamp, which the
2 Plaintiff calls an endorsement, which I call a
3 stamp, appear anywhere in this series of
4 documents?

5 A: No, sir.

6 Q: All right. Now, let's go to Exhibit 41, which
7 was marked for identification only. Do you
8 have a copy of it there with you?

9 **(Plaintiff's Exhibit Number 41 was referenced.)**

10 A: Yes, sir, I've got it.

11 Q: It's kind of thick. Okay, great. If you'll
12 flip to -- the easy way to do this, the
13 deposition ends on page 24 at the top right.
14 I want to look at Exhibit 1, which follows
15 that, which is also styled adjustable rate
16 note.

17 A: Exhibit 1.

18 Q: Yeah. If you go to page 24, it starts on the
19 very next page.

20 A: Got it.

21 Q: If you'll flip through those pages, please, and
22 tell me if you see any page that has the stamp?

23 A: I do not.

24 Q: Okay. So, just to summarize, then, no stamp on
25 the document you were shown in Florida; right?



1 A: Correct.

2 Q: No stamp on the document you were shown in your
3 deposition; right?

4 A: Correct.

5 Q: And no stamp on the Proof of Claim that was
6 filed under severe penalties of fraudulent
7 claim in your bankruptcy by GMAC; right?

8 A: Correct.

9 Q: Okay. Now, when Judge Chellis previously
10 entered the summary judgment, I think it was
11 back in October of last year, it was -- Judge
12 Chellis had determined at that time that you
13 owe, I believe it was around 208, 209, maybe
14 \$211,000?

15 A: I think it was 207, 208,000 or something.

16 Q: Yeah. I may be off a few thousand. But it was
17 something of that range?

18 A: That's correct.

19 Q: Okay. Were you fully prepared and able to pay
20 that at the time?

21 A: Absolutely.

22 Q: Did you instruct without waiver of privilege --
23 did you instruct your attorneys to convey that
24 offer to pay that in full to Plaintiff's
25 counsel?



1 A: Absolutely.

2 Q: And to your knowledge, was that done?

3 A: No.

4 Q: Okay. And to your knowledge, was that offer to
5 pay that amount refused?

6 A: Yes.

7 Q: And, in fact, Mr. Singleton, are you -- do you
8 recollect that a motion was filed which sought
9 to vacate that summary judgment which accused
10 Judge Chellis of being biased?

11 A: Yes.

12 Q: Okay.

13 **MR. BARNES:** That's all I have, Judge.

14 **THE COURT:** Any re-direct. Still an adverse
15 witness.

16 **MR. HAYES:** Yes, sir.

17 **MR. SINGLETON - RE-DIRECT EXAMINATION BY MR. HAYES:**

18 Q: Mr. Singleton, the -- on Defendants' Number 8,
19 would you look at the first page of that?

20 **(Defendant's Exhibit Number 8 was referenced.)**

21 A: (Witness complies.)

22 Q: What is the -- what's the modified interest
23 rate on that shown on the bottom?

24 A: 5.375 percent.

25 Q: Is that a lot lower than 10.45 percent?



1 A: It's lower.

2 Q: Okay. And what is your modified payment shown
3 here? The new net payment.

4 **OBJECTION:**

5 **MR. BARNES:** Beyond the scope.

6 **MR. HAYES:** He was asking about this document, Your
7 Honor. We first saw this document just a few
8 minutes ago, Your Honor.

9 **MR. BARNES:** Which document are you talking about?

10 **MR. HAYES:** I'm talking about Defendants' Number 8.
11 This was not produced.

12 **MR. BARNES:** You're talking about something Mr.
13 Sloan asked him about?

14 **MR. HAYES:** Yes.

15 **MR. BARNES:** Okay. Just want to be clear.

16 **THE COURT:** I wasn't sure either what he was talking
17 about.

18 **MR. BARNES:** I wasn't either.

19 **MR. HAYES:** Okay. I said Defendants' Number 8, Your
20 Honor.

21 **THE COURT:** All right.

22 **MR. HAYES:** Okay.

23 **THE COURT:** Can I see that? I have not seen it yet.

24 **MR. HAYES:** I think Your Honor has a copy of it. I
25 didn't -- I can bring it up because you were



1 asking him about it, Your Honor. I believe.

