

THE STATE OF SOUTH CAROLINA
In the Court of Appeals

APPEAL FROM UNION COUNTY
Court of Common Pleas

The Honorable John C. Hayes, III, Circuit Court Judge

Case No. 2011-CP-44-342

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SC Court of Appeals

First Piedmont Savings & Loan Association of Gaffney, South Carolina,Respondent,

v.

J.P. Morgan Chase Bank, N.A.,Appellant.

**MEMORANDUM IN SUPPORT OF
APPELLANT'S MOTION TO STAY TIME LIMITS AND FOR LEAVE TO FILE
A MOTION TO SET ASIDE THE JUDGMENT IN THE TRIAL COURT**

Appellant J.P. Morgan Chase Bank, N.A. ("Chase") submits this memorandum in support of its Motion to Stay Time Limits and for Leave to File a Motion to Set Aside the Judgment in the Trial Court filed on June 18, 2012 ("Motion"). In its Motion, Chase requests that the Court issue a stay of time limits to perfect the appeal herein and any extension necessary to the filing of the Initial Brief of Appellant and Designation of Matter to be included in the Record on Appeal, and grant Chase leave to file a motion before the trial court to have the Decree of Judgment entered January 17, 2012 ("Judgment") set aside pursuant to Rules 55(c), 60(b)(1), and 60(b)(4), SCRPC. (A copy of the Judgment is attached as Exhibit A hereto.) Chase's Motion is based on its Reply in Support of its Motion filed on July 13, 2012, this memorandum, and Chase's proposed

motion to set aside the Judgment, a copy of which is attached as Exhibit B hereto, and supporting affidavit of Linda A. Young (“Young Aff.”), attached as Exhibit C hereto. Chase intends to file its proposed motion and the Young affidavit upon obtaining leave of this Court.

PROCEDURAL POSTURE AND BACKGROUND FACTS

Respondent acquired certain real property located in Union County (the “Property”) in March 2011, subject to a mortgage to Chase. Respondent commenced an action seeking satisfaction of Chase’s mortgage and statutory penalties and damages under S.C. Code Ann. §§ 29-3-310 and 29-3-320, claiming that Chase refused to satisfy its mortgage of record even though its mortgage was paid in full. Respondent obtained a default judgment against Chase on January 17, 2012, based upon affidavits of service filed by the Respondent stating that Chase had been properly served with the Summons and Complaint, Affidavit of Default, and notice of damages hearing (collectively “Pleadings”) that have been filed in this action. In the Judgment, the trial court ordered that Chase’s mortgage be marked satisfied, even though over \$160,000, is currently due and owing on the mortgage. (Young Aff. ¶ 3.) The Judgment also ordered damages, penalties, and attorneys’ fees in the amount of \$42,500.

However, Chase did not learn of this pending action until after the Judgment was entered and Chase promptly filed its Notice of Appeal on February 16, 2012. (*See id.* ¶ 6.) Upon learning of the Judgment, Chase commenced an investigation to confirm that it had never been properly served with the Pleadings or received notice of the damages hearing. Chase also commenced settlement discussions with Respondent, which have been unsuccessful. Chase’s investigation revealed that it was never properly served with

the any of the Pleadings, *see* Young Aff. ¶¶ 7-14, so Chase filed its Motion to Stay the Time Limits in order to file a motion before the trial court to set aside the Judgment under Rules 55(c), 60(b)(1), and 60(b)(4), SCRCF. Chase is ready to file its motion to set aside the Judgment in the trial court, as evidenced by the fully drafted motion attached as Exhibit B and supporting affidavit of Linda A. Young attached as Exhibit C, and Chase simply awaits leave of this Court.

ARGUMENT

Rule 60(b), SCRCF, requires that “[d]uring the pendency of an appeal, leave to make the motion must be obtained from the appellate court.” As the Supreme Court has noted, “[t]he reason for such a requirement is clear: An appellate court should not needlessly expend its limited time and resources processing and deciding an appeal from an order of judgment which has been set aside.” *Hudson v. South Carolina Dep’t of Highways & Pub. Transp.*, 324 S.C. 245, 246, 478 S.E.2d 839, 840 (1996). A trial court ordinarily has subject matter jurisdiction to decide a Rule 60(b) motion to set aside a judgment, but once an appeal is filed, the appellate court is vested with the exclusive jurisdiction over any matter affected by a pending appeal. Rule 204, SCACR. An order entered by the trial court under Rule 60 without leave of the appellate court while an appeal is pending would be void. *Hudson*, 324 S.C. at 246, 478 S.E.2d at 840. As such, Chase seeks leave of this Court to file its Rule 60(b) motion so that the trial court may be properly vested with the subject matter to rule on the motion.

Chase’s motion in the trial court is timely. Under Rule 60(b), SCRCF, a motion to set aside a judgment for “mistake, inadvertence, surprise, or excusable neglect,” must be made within one year after judgment was entered. Motions to set aside judgments as

void pursuant to Rule 60(b)(4), SCRCPP, must be brought “within a reasonable time.” Chase first sought leave to file its motion under Rule 60(b) less than five months after it learned of the judgment, which is less than one year and reasonable given Chase’s investigation as to the Respondent’s claims and Chase’s attempt to reach a settlement.

Chase’s motion is also meritorious, made in good faith, and worthy of the trial court’s consideration. Chase seeks relief under Rule 60(b)(4), SCRCPP, to vacate the Judgment because the trial court did not have personal jurisdiction over Chase. Simply, Chase was never served with Pleadings. (Young Aff. ¶¶ 7-14.) Although Chase maintains a registered agent in South Carolina, Respondent mailed the Pleadings to a document processing facility in Monroe Louisiana. (*Id.* ¶ 13.) The Pleadings were never received or accepted by an officer or director of Chase or any other person authorized to accept service on behalf of Chase. (*Id.*) Because Chase was never served, the trial court never had personal jurisdiction over Chase, and the Judgment should be void as a matter of legal right. *See BB&T v. Taylor*, 369 S.C. 548, 552 n.1, 633 S.E.2d 501, 503 n.1 (2006) (“A judgment is void if a court acts without personal jurisdiction,” which is generally obtained “by service of a summons.”).