2 **THE COURT:** Okay. Go ahead. I don't have a copy of
3 that.

4 **MR. HAYES:** Oh, you do not?

5 **THE COURT:** I don't.

6 **MR. HAYES:** Okay. I thought you did. I apologize.

7 **THE COURT:** Thank you.

8 Q: Mr. ---

9 **THE COURT:** He didn't give you a copy?

10 **MR. HAYES:** Yes, they gave me a copy. Did -- did
11 you give Judge Chellis a copy?

12 **MR. SLOAN:** I thought I had given y'all a copy of it
13 yesterday because I'm -- I'm -- I did not give
14 a copy of it to Your Honor, because ---

15 **MR. HAYES:** Here; I'll let Judge ---

16 **MR. SLOAN:** --- I was one down. I thought I had
17 given it to y'all yesterday.

18 **MR. HAYES:** If you want to look at it ---

19 **MR. SLOAN:** I'm not certain about that.

20 **THE COURT:** What is that document? Defendant's 8,
21 let me look back at my notes.

22 **MR. HAYES:** Yes, sir.

23 **THE COURT:** This isn't the Court record. This is
24 the ---

25 **MR. HAYES:** Yeah. I think that was for -- was it



1 for identification only?

2 **MR. SLOAN:** I did not move to enter it into
3 evidence, Your Honor.

4 **THE COURT:** All right. All right. I remember now.
5 Yes. Do you need it back?

6 **MR. HAYES:** I was just going to ask him -- no, I can
7 ask him about this one.

8 Q: On -- on this Defendants' Number 8, would you
9 not agree that it shows the new net payment --
10 monthly payment being \$1,689.45?

11 A: That's correct.

12 Q: Okay. Okay. And, Mr. -- you were talking
13 about the -- the note and the -- the stamp.
14 The stamp ...

15 **MR. HAYES:** May I see Number 7, please?

16 Q: The note consists of four pages and the stamp
17 is on the back; is it not?

18 **(Plaintiff's Exhibit Number 7 was referenced.)**

19 A: (No audible response.)

20 Q: So, if someone's making a copy of the note
21 unless they make it co- -- make a concerted
22 effort to make a copy of the back of page four,
23 all you're going to see is the first four
24 pages; correct?

25 **OBJECTION:**



1 **MR. BARNES:** Judge, that assumes facts not in
2 evidence. There's been no testimony as to who
3 made copies, how they made copies, what did
4 they look at before they made copies. This is
5 all supposition.

6 **MR. HAYES:** Your Honor, I'm just stating that the
7 stamp is on the back of page 4, not on the
8 front. That's what I'm asking him.

9 **THE COURT:** Just ask him that question. Just ask
10 him that.

11 Q: Mr. Singleton, is the stamp that Mr. Barnes was
12 asking about, is it on the back of page 4 and
13 not on the front?

14 A: It's a pay to the order of, yes, stamp.

15 Q: It's on the back of page 4; is that correct?

16 A: That's correct.

17 Q: Okay.

18 **MR. HAYES:** Your Honor, I don't have anything else.

19 **THE COURT:** Any re-direct?

20 **MR. SLOAN:** None, Your Honor, from me.

21 **THE COURT:** Re-cross. Re-cross. Excuse me, re-
22 cross.

23 **MR. SLOAN:** I did -- no re-cross, Your Honor.

24 **THE COURT:** Okay. Mr. Hayes -- Mr. Singleton, I
25 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.



1 A: And by him saying that, I didn't feel
2 comfortable signing it.

3 Q: Okay.

4 **THE COURT:** All right. You may step back down, Mr.
5 Singleton.

6 **MR. SINGLETON:** Thank you, sir.

7 **THE COURT:** Mr. Hayes.

8 **MR. HAYES:** Your Honor. What are you asking me --
9 that's the end of my presentation, Your Honor.

10 **THE COURT:** The Plaintiff rests?

11 **MR. HAYES:** Yes.

12 **THE COURT:** Plaintiff rests. Any motions?

13 **MR. BARNES:** Yes, Your Honor.

14 **MOTION:**

15 **MR. BARNES:** We move pursuant to Rule 41(b) for an
16 involuntary non-suit for several reasons.