Chase also seeks relief under Rule 60(b)(1), on the grounds that (1) Chase acted promptly once it completed its investigation concerning the service of the Pleadings, (2) Chase’s reason for not responding to the Pleadings was because they were not properly served, (3) Chase has a strong meritorious defense to Respondent’s claims, and (4) Respondent has suffered no prejudice. As detailed fully in Chase’s proposed motion to set aside the Judgment, the indisputable evidence shows that Respondent’s allegations that the subject mortgage loan has been paid in full and that the mortgage should be

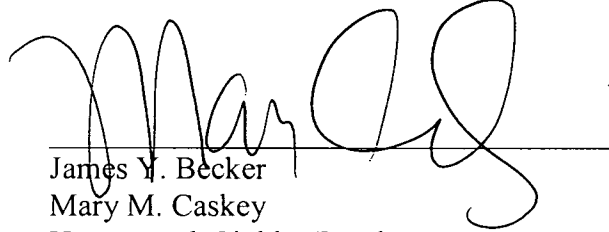
satisfied are simply false. (See Exh. B.) The subject loan had an outstanding balance of total of \$163,480.48 due as of June 1, 2012. (Young Aff. ¶ 3.) As a result, the statutes on which Respondent's claims are based, S.C. Code Ann. §§ 29-3-310 and 29-3-320, do not apply because the statutes are only triggered once "full payment" of the subject debt is received by a holder of record of a mortgage. See *Rowell v. Whisnant*, 360 S.C. 181, 187, 600 S.E.2d 96, 100 (Ct. App. 2004) (holding that even where a borrower made the last payment due under the note secured by a mortgage, the borrower was not entitled to a satisfaction of the mortgage under section 29-3-310 because there were attorneys' fees and costs due and owing under the mortgage).

Finally, Respondent has been aware that Chase disputed the service of the Pleadings since shortly after Chase learned of the Judgment, and as such, no prejudice or harm comes from allowing Chase to fully exercise its rights before the trial court.

CONCLUSION

Based on the foregoing, Chase respectfully seeks leave to file a motion before the trial court to have the Judgment set aside, at which time Chase will file its motion and supporting affidavit to obtain relief from the Judgment pursuant to Rules 55(c), 60(b)(1), and 60(b)(4).

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'James Y. Becker', written over a horizontal line.

James Y. Becker

Mary M. Caskey

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Attorney for Appellant J.P. Morgan Chase
Bank, N.A.

August 2, 2012

EXHIBIT A

JUDGEMENT ROLL NO. 2011CP440034

STATE OF SOUTH CAROLINA)
FILE FOR RECORD)

COUNTY OF UNION)
2012 JAN 17 PM 12:05)

IN THE COURT OF COMMON PLEAS
2011-CP-44-342

WILLIAM F. GABLE
CLERK OF COURT

First Piedmont Federal Savings and Loan)
Association, Gaffney, South Carolina,)

Plaintiff,)

-vs-)

J. P. Morgan Chase Bank, N.A.)

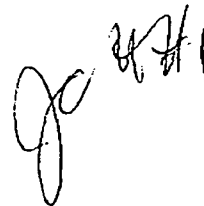
Defendant.)

DECREE

This action was filed by the Plaintiff for the purpose of inter alia requiring the Defendant to cancel a mortgage recorded in the Office of the Clerk of Court for Union County. The mortgage was given to the Defendant by Henry Gene Ledbetter and Rhonda C. Ledbetter on December 27, 2006 and recorded in Mortgage Book 227, Page 786.


The Plaintiff became the owner of the property described in the mortgage by virtue of an earlier foreclosure proceeding against the Ledbetters. After being unable to obtain any information from the Defendant about its mortgage, the Plaintiff wrote the Defendant a certified letter with return receipt required in compliance with § 29-3-310 et seq. of the South Carolina Code of Laws. When the Defendant failed to respond to the Plaintiff's letter within three (3) months, the Plaintiff filed this suit for cancellation of the mortgage, damages and attorney fees.

I find that the Defendant has been properly served and that the Court has jurisdiction of the subject matter and over the parties to this action. I further find that the Defendant is in default and that the Plaintiff is entitled to the relief requested in the Complaint. It is therefore



ORDERED, ADJUDGED AND DECREED that the Clerk of Court satisfy and cancel the mortgage given to J. P. Morgan Chase Bank, N.A. by Henry Gene Ledbetter and Rhonda C. Ledbetter dated December 27, 2006 and recorded in the Office of the Clerk of Court for Union County in Mortgage Book 227, Page 786. It is further

ORDERED that judgment be entered in favor of the Plaintiff against the Defendant in the amount of Forty-Two Thousand Five Hundred and 00/100 Dollars (\$42,500.00), plus costs, the same representing the statutory penalty of Twenty-Five Thousand and 00/100 Dollars (\$25,000.00), general damages of Ten Thousand and 00/100 Dollars (\$10,000.00) and attorney fees of Seven Thousand Five Hundred and 00/100 Dollars (\$7,500.00).


JOHN C. HAYES, III
JUDGE OF COMMON PLEAS *jc #2*

Union, SC
Date 1/17/12

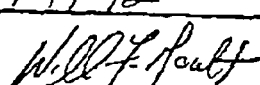
JUDGEMENT SIGNED AND
ENTERED UP 1-17-12

CLERK OF COURT

EXHIBIT B

STATE OF SOUTH CAROLINA

IN THE COURT OF COMMON PLEAS

COUNTY OF UNION

Case No. 2011-CP-44-342

First Piedmont Federal Savings and
Loan Association, Gaffney, South
Carolina,

Plaintiff,

v.

J.P. Morgan Chase Bank, N.A.,

Defendant.

DEFENDANT'S MOTION TO SET ASIDE DECREE OF JUDGMENT

Pursuant to Rules 55(c), 60(b)(1), and 60(b)(4), SCRPC, Defendant JPMorgan Chase Bank, N.A. ("Chase") moves to vacate and set aside the Decree of judgment entered on January 17, 2012 (the "Judgment"). The basis for this motion is that the Court lacked personal jurisdiction over Chase because, contrary to the Affidavit of Default and Certificates of Service filed by counsel for Plaintiff, Chase was never properly served with the Summons and Complaint, and thus, the Judgment is void. Further, the Judgment should be set aside pursuant to Rules 55(c) and 60(b)(1). Chase's motion is supported by the Affidavit of Linda A. Young filed simultaneously with this motion, the pleadings filed to date, and any other memoranda that Chase may submit prior to a hearing on this motion.

PROCEDURAL HISTORY

On or about March 14, 2011, Plaintiff acquired the subject Property as the result of a foreclosure action commenced by Plaintiff against Henry and Rhonda Ledbetter (the

“Borrowers”), in 2010.¹ Plaintiff acquired the Property subject to a mortgage from the Borrowers to Chase dated December 27, 2006 (the “Mortgage”). (Cmplt. ¶ 5.) On August 25, 2011, Plaintiff commenced this action pursuant to S.C. Code Ann. § 29-3-310, *et seq.*, alleging that the loan secured by the Mortgage (the “Loan”) was paid in full or that Chase was estopped from demanding the amounts owed under the Loan because it had failed to provide Plaintiff with a payoff quote. (*Id.* ¶ 7.) Plaintiff requested statutory and actual damages and an order directing the clerk to mark the Mortgage as satisfied. (*Id.* ¶¶ 8, 13-15.)

After filing the Complaint, Plaintiff filed a Certificate of Service on September 19, 2011, affirming that the Summons and Complaint was served on Chase by mailing a copy of the Summons and Complaint to Chase via certified mail, return receipt requested, to Chase’s document and imaging center located in Monroe, Louisiana (the “Monroe Facility”). The mail receipt was stamped with the name of “Michael Atwell,” but the receipt card does not state the date on which Mr. Atwell purportedly signed the receipt, nor does it indicate that Mr. Atwell is an agent of Chase. The Certificate of Service states that the Complaint was mailed on September 1, 2011.

On October 20, 2011, Plaintiff filed a Motion for Default Judgment and Affidavit of Default (collectively “Default Pleadings”). On November 9, 2011, Plaintiff filed a Certificate of Service stating that the Default Pleadings were mailed, via certified mail

¹ As set forth in the Affidavit of Linda A. Young, Chase is informed that until April 10, 2011, Henry Ledbetter was on active duty in the United States Army. From the public records available from the Plaintiff’s foreclosure action against the Borrowers, it appears that Mr. Ledbetter may not have been afforded all of the protections afforded to him under the Servicemembers’ Civil Relief Act, 50 U.S.C. § 501, *et seq.* (“SCRA”). Mr. Ledbetter was served via an Order of Publication filed on September 24, 2010, and an Order of Reference was entered on January 20, 2011, finding that Mr. Ledbetter was in default. The final order of foreclosure was entered on January 31, 2011, while Mr. Ledbetter was still on active duty. The SCRA provides that a Plaintiff in a civil action must file an affidavit prior to judgment stating whether or not a defendant is in military service, and if a defendant is in military service, the court may not enter a judgment until after the court appoints an attorney to represent the defendant. 50 U.S.C. § 521.

return receipt requested, to the same address as the Complaint. The mail receipt was again stamped with Mr. Atwell's name, but the receipt card does not state the date on which Mr. Atwell purportedly signed the receipt, nor does it indicate that Mr. Atwell is an agent of Chase. Copies of the September 19, 2011, and October 20, 2011, Certificates of Service are attached as Exhibits A and B, respectively.

Mr. Atwell is not an officer or director of Chase and does not currently, nor has he ever, had authority to accept service of process on behalf of Chase. (Young Aff. ¶ 13.) He is a Receipt & Distribution Specialist in the main mailroom at the Monroe Facility, which houses over 570 persons, and maintains the original loan documents for loans that Chase owns or services. (*Id.* ¶ 12.) During the time period relevant to this action, and currently, Chase maintains a registered agent within South Carolina, whose identity and address is readily available on the Secretary of State's Website. (*Id.* ¶ 14.)

Based on the faulty Affidavit of Default filed by Plaintiff's counsel, the Court held a hearing on Plaintiff's Motion for Default on January 17, 2012 (the "Default Hearing"). According to the documents available from the Clerk of Court's file, the only Affidavit filed in support of Plaintiff's request for attorneys' fees, costs, and damages was an affidavit of its attorneys stating that the costs incurred by the Plaintiff totaled \$253.18. The file in the Clerk of Court's Office does not contain any affidavit of Attorneys' fees or any information concerning damages, and Chase does not know what testimony was proffered to the Court at the Default Hearing. According to a Certificate of Service filed on December 22, 2011, a Notice of Hearing for January 17, 2012, was mailed to Chase at the Monroe Facility on December 14, 2011. The Notice of Hearing was not addressed to any particular department, agent, or individual, and Chase did not appear at the

Default Hearing. A copy of the December 22, 2011, Certificate of Service is attached as Exhibit C.

On January 17, 2012, the Court entered a decree of Judgment (“Judgment”) in the amount of \$42,500, consisting of a \$25,000 statutory penalty, \$10,000 in actual damages, and \$7,500 in attorneys’ fees. The Judgment also ordered the Clerk of Court to satisfy Chase’s Mortgage. On or about February 17, 2012, Chase filed a Notice of Appeal with the South Carolina Court of Appeals, and on April 4, 2012, Chase filed a motion for an extension of time to file its initial brief. On June 18, 2012, Chase filed a motion to stay the appeal and for leave to file this motion, which was granted by the Court of Appeals on _____.

ARGUMENT

As a preliminary matter, the Judgment is void and has no legal effect because the Court did not have personal jurisdiction over Chase. It is indisputable that the Summons and Complaint and Default Pleadings were not properly served on Chase, and it did not have proper notice of this action. Moreover, even if the Judgment was not void, the policy of the law is to favor a trial on the merits, and the Judgment should be set aside under Rules 55(c) and 60(b)(1), SCRPC.