17 Number one, in any foreclosure action, as a
18 condition perceived to instituting a
19 foreclosure, the party seeking to foreclose
20 must comply with paragraph 22 of the mortgage,
21 which is a standard provision which provides as
22 follows. Give me a minute. Acceleration and
23 remedies. And I quote, lenders shall give
24 notice to borrower prior to acceleration
25 following borrower's breach of any covenant or



1 agreement in this security instrument, but not
2 prior to acceleration under Section 18 unless
3 applicable law provides otherwise. The notice
4 shall specify (a) the default, (b) the action
5 required to cure the default, (c) a date not
6 less than 30 days from the date the notice is
7 given to the borrower by which the default must
8 be cured, and (d) that failure to cure the
9 default on or before the date specified in the
10 notice may result in acceleration of the sum
11 secured by this security instrument,
12 foreclosure by judicial proceeding and sale of
13 the property. The notice shall further inform
14 the borrower of the right to reinstate after
15 acceleration and the right to assert in the
16 foreclosure proceeding the nonexistence of a
17 default or any other defense of borrower to
18 acceleration and foreclosure. If the default
19 is not cured on or before the date specified in
20 the notice, lender at it's option may require
21 immediate payment in full of all sums secured
22 by this security instrument without further
23 demand and may foreclose this security
24 instrument by judicial proceeding. Lender
25 shall be entitled to collect all expenses



1 including incurred in pursuing the remedies
2 provided in this Section 22, including but not
3 limited to reasonable attorney's fees and costs
4 of title evidence, all of which shall be
5 additional sums secured by this security
6 instrument. As the Court is well aware,
7 Plaintiff attempted to introduced a paragraph
8 22 letter. That -- that proposed exhibit was
9 not admitted into evidence. Therefore, Judge,
10 there is absolutely no evidence whatsoever of
11 compliance with paragraph 22 of the mortgage,
12 which is a mandatory condition precedent which
13 must be satisfied prior to the institution of
14 judicial foreclosure. That was not done here.
15 There is no evidence of that of record. There
16 is no evidence of that in this trial. As a
17 matter of law, failure of a condition precedent
18 should result in the dismissal of this action
19 because it did not fulfill that condition
20 precedent. That's ground number one.

21 Ground number two, Judge, is essentially
22 a -- relates to the various evidentiary
23 rulings. Now, there's a -- there is very
24 little law on this standard of evidence that
25 needs to be satisfied to sustain a claim. Your



1 Honor -- excuse me. That -- I'm citing to the
2 case of H-O-I-S-T, *Hoist v. KCI Cr* -- I'm sorry
3 -- K-O-N-E C-R-A-N-E-S International Corp, 390
4 S.C. 29, 699 SE2d 715; S.C. Court of Appeals
5 2010. What happened in that case is that
6 summary judgment was affirmed on appeal because
7 the Court found that the plaintiff failed to
8 present competent evidence of a negligence
9 claim. The standard is competent evidence.
10 So, what is the evidence we have here? Number
11 one, by Mr. Amaya's own admission, we have
12 incomplete evidence. We have -- we do not have
13 all the records of the servicers. We do not
14 have dates on the allonges. We do not have all
15 of the documents with regard to that mortgage
16 loan purchase agreement that was not admitted
17 into evidence. There's no evidence surrounding
18 -- concerning the circumstances surrounding the
19 loss of the note and how it was found. Nobody
20 knows when it was lost. Mr. Amaya testified,
21 well, it was lost when some law firm had it.
22 We don't know what law firm, we don't know how
23 it was lost, where it was lost or when it was
24 lost with any cer- -- with any reasonable
25 certainty. We also have no evidence of when or



1 how or under what circumstances it was found
2 other than the undisputed fact that it was
3 allegedly located at 11:00 o'clock at night the
4 night before the summary judgment hearing back
5 in October. Mr. Amaya testified that he was
6 told that it was found. And when I
7 specifically asked him if he had any personal
8 knowledge of how it was found or when it was
9 found, he just -- he said, no. They just told
10 me they found the original. Mr. Amaya himself
11 could -- which is their only witness for the
12 Plaintiff, other than Mr. Singleton, who
13 obviously can't verify anything surrounding the
14 loss, Mr. Amaya could not verify whether or not
15 that particular document that is Exhibit 7 was
16 the one that was found. He was just told that,
17 so that's hearsay. We also have another
18 problem, Judge. We don't have the lost note
19 affidavit. The lost note affidavit was
20 specifically referred to in the second checked
21 box of, I believe, it was Exhibit 14. I mean,
22 Exhibit 8 or 9. I may have the number off, but
23 I can pull it if you want. But of that
24 exhibit, which was attachment to a bailee
25 letter, it specifically said, original lost