I. The Judgment is Void Because the Court did not Have Personal Jurisdiction Over Chase.

Rule 60(b)(4), SCRPC, provides, “On motion and upon such terms as are just, the court may relieve a party . . . from a final judgment, order, or proceeding [because] . . . the judgment is void.” A void judgment is one that, from its inception, is a complete nullity and is without legal effect. 46 Am. Jur. 2d *Judgments* § 31 (1984). A motion to have a judgment declared void does not have to be based upon an affidavit or otherwise;

instead, a party is simply demanding his legal rights, the basis of which is the failure of the adverse party to comply with legal requirements. *New York Life Ins. Co. v. Mobley*, 90 S.C. 552, 562-63, 73 S.E. 1032, 1036 (1912); James F. Flanagan, *South Carolina Civil Procedure* 512 (3d ed. 2010). As a result, a Rule 60(b)(4) motion “is not a request which would be dependent upon the discretion of the Court.” *Mobley*, 90 S.C. at 562-63, 73 S.E. at 1036 (citing *Roberts v. Pawley*, 50 S.C. 491, 27 S.E. 913 (1897)). Indeed, the factors analyzed under a Rule 60(b)(1), (2), or (3) motion, which include promptness, reasons for failure to act, a meritorious defense, and lack of prejudice, “do not apply to a motion made pursuant to 60(b)(4).” *BB&T v. Taylor*, 369 S.C. 548, 552 n.1, 633 S.E.2d 501, 503 n.1 (2006) (emphasis added).

“A judgment is void if a court acts without personal jurisdiction,” which is generally obtained “by service of a summons.” *BB&T v. Taylor*, 369 S.C. at 551, 633 S.E.2d at 503 (citing *Thomas & Howard Co. v. T.W. Graham & Co.*, 318 S.C. 286, 291, 457 S.E.2d 340, 343 (1995), and *Ex parte S.C. Dep't of Revenue*, 350 S.C. 404, 407, 566 S.E.2d 196, 198 (Ct. App. 2002)); see also *State v. Sanders*, 118 S.C. 498, 502, 110 S.E. 808, 810 (1920) (“The purpose of the summons is to acquire jurisdiction of the person of the defendant. . . .”); *Linda Mc Co., Inc. v. Shore*, 390 S.C. 543, 553, 703 S.E.2d 499, 503 (2010) (noting that “void” for purposes of Rule 60(b)(4) encompasses judgments from courts which lacked personal jurisdiction due to ineffective service of process). Rule 4, SCRPC, which governs process, “serves at least two purposes. It confers personal jurisdiction on the court and assures the defendant of reasonable notice of the action.” *BB&T*, 369 S.C. at 552, 633 S.E.2d at 503 (quoting *Roche v. Young Bros., Inc. of Florence*, 318 S.C. 207, 209, 456 S.E.2d 897, 899 (1995)).

To serve a corporation, a copy of the summons and complaint must be delivered to “an officer, a managing or general agent, or to any other agent authorized by appointment or by law to receive service of process,” and may be sent by “registered or certified mail, return receipt requested and delivery restricted to the addressee.” Rule 4(d)(3), (d)(8), SCRC. However, Rule 4(d)(8) further provides,

Service pursuant to [paragraph 4(d)(8)] shall not be the basis for the entry of a default or judgment by default unless the record contains a return receipt showing the acceptance by the defendant. **Any such default or judgment by default shall be set aside pursuant to Rule 55(c) or Rule 60(b) if the defendant demonstrates to the court that the return receipt was signed by an unauthorized person.**

(emphasis added).

In this case, Plaintiff never properly served Chase with the Summons and Complaint or the Default Pleadings. The return receipt affixed to the Certificates of Service filed by Plaintiff show that the Summons and Complaint and Default Pleadings were served upon Michael Atwell, a Receipt and Distribution Analyst in a mail room. Mr. Atwell is not currently, nor has he ever, been authorized to accept service on behalf of Chase. Simply because Chase did not receive proper service of process, the Judgment against Chase is void.

When an adverse party fails to comply with legal requirements, a judgment is void as a matter of legal right. *Mobley*, 90 S.C. at 562-63, 73 S.E. at 1036. “It is fundamental that no judgment or order affecting the rights of a party to the cause shall be made or rendered without notice to the party whose rights are to be affected.” *Tryon Fed. Sav. & Loan Ass'n v. Phelps*, 307 S.C. 361, 362, 415 S.E.2d 397, 398 (1992). In fact, courts have stated that “[g]enerally, a person against whom a judgment or order is taken

without notice may rightly ignore it and may assume that no court will enforce it against his person or property.” *Universal Benefits, Inc. v. McKinney*, 349 S.C. 179, 183, 561 S.E.2d 659, 661 (Ct. App. 2002).

In this case, as a direct result of Plaintiff’s failure to comply with the legal requirements, Chase has been deprived of its due process rights and its security interest in the Property. Rule 60(b)(4), SCRCP and the laws of this Court require that the Judgment be voided.

II. The Judgment Should be Set Aside under Rules 55(c) and 60(b)(1).

Even if the Judgment was not void for lack of personal jurisdiction, which it is, the facts of this case warrant the Court vacating the Judgment under Rules 55(c) and 60(b)(1), SCRCP. Rule 55(c) provides that “if a judgment by default has been entered, [it] may be set aside in accordance with Rule 60(b).” Rule 60(b)(1) provides that the Court may set aside the Judgment for “mistake, inadvertences, surprise, or excusable neglect.” In contrast with Rule 60(b)(4), in deciding a Rule 60(b)(1) motion, the Court has discretion to grant relief and should consider factors including “the promptness with which relief is sought, the reasons for the failure to act promptly, the existence of a meritorious defense, and the prejudice to the other parties.” *Hill v. Dotts*, 345 S.C. 304, 309-10, 547 S.E.2d 894, 897 (Ct. App. 2001) (quoting *New Hampshire Ins. Co. v. Bey Corp.*, 312 S.C. 47, 50, 435 S.E.2d 377, 379 (Ct. App. 1993)).

In viewing the facts of this case under the standard of Rule 60(b)(1), the Court should set aside the Judgment. First, Chase has promptly sought relief upon learning of the Judgment. After having first learned of the Judgment on or about January 18, 2012, Chase filed a Notice of Appeal on February 17, 2012. Chase’s initial brief was originally

due on April 6, 2012, but Chase filed a motion for an extension of time to file its initial brief on April 4, 2012. Shortly thereafter, Chase filed a Motion for Leave to file this Motion from the Court of Appeals, which was granted on _____. In the meantime, Chase has investigated the manner in which the Summons and Complaint was purportedly served, whether it ever received a payment from Plaintiff, and whether the Borrowers' Loan remains unpaid. Based on the foregoing, it is indisputable that Chase has acted promptly to seek relief from the Judgment.

Second, Chase's reason for not responding to the Summons and Complaint and not appearing in the Action previously is that Chase was not properly served with the Summons and Complaint. Chase did not become aware of this Action until January 24, 2012, and thus could not have filed a responsive pleading or participated in the Action prior to the entry of the Judgment.

Third and perhaps most significantly, Chase has a strong meritorious defense to the Action. Plaintiff alleges that the Loan was paid in full and that Chase simply failed to satisfy its mortgage, *see* Compl. ¶¶ 7, but the indisputable evidence shows that in fact, Chase's Loan remains unpaid, and a total of \$163,480.48 is due as of June 1, 2012. Because the Loan in question has never been paid, S.C. Code Ann. §§ 29-3-310 and 29-3-320, on which the Judgment is based, do not apply.

S.C. Code Ann. § 29-3-310 calls for the satisfaction of mortgages by "any holder of record of a mortgage who has received full payment or satisfaction . . . [of the debt and other charges] secured by a mortgage of real estate." From the plain language of section 29-3-310, the statute only applies if a mortgage holder has received "full payment" of the debt secured by the mortgage, including all principal, interest, late fees,

attorneys' fees, or other sums due under the terms of the mortgage. *See Rowell v. Whisnant*, 360 S.C. 181, 187, 600 S.E.2d 96, 100 (Ct. App. 2004) (holding that even where a borrower made the last payment due under the note secured by a mortgage, the borrower was not entitled to a satisfaction of the mortgage under section 29-3-310 because there were attorneys' fees and costs due and owing under the mortgage). In this case, Plaintiff never tendered the full amount due under the Loan, so the balance of the Loan remains outstanding and section 29-3-310 does not apply. (*See Young Aff.* ¶ 3 (testifying that there is \$163,480.48 owed on the Loan as of June 1, 2012).) Further, because the debt secured by the Mortgage is outstanding, there is no legal or equitable basis on which to order that Chase's Mortgage be satisfied.

Further, even if the Loan had been paid in full, Plaintiff's communications with Chase concerning the Loan do not meet the statutory requirements for a party to be awarded a statutory penalty. Under section 29-3-310, a request to a lender to satisfy a mortgage must be sent with "proof of delivery." Plaintiff's request was sent only by regular mail. (*Young Aff.* ¶ 10.) Section 29-3-310 also requires a party requesting a mortgage satisfaction to tender a recording-fee, but Plaintiff did not tender any sum to Chase with its request for the Mortgage to be satisfied. (*Young Aff.* ¶ 19.) Because Plaintiff failed to strictly comply with the requirements of section 29-3-310, Chase has a meritorious defense to the relief requested in the complaint. *Bostic v. Am. Home Mortg. Servicing, Inc.*, 375 S.C. 143, 148, 650 S.E.2d 479, 482 (Ct. App. 2007) (strictly construing section 29-3-310 and 29-3-320, finding that mailing in a payoff check was insufficient under the statute).

Finally, Plaintiff has not suffered any prejudice from Chase's failure to respond to the Summons and Complaint. Chase was not made aware of the Action because of Plaintiff's own failure to comply with its legal obligations to properly serve Chase with the Summons and Complaint and the Default Pleadings, and Plaintiff has failed to mitigate any damage or prejudice it has suffered as a result. Chase maintains a registered agent within South Carolina, whose identity and address is readily available on the Secretary of State's Website. (Young Aff. ¶ 14.) Had Plaintiff utilized this readily available information, Plaintiff could have timely and properly served the pleadings in this Action on Chase. Immediately upon learning of the Action, Chase filed its Notice of Appeal, making Plaintiff fully aware of Chase's intention to object to the Judgment, and Plaintiff has not suffered any prejudice as a result.

CONCLUSION

In South Carolina, as in other jurisdictions, "[i]t is the policy of the law to favor the trial of cases on the merits." *Renney v. Dobbs House, Inc.*, 275 S.C. 562, 567, 274 S.E.2d 290, 292 (1981). "Any doubts about whether relief should be granted should be resolved in favor of setting aside the default so that the case may be heard on the merits." *Tolson v. Hodge*, 411 F.2d 123, 130 (4th Cir. 1969). In the present case, not only is Chase entitled to enjoy a trial on the merits, it is entitled to enjoy the protections afforded to it under the rules and laws of this State and under its constitutional rights to due process. Accordingly, Chase respectfully requests that the Court set aside the decree of Judgment and allow this matter to proceed to a trial on the merits.

HAYNSWORTH SINKLER BOYD, P.A.

By: _____

James Y. Becker

Mary M. Caskey

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(803) 779.3080 Tel

Attorneys for Defendant JPMorgan Chase Bank, N.A.

August __, 2012

EXHIBIT C

STATE OF SOUTH CAROLINA

IN THE COURT OF COMMON PLEAS

COUNTY OF UNION

Case No. 2011-CP-44-342

First Piedmont Federal Savings and
Loan Association, Gaffney, South
Carolina,

Plaintiff,

v.

J.P. Morgan Chase Bank, N.A.,

Defendants.

AFFIDAVIT OF LINDA N. YOUNG

Personally appeared before me, Linda N. Young who, being duly sworn, deposes and states as follows:

1. I am an Assistant Secretary with JPMorgan Chase Bank, National Association ("Chase"), the defendant in this action, and I am duly authorized to make this Affidavit.

2. I am familiar with the business records that Chase maintains for the mortgage loans it owns or services and understand how to read and interpret those records. The statements made herein are based on the business records of Chase that relate to the mortgage loan of Henry and Rhonda Ledbetter (the "Borrowers"), loan number *****3367 (the "Loan"), that is the subject of this action. Chase has serviced the Loan since 2006. The Loan is secured by a mortgage lien on property located at 111 Rockport Way, Pacolet, South Carolina (the "Property").