1 note affidavit. That lost note affidavit was
2 not produced, even though there is a reference
3 in SLS' business records that an original lost
4 note affidavit was transmitted. SO, the
5 question becomes why wasn't that transmitted?
6 You know, was there Brady evidence in it? Was
7 there exculpatory information, which would show
8 that this original -- alleged original note is
9 not an original? Did it directly contradict
10 their claim that this Exhibit 7 is an original
11 note? We don't know. Because it wasn't
12 disclosed. So, that's incomplete evidence.
13 And it's also very prejudicial. There is no
14 bailee letter regarding all of the transfers
15 except one. There's only one bailee letter
16 concerning one transfer of all the various
17 transfers. There's none from People's Choice
18 to GMAC and from GMAC forward, there was only
19 one. There was no evidence, as Your Honor
20 recollects, Your Honor entered an Order many
21 years ago requiring the Plaintiff to -- as --
22 with regard to every one of these transfers to
23 show various things. Transfer date,
24 transferee, transferor and consideration paid.
25 I asked Mr. Amaya, was -- do you have any



1 evidence of consideration paid for the
2 transfers. He had none. Had no knowledge of
3 it whatsoever. So, not only are they not in
4 compliance with the Court -- Order of the
5 Court, they have no evidence of consideration
6 paid. And the lost note affidavit, of course,
7 was not attached to the bailee letter, although
8 the bailee letter did refer to it.

9 Next issue is we have Mr. Amaya's repeated
10 reference to admitted mistakes in these -- the
11 documents that were produced. The allonge to
12 WestVue, which I believe was Exhibit 12. That
13 was a mistake. While they're trying to
14 foreclose on my client's house based on at
15 least one document, they admit is a mistake.
16 That was done in error. And another document,
17 Exhibit 14, they admitted that they had the
18 wrong borrower. So, again, Judge, just as you
19 do when you -- you make a determination that
20 somebody's not being candid with the Court, you
21 have the right to disregard the veracity of
22 anything else they say, there's two mistakes
23 admitted under oath on the record. There's an
24 allonge that's a mistake, oh, it shouldn't have
25 been in there. And there's a wrong borrower



1 document in there. Although those documents
2 were presented by the Plaintiff in alleged
3 support of their claim. So, how many mistakes
4 are there? I would proffer that those two are
5 only the tip of the iceberg. And we have
6 another mistake that came up during Mr.
7 Singleton's deposition. We have a proof of
8 claim that was filed in the bankruptcy under a
9 severe penalty filing a fraudulent claim that
10 absolutely misrepresents the interest rate by
11 a point and a quarter.

12 And next is, Judge, we have two prongs of
13 unclean hands. One is kind of an off-shoot.
14 It's a failure to mitigate. Now, first off,
15 Judge, with regard to the insurance money, the
16 Order that was presented by the Plaintiff
17 specifically states that the distribution of
18 the insurance proceeds is governed specifically
19 by the mor- -- exclusively, excuse me, by the
20 mortgage. And paragraph five of the mortgage
21 is very, very clear. Except as otherwise
22 provided in section two -- I'm sorry. If the
23 lender requires a payment from the borrower --
24 oh, wait a minute. I'm sorry. Wrong
25 paragraph. Here it is. The su- -- paragraph