3. As of June 1, 2012, the total amount due on the Loan is \$163,480.48. A copy of a payoff quote good thru June 1, 2012, is attached as Exhibit A.

4. According to Chase's records, the Borrowers have been in default under the terms of the Loan since August 1, 2009, and in October 2010, Chase referred this matter to an attorney to proceed with a foreclosure action.

5. However, after referring this Loan to foreclosure, Chase learned that Henry Ledbetter was on active duty for the United States Military. A copy of the Military Status Report is attached hereto as Exhibit B. Because of Mr. Ledbetter's military status, Chase placed the foreclosure process on hold.

6. Chase first learned of the Decree of Judgment filed on January 17, 2012 (the "Judgment") in favor of First Piedmont Federal Savings and Loan Association, Gaffney, South Carolina ("Plaintiff"), on January 24, 2012.

7. I have reviewed the Certificates of Service filed in this action, which purport to provide Chase with certain pleadings and documents at the following address: 700 Kansas Lane, Monroe, Louisiana 71203 (the "Monroe Facility"). Copies of the Certificates of Service that I have reviewed are attached as Exhibits C and D.

8. The Monroe Facility houses the original loan documents for loans that Chase owns or services. Employees at the Monroe Facility also handle imaging of other documents on behalf of various Chase departments.

9. For example, Chase's records indicate that the Monroe Facility would likely have processed and imaged the mortgage from the Borrowers to Chase dated December 27, 2006 (the "Mortgage"). The top of the first page of the Mortgage provides that after recording, the Mortgage should be returned to "JPMorgan Chase Bank, N.A., 700 Kansas Lane, Monroe Louisiana 71203-4774" and to the Attention of "Records & Imaging Mgt Mail Code: LA4-4108." A copy of the Mortgage is attached as Exhibit E.

10. According to the Certificate of Service filed on September 14, 2011, and September 19, 2011, attached collectively as Exhibit C, the Summons and Complaint filed in this action were mailed to Chase at the Monroe Facility on September 1, 2009. The Certified Mail Receipt attached to the Certificate of Service contains the stamped signature of "Michael Atwell."

11. According to the Certificate of Service filed on December 15, 2011, attached as Exhibit D, the Motion for Default Judgment filed in this action was mailed to Chase at the Monroe Facility on November 7, 2011. The Certified Mail Receipt attached to the Certificate of Service contains the stamped signature of "Michael Atwell."

12. Mr. Atwell is a Receipt & Distribution Specialist at the Monroe Facility. He works in the main mail room at the Monroe Facility that receives mail for the entire facility prior to distributing it to the other departments and facilities within the building.

13. Mr. Atwell is not an officer or director of Chase, and he has never been authorized to accept service on behalf of Chase.

14. During 2010, 2011, and 2012 Chase's registered agent in South Carolina was and is C T Corporation System. The identity and address for Chase's registered agent can be found on the South Carolina Secretary of State's website, as evidenced by the printout from the website attached as Exhibit F.

15. Chase's records indicate that prior to the commencement of this Action, on March 24, 2011, it received a letter from Plaintiff's attorney, James R. Thompson, requesting a payoff quote for the Loan. The letter was faxed to Chase's payoff processing department. A copy of Mr. Thompson's March 24, 2011, letter is attached as Exhibit G.

16. In response to Mr. Thompson's letter requesting a payoff, Chase requested that Mr. Thompson submit proof of Plaintiff's status as a junior lienholder by providing a copy of the note from the Borrowers to Plaintiff. A copy of Chase's request for a copy of the note, dated March 29, 2011 is attached as Exhibit H.

17. On March 29, 2011, Chase received a fax from Mr. Thompson's office providing a copy of the note from the Borrowers to Plaintiff and other documents from Plaintiff's foreclosure action against the Borrowers. A copy of Plaintiff's fax to Chase is attached as Exhibit I.

18. On April 28, 2011, Chase sent Mr. Thompson a letter stating it could not process Plaintiff's request for information about the Borrowers' account without authorization from the Borrowers. A copy of Chase's April 28, 2011, letter is attached as Exhibit J.

19. Chase then received a letter from Mr. Thompson dated May 11, 2011, stating that he believed that the Loan had been paid in full and requesting that the Mortgage be satisfied of record. Mr. Thompson's letter is addressed to the Monroe Facility, but it was also faxed to Chase's payoff processing department. Mr. Thompson's letter was not accompanied by any check for any sum. A copy of Mr. Thompson's letter is attached as Exhibit K.

20. Chase has never received any payment on the Loan from Plaintiff.
Further Affiant sayeth not.

JPMorgan Chase Bank, National Association

By: Kinda N. Young
Its: Assistant Secretary

SWORN to and subscribed before me on this 23rd day of July 2012.

[Signature]
Notary Public

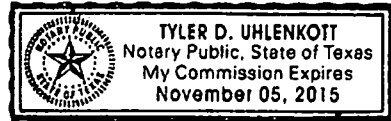


EXHIBIT A

Chase (OH4-7348)
 3415 Vision Drive
 Columbus OH 43219-6009



**Payoff
 Quote Generated
 9:10:07**

Monday, May 14, 2012

HENRY G LEDBETTER
 RHONDA LEDBETTER
 111 ROCKPORT WAY
 PACOLET, SC 29372

Payoff Quote

Account: [REDACTED] 3367 (the "Loan")
 Property Address: 111 ROCKPORT WAY (the "Property")
 PACOLET, SC 29372

Dear Mortgagor(s):

Chase is writing in response to your request for a payoff quote on the above-referenced account.
 The total amount due to pay off this Loan is \$163,480.48, which is good through 06-01-12.
 Below is an itemization of this amount:

Payoff Quote		
Unpaid Principal Balance		\$134,879.95
Deferred Principal Balance		\$0.00
Interest Per Diem		\$21.25
Interest Due From	7/1/09	\$22,641.75
Pro Rata MIP/PMI		\$0.00
Escrow Advance Balance		\$4,623.22
Restricted Escrow Balance		\$0.00
Buydown Subsidy/Replacement Reserve Balance		\$0.00
HUD Subsidy Balance		\$0.00
CR Life / Original Fee Rebate		\$0.00
Prepayment Penalty		\$0.00
Late Charges		\$1,150.56
Monthly Late Charge Amount	\$62.90	
NSF		\$25.00
Other Fees		\$15.00
Recording Fee		\$5.00
Demand Fee		\$0.00
Unapplied (Credits)		(\$464.50)
Corporate Advances		\$604.50
Subtotal		\$163,480.48
Outstanding Costs through	06/01/12	
Outstanding Appraisals/BPOs		\$0.00
Outstanding Property Inspections/Preservation		\$0.00
Outstanding Escrow Advances		\$0.00
Incurred Outstanding Attorney Fees		\$0.00
Incurred Outstanding Attorney Costs		\$0.00
Total Outstanding Amounts		\$0.00
Total Payoff Amount Good through	06/01/12	
Total Payoff Amount		163,480.48

This loan payoff statement shows the total amount you owe. However, some amounts may not have to be paid for the lien to be released. Please call us at 800-848-9380 for details.

Please remit the payoff amount via wire transfer to:

JPMorgan Chase Bank, N.A.
Account # 304280763
ABA Routing Number 021000021
Account Name: Chase Manhattan Mortgage Corporation Payoff Wire Account
Attention Payoff Processing

Please ensure that the wire description includes the Chase account number, the name of the borrower(s), the property address, and the agent's contact information.

You may also send the payoff amount in the form of certified funds. No personal checks will be accepted.

Please remit funds to:

Chase
Attention Department G-8 DPP
3415 Vision Drive
Columbus, OH 43219-6009

Please return a copy of this letter in its entirety along with your payment.

At Chase, we value you as a customer and want to ensure your continued satisfaction.

Sincerely,
Default Quotes Department
Chase
(877) 838-1882 Ext. 52195
(800) 582-0542 TDD / Text Telephone

DQ600

CHASE PAYOFF QUOTE - DISCLOSURES

1) The above figures are subject to final verification upon receipt of the payoff remittance by Chase. Notwithstanding the "good through" date provided in this payoff quote, if the Loan is in default, all default-related processes, including but not limited to foreclosure sale, will continue, and all fees and cost incurred after the issuance of this payoff quote will continue to be assessed until the Loan is paid in full. Chase reserves the right to adjust the above figures and refuse any funds which are insufficient to pay the Total Amount Secured by the Mortgage for any reason including but not limited to error in calculation of the Total Amount Secured by the Mortgage, previously dishonored check(s) or money order(s), stop payment of check(s) or ACH payment(s) or additional disbursement(s) made by Chase between the date of this payoff quote and the receipt of funds. If you cannot pay the amount specified in this letter, please call the Mortgage Assistance Center at 800-848-9380 to discuss possible alternatives. The Total Amount Secured by the Mortgage, pursuant to this Quote, is further conditioned upon:

2) All checks which have been tendered to Chase in satisfaction of monthly payments must have cleared the borrower's bank. **Do not place a stop payment on checks previously mailed to Chase or cancel ACH debits by Chase prior to prepayment in full. A late charge fee will be assessed at the close of business on the 16th day of the month if the current payment is not received, and such late charge will be added to the total amount to reinstate, if payment is received by Chase after the 16th. You may call (800) 548-7912 to ascertain the late charge amount.**

3) If the payoff remittance is insufficient to pay the Total Amount Secured by the Mortgage, we will withdraw funds from the borrower's escrow account, if available, to complete such payoff. If sufficient funds are not in escrow to complete such payoff, the check will be returned with a new quotation.

4) All checks which have been tendered to Chase in satisfaction of monthly payments must have cleared the borrower's bank. **Do not place a stop payment on checks previously mailed to Chase or cancel ACH debits by Chase prior to prepayment in full.**

5) Disbursements of all escrowed items (e.g. hazard, flood and PMI insurance, taxes, etc.) will be paid from escrow as normally scheduled (up to the date payoff funds are received). It is the responsibility of the borrower and their closing agent (if applicable) to obtain a refund should a double payment of taxes or insurance occur. If you require confirmation of any recent escrow disbursements, please call (800) 548-7912. Any escrow balance or overpayment will be mailed directly to the borrower within fifteen (15) business days after processing of the funds required to pay the Total Amount Secured by the Mortgage. **We will not accept or process escrow assignments.**

6) You understand and agree that if Chase receives and processes a payoff and subsequently is requested to return such payoff funds, due to loan rescission or for any other reason, unless prohibited by law, Chase will deduct a re-load fee of \$1,000 from the payoff funds that are returned to compensate Chase for its time and costs incurred in re-loading such loan onto its system.

7) **Minnesota and Massachusetts properties:** If this quote was ordered to sell your Property, please forward the supporting documentation of the sale to Chase or fax to (877) 271-0378. Please include this quote page as the lead page. Please note that the supporting documentation will only be reviewed if faxed to the number above.

8) For California customers, the state Rosenthal Fair Debt Collection Practices Act and the federal Fair Debt Collection Practices Act require that, except under unusual circumstances, collectors may not contact you before 8 a.m. or after 9 p.m. They may not harass you by using threats of violence or arrest or by using obscene language. Collectors may not use false or misleading statements or call you at work if they know or have reason to know that you may not receive personal calls at work. For the most part, collectors may not tell another person, other than your attorney or spouse, about your debt. Collectors may contact another person to confirm your location or enforce a judgment. For more information about debt collection activities, you may contact the Federal Trade Commission toll-free at (877) FTC-HELP or www.ftc.gov.

9) **Chase is attempting to collect a debt, and any information obtained will be used for that purpose.**

10) We may report information about your account to credit bureaus. Late payments, missed payments, or other defaults on your account may be reflected in your credit report.

11) If you are represented by an attorney, please refer this letter to your attorney and provide us with the attorney's name, address, and telephone number.

12) To the extent your original obligation has been discharged, or is subject to an automatic stay of bankruptcy under Title 11 of the United States Code, this notice is for compliance and/or informational purposes only and does not constitute a demand for payment or an attempt to impose personal liability for such obligation.