1 five, last full paragraph on recorded page
2 ending in 173. Unless lender and borrower
3 otherwise agree in writing, any insurance
4 proceeds, whether or not the underlying
5 insurance was required by the lender, shall be
6 applied to restoration or repair of the
7 property if the restoration or repair is
8 economically feasible and lender's security is
9 not lessened. Well, Judge, none of that was
10 done. I asked Mr. Amaya, did you ever send
11 inspectors out to do the -- to inspect the
12 damage or repairs? No. Do you have any
13 evidence that that was done? No. But when I
14 pressed him on it, on that schedule where it
15 showed that \$19,000 being broken up into ten
16 payments, 90 percent which of each payment was
17 applied towards interest, he admitted but then
18 attempted to retract the fact that that
19 \$19,000, which came from nowhere else but the
20 insurance money, was used to pay the claim --
21 the alleged arrearage claim. It was not used
22 to pay for repairs as specifically required by
23 the mortgage. So, here's a second instance
24 where the Plaintiff itself is breaching the
25 terms of the mortgage, yet trying to turn



1 around and foreclose on that same mortgage.
2 That's called unclean hands. You can't come to
3 court and attempt to enforce a lien created by
4 a mortgage when you, yourself, aren't complying
5 with the mortgage. And unclean hands is a
6 defense to a foreclosure, as the Court is well
7 aware.

8 Now, Judge, we also have the -- the issue
9 of failure to mitigate. And then this is --
10 came, in large part, from the Court's
11 questioning of the witness about the -- the
12 participation in HAMP and the offering of a
13 loan modification. Mr. Amaya candidly admitted
14 that had the investor or the servicer
15 participated in the extension of the loan,
16 modifying the loan, not only would it be
17 beneficial to both parties because the borrower
18 could keep their house, the servicer and the
19 investor would make more money. More money
20 than they would if they left everything as it
21 was or if they tried to pursue a foreclosure or
22 left the -- the note in place without any
23 modification. They would make more money. So,
24 the question becomes why didn't they do that.
25 And I would submit, Your Honor, that especially



1 given the length of these proceedings and as
2 Your Honor noted, the fact that this case was
3 previously set for trial at least twice, which
4 had to be cancelled because the Plaintiff
5 decided at the last minute to transfer the loan
6 again and again. That what they were trying to
7 do, and I'm going to be real candid here, is
8 milk this file for attorney's fees. That's it.
9 They got the -- they got the cake. Now they
10 want the crumbs and the icing and they want to
11 milk the file for fees. There was absolutely
12 no good faith in trying to resolve the dispute
13 provided by this contract. And as the Court
14 knows, there is an implied covenant of good
15 faith and fair dealing in every contract. The
16 mortgage is a contract; the note is a contract.
17 Mr. Singleton's testimony was unrebutted that
18 he made numerous attempts to try to resolve
19 this without success, without cooperation. And
20 when they finally came down to giving him a
21 loan mod document, they wanted him to waive any
22 defense he may ever have against AMS or anybody
23 else. That's a contract of adhesion. A take
24 it or leave it. There was no negotiation.
25 That's why it was not accepted. That's not



1 good faith. That's not negotiating in good
2 faith. That is not engaging in good faith and
3 fair dealing, which is an implied covenant in
4 every contract.

5 And finally, Judge, as Mr. Singleton
6 testified, Your Honor said to Mr. Singleton,
7 Mr. Singleton, you owe the Plaintiff \$208,000.
8 Mr. Singleton said, fine. Here's the check.
9 Tell me where to send it. And what was the
10 response? What was the response? A motion to
11 vacate the summary judgment filed by the
12 Plaintiff, which accused this Court of being
13 biased and prejudiced. I find that personally
14 revolting. I know that's not a legal concept.
15 But, again, this goes to the concept of failure
16 to mitigate. They could've mitigated this
17 alleged loss twelve years ago. They didn't
18 want to do it. They gave it from law firm to
19 law firm, from servicer to servicer, from
20 investor to investor to keep making money on
21 it. That's what they did here rather than
22 complying with their obligations of good faith
23 implied in these contracts under the law.

24 So, Judge, we not only have absolute legal
25 bases based upon the failure of proof, the lack



1 of evidence, the misleading evidence, the
2 mistaken evidence and nefarious to fulfill a
3 condition foreseen, which would justify a Rule
4 41(b) non-suit, we also have -- we're sitting
5 here on equity. We have equitable grounds, as
6 well, including unclean hands and a failure to
7 mitigate. All these matters are of record,
8 Your Honor. We will respectfully request under
9 the evidence presented and under the law and by
10 principles of equity that this Court
11 involuntarily non-suit this case. Thank you.

12 **THE COURT:** Thank you, Mr. Barnes. Mr. Hayes?

13 **RESPONSE TO MOTION:**

14 **MR. HAYES:** Your Honor, there is in the record a --
15 an indication on 5/16/2008 of a breach letter.
16 We don't have the letter in evidence, but we do
17 have evidence, I believe that one was sent. As
18 far as Mr. Singleton trying to work it out, the
19 record shows clearly that he was not only in
20 bankruptcy, but outside of bankruptcy offered
21 multiple loan modifications or workouts or
22 plans to pay this off and repeatedly defaulted
23 on those, Your Honor. As far as the insurance
24 proceeds, at least -- there's some -- some
25 confusion about that. At least -- at the very



1 least, they were applied to the debt owed under
2 the terms of the contract, under the terms of
3 the mortgage and note. As far as the note
4 being lost, Your Honor, things are lost all the
5 time. Things are found. Just like Mr. Amaya
6 said. And the insurance issue was also dealt
7 with by Judge Murphy's Order, which I believe
8 we took judicial notice of. And as far as the
9 attorney's fees, if Mr. -- if Mr. Barnes wants
10 to talk about that, I -- would be nice to put
11 this into -- this deposition into evidence
12 about how much his attor- -- his, Mr. Singleton
13 has paid his attorneys and it's much less than
14 what -- I mean, excuse me, much more than what
15 the Plaintiff's attorneys fees are.

16 **THE COURT:** All right. Anything else?

17 **MR. HAYES:** No, sir.

18 **RULING BY THE COURT:**

19 **THE COURT:** I'm gonna deny the motion, Mr. Barnes.

20 **MR. BARNES:** I would call Mr. Amaya.

21 **THE COURT:** Mr. Amaya.

22 **MR. AMAYA:** Still under oath or swear again?

23 **THE COURT:** Mr. Amaya, you were previously sworn.

24 So, therefore, you're still under oath. And I
25 will let you -- you don't need to take --



1 again, you're still under oath and answer any
2 questions Mr. Barnes may have, please.

3 **MR. AMAYA:** Yes, Your Honor.

4 **THE COURT:** It's good to see you again.

5 **MR. AMAYA:** Thank you.

6 **MR. AMAYA - DIRECT EXAMINATION BY MR. BARNES:**

7 Q: Mr. Amaya, could you please pull up Exhibit 7?
8 **(Plaintiff's Exhibit Number 7 was referenced.)**

9 A: Yes.

10 Q: And attached to that, I believe, is Exhibit 12,
11 that last allonge?

12 A: The last allonge is 13.

13 Q: I'm very sorry. 13. The one of WestVue?
14 **(Plaintiff's Exhibit Number 13 was referenced.)**

15 A: Yes.

16 Q: Now, Mr. Amaya, when you were questioned about
17 this document, you testified that this was --
18 and I don't want to paraphrase, so correct me
19 if I'm wrong, this was a mistake or done in
20 error. And you said, this happens sometimes?

21 A: I don't know if those were the exact words that
22 I used, but I did say that this endorsement
23 appears to be an -- allonge appears to be
24 attached as a mistake; yes.

25 Q: Okay. I recollect you saying this happens



1 sometimes. Did you not say that?

2 A: That is your recollection. I might've said
3 something along the lines of I've seen similar
4 things happen in the past ---

5 Q: Okay.

6 A: --- with -- I've seen similar things happen in
7 the past.

8 Q: Okay.

9 A: I believe I described a specific incident, type
10 of incident.

11 Q: Well, tell me this. Tell me how many times in
12 the past this did happen, to your knowledge?

13 A: Well, let's see. I saw one time when they
14 attached the copy to the original and not the
15 original and then I had to fix that. And I saw
16 one time where there was actually a crossed out
17 stamp and a new stamp added because it was done
18 in error.

19 Q: Any others you recollect?

20 A: No. In my many years, that's about -- oh, this
21 one.

22 Q: Okay. How about the -- the exhibit which
23 attaches the -- and I don't recollect the
24 number off-hand, but it attaches information
25 for a borrower named Kaney, K-A-N-E-Y?



1 A: Oh. I believe that was -- let me look for it,
2 I believe that ---

3 Q: Oh, sure.

4 A: --- was a breach letter, a bailee letter.

5 Q: Bailee letter.

6 A: Yes. That is the Exhibit 14.

7 **(Plaintiff's Exhibit Number 14 was referenced.)**

8 Q: So, would that be another instance of where
9 mistakes have been made in business records?

10 A: Are you asking me about mistakes in business
11 records or are you asking about these
12 endorsements?

13 Q: Well, what you said was that you've seen things
14 done in error on prior occasions. And, again,
15 I'm paraphrasing. Is this another example?

16 A: Your paraphrase is throwing me off because
17 you're using words that I don't use that
18 change. I was specifically relating to the
19 endorsements and I gave the only two other
20 examples I have.

21 Q: Okay. So, that's -- okay. So, now with regard
22 to Exhibit 14, which lists the borrower as
23 someone named Kaney, has that sort of mistake
24 happened before in other cases? Other loan
25 files?



1 A: Well, this appears to be a -- the completely
2 wrong one because it doesn't match the front.

3 Q: Okay.

4 A: That someone attached the wrong list to the
5 wrong bailee letter.

6 Q: Has that happened before?

7 A: Not that I'm aware of. This is, I think, the
8 first time I've seen this one. Something like
9 this. The previous things I mentioned I -- I
10 had seen in the past.

11 Q: Okay.

12 A: But there is such a thing as human error. Not
13 everyone's perfect; I apologize.

14 Q: I move to strike the editorial comment.

15 **THE COURT:** Sustained.

16 **MR. BARNES:** Give me a minute, Judge. Your Honor, I
17 have no questions for -- other questions for
18 Mr. Amaya unless Mr. Hayes does and I may want
19 to re-direct.

20 **THE COURT:** Thank you very much. Mr. Hayes.

21 **MR. HAYES:** No questions for this witness, Your
22 Honor.

23 **THE COURT:** May Mr. ---

24 **MR. BARNES:** No re-direct.

25 **THE COURT:** --- Amaya be released?



1 **MR. BARNES:** He may. He can catch his plane.

2 **THE COURT:** Plaintiffs have any objection? Release
3 him?

4 **MR. HAYES:** No, no.

5 **MS. TAYLOR:** Yes.

6 **MR. HAYES:** It's fine with us to release him. Yes.

7 **MR. AMAYA:** Thank you, Your Honor. I was just
8 trying to put the exhibits back in order
9 (laughing).

10 **THE COURT:** Thank you. Mr. Amaya, I want to thank
11 you for your testimony and your ...

12 **MR. HAYES:** This is just one of the exhibits that we
13 didn't have a copy of that they introduced and
14 I had it at my desk. I just wanted to ...

15 **THE COURT:** Thank you. Mr. Amaya, thank you for
16 trying to put that together. I appreciate it.
17 Again, thank you for your attendance during the
18 course of the hearing. Thank you for your
19 candor, appreciate your testimony. I'm sure
20 your lawyers are satisfied with what you had to
21 say.

22 **MR. AMAYA:** Thank you, Your Honor.

23 **THE COURT:** Take care of yourself and be careful.

24 **MR. AMAYA:** Thank you, Your Honor, likewise.

25 **(Off the record discussion.)**



1 **THE COURT:** Do you have another witness, Mr. Barnes?

2 **MR. BARNES:** No, we do not, Your Honor. I was going
3 to call Mr. Singleton, but the items that I was
4 going to ask him about I covered with my cross
5 examination of him when Mr. Hayes called him
6 and through Mr. Sloan. So, we rest and we
7 renew our motion.

8 **THE COURT:** All right. Thank you very much. Mr.
9 Hayes, anything from you?

10 **MR. HAYES:** No, sir.

11 **CLOSING REMARKS:**

12 **THE COURT:** Okay. Thank you very much. I want to
13 thank Plaintiff's counsel, Mr. Hayes and Ms.
14 Taylor, for your presentation in the case. Mr.
15 Barnes and Mr. Sloan, thank you for your
16 representation of your client, as well. I
17 thank all of the parties that participated in
18 this trial. What I intend to do is to take
19 this case under consideration. I'm going to
20 begin my deliberation once I leave the
21 courtroom. I will describe to you what I do.
22 My mind continually works. I may not have
23 documents in front of me, but I may be thinking
24 about this case from time to time even though
25 I don't have the transcript in front of me. I



1 still retain knowledge of the testimony and
2 most of what was said during the trial. But I
3 do want to wait to make my final decisions in
4 terms of the facts of the case and my
5 conclusions of law until after I receive the
6 transcript in its written form so that I can
7 recollect my memory, make sure it's accurate.
8 And so, with that consideration, I'm going --
9 before -- I won't make that decision until
10 after I've received the transcript and gone
11 back through the evidence and also given it
12 thought as I tell you I will do, which is
13 called rumination of the mind. Otherwise known
14 as cogitation.

15 (Laughter)

16 **MR. SLOAN:** Yes, sir.

17 **THE COURT:** Thank you very much.

18 **MR. BARNES:** Your Honor, I didn't hear you make --
19 we had renewed our Rule 41 motion after I
20 rested.

21 **THE COURT:** Yes, sir.

22 **MR. BARNES:** Are you going to reserve on that?

23 **THE COURT:** I'm going to reserve that until I ---

24 **MR. BARNES:** That's what I thought, but I wanted to
25 be clear.



1 **THE COURT:** That's good. Thank you.

2 **MR. HAYES:** And, Judge, thank you for your patience.

3 **MR. BARNES:** Yes, thank you for ---

4 **THE COURT:** My pleasure.

5 **MR. BARNES:** --- eleven years of dedicated service.

6 You get early release for good behavior.

7 (Laughter)

8 **THE COURT:** Thank you.

9 **MR. SLOAN:** Thank you, sir.

10 (There being nothing further, the hearing concluded
11 at 3:39 p.m.)

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MARGARET L. BAILEY
BORCHERSTER COUNTY, SC

Hand Law Offices, LLC
105 Wappoo Creek Drive Suite 3B
Charleston, SC 29412

[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.

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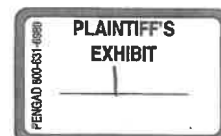
SOUTH CAROLINA - Single Family - Fannie Mae/Freddie Mac UNIFORM INSTRUMENT WITH MERS Form 3041 1/01

VMP -6A(SC) (0005).02

Page 1 of 15

Initials: JS

VMP MORTGAGE FORMS - (800)521-7291



02329

(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]:

☒ Adjustable Rate Rider	☐ Condominium Rider	☐ Second Home Rider
☐ Balloon Rider	☒ 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

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Initials: JLS

Form 3041 1/01

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.

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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

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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

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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

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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

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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.

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(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.

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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

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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.

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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.

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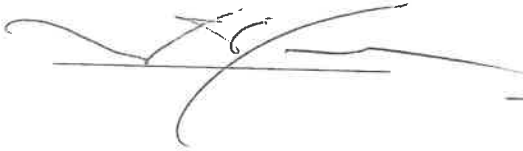
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BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Security Instrument and in any Rider executed by Borrower and recorded with it.

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.

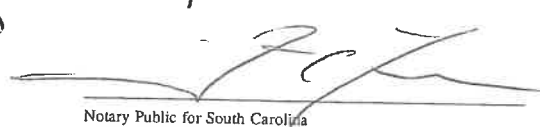
Sworn to before me this

4th

day of

January, 2005

My Commission Expires:

8/04/10
Notary Public for South Carolina

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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.

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(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)
-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.

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MULTISTATE PUD RIDER - Single Family - Fannie Mae/Freddie Mac UNIFORM INSTRUMENT

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VMP MORTGAGE FORMS - (800)521-7291

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.

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BK 5142PG188

BY SIGNING BELOW, Borrower accepts and agrees to the terms and provisions contained in this PUD Rider.

Jamie Singleton (Seal) _____ (Seal)
JAMIE SINGLETON -Borrower -Borrower

_____ (Seal) _____ (Seal)
-Borrower -Borrower

_____ (Seal) _____ (Seal)
-Borrower -Borrower

_____ (Seal) _____ (Seal)
-Borrower -Borrower

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PAY TO THE ORDER OF

WITHOUT RECOURSE
PEOPLE'S CHOICE HOME LOAN, INC.
A Wyoming Corporation

By 
DANA LANTRY
Title: Asst. Vice President