EXHIBIT B

Department of Defense Manpower Data Center

Sep-08-2011 12:13:08

<input checked="" type="checkbox"/> Department of Defense	Military Status Report Pursuant to the Service Members Civil Relief Act
---	--

<input checked="" type="checkbox"/> Last Name	First/Middle	Begin Date	Active Duty Status	Active Duty End Date	Service Agency
LEDBETTER	HENRY	Aug-05-2010	No	Apr-10-2011	Army

Upon searching the information data banks of the Department of Defense Manpower Data Center, based on the information that you provided, the above is the current status of the individual as to all branches of the Uniformed Services (Army, Navy, Marine Corps, Air Force, NOAA, Public Health, and Coast Guard).

<input checked="" type="checkbox"/> Mary M. Snavely-Dixon

Mary M. Snavely-Dixon, Director
Department of Defense - Manpower Data Center
1600 Wilson Blvd., Suite 400
Arlington, VA 22209-2593

The Defense Manpower Data Center (DMDC) is an organization of the Department of Defense that maintains the Defense Enrollment and Eligibility Reporting System (DEERS) database which is the official source of data on eligibility for military medical care and other eligibility systems.

The DoD strongly supports the enforcement of the Service Members Civil Relief Act (50 USC App. §§ 501 et seq. as amended) (SCRA) (formerly known as the Soldiers' and Sailors' Civil Relief Act of 1940). DMDC has issued hundreds of thousands of "does not possess any information indicating that the individual is currently on active duty" responses, and has experienced a small error rate. In the event the individual referenced above, or any family member, friend, or representative asserts in any manner that the individual is on active duty, or is otherwise entitled to the protections of the SCRA, you are strongly encouraged to obtain further verification of the person's status by contacting that person's Service via the "defenselink.mil" URL http://www.defenselink.mil/faq/pis/PC09SI_DR.html. If you have evidence the person is on active duty and you fail to obtain this additional Service verification, punitive provisions of the SCRA may be invoked against you. See 50 USC App. §521(c).

If you obtain additional information about the person (e.g., an SSN, improved accuracy of DOB, a middle name), you can submit your request again at this Web site and we will provide a new certificate for that query.

This response reflects **active duty status** including date the individual was last on active duty, if it was within the preceding 367 days. For historical information, please contact the Service SCRA points-of-contact.

More information on "Active Duty Status"

Active duty status as reported in this certificate is defined in accordance with 10 USC § 101(d)(1) for a period of more than 30 consecutive days. In the case of a member of the National Guard, includes service under a call to active service authorized by the President or the Secretary of Defense for a period of more than 30 consecutive days under 32 USC § 502(i) for purposes of responding to a national emergency declared by the President and supported by Federal funds. All Active Guard Reserve (AGR) members must be assigned against an authorized mobilization position in the unit they support. This includes Navy TARs, Marine Corps ARs and Coast Guard RPAs. Active Duty status also applies to a Uniformed Service member who is an active duty commissioned officer of the U.S. Public Health Service or the National Oceanic and Atmospheric Administration (NOAA Commissioned Corps) for a period of more than 30 consecutive days.

Coverage Under the SCRA is Broader in Some Cases

Coverage under the SCRA is broader in some cases and includes some categories of persons on active duty for purposes of the SCRA who would not be reported as on Active Duty under this certificate.

Many times orders are amended to extend the period of active duty, which would extend SCRA protections. Persons seeking to rely on this website certification should check to make sure the orders on which SCRA protections are based have not been amended to extend the inclusive dates of service. Furthermore, some protections of the SCRA may extend to persons who have received orders to report for active duty or to be inducted, but who have not actually begun active duty or actually reported for induction. The Last Date on Active Duty entry is important because a number of protections of SCRA extend beyond the last dates of active duty.

Those who would rely on this certificate are urged to seek qualified legal counsel to ensure that all rights guaranteed to Service members under the SCRA are protected.

WARNING: This certificate was provided based on a name and SSN provided by the requester. Providing an erroneous name or SSN will cause an erroneous certificate to be provided.
Report ID:NCKVKENVUC

EXHIBIT C

STATE OF SOUTH CAROLINA)
)
COUNTY OF UNION)

IN THE COURT OF COMMON PLEAS
2010-CP-44-219

First Piedmont Federal Savings and Loan)
Association, Gaffney, South Carolina)

Plaintiff,)

-vs-)

Henry Gene Ledbetter, Rhonda C. Ledbetter)
and JPMorgan Chase Bank, N.A.)

Defendants.)

CERTIFICATE OF SERVICE

FILE FOR RECORD
2010 SEP 24 PM 2:30
WILLIAM F. GAYL
CLERK OF COURT
MONROE, SC

ADDRESSED TO: JP Morgan Chase Bank, N.A.
700 Kansas Lane
Monroe, LA 71203-4774

THE UNDERSIGNED attorney does hereby certify that he has this day served a copy of the pleadings named below in this action by placing a copy thereof in an envelope addressed to the addresses shown above, which envelopes were sealed and postage thereon fully prepaid, and by depositing the same in the United States Mail at Gaffney, South Carolina, and that there is regular communication by the United States Mail between the place of mailing and the places so addressed.

Susan Ranke

Susan Ranke
Paralegal to James R. Thompson
Attorney for the Plaintiff
210 S. Limestone Street, Suite 1
Gaffney, SC 29340-3014
TEL: (864) 489-6052
FAX: (864) 489-5406

FILED
CLERK OF COURT
SPRINGFIELD
2010 SEP 20 AM 10:09
M. H. HERRON

Gaffney, South Carolina
Date: September 16, 2010

ITEM(S) MAILED: LIS PENDENS, SUMMONS AND COMPLAINT

STATE OF SOUTH CAROLINA)
)
 COUNTY OF UNION)

IN THE COURT OF COMMON PLEAS
 2010-CP-44-219

First Piedmont Federal Savings and Loan
 Association, Gaffney, South Carolina)
)
 Plaintiff,)
)

-vs-

Henry Gene Ledbetter, Rhonda C. Ledbetter)
 and JPMorgan Chase Bank, N.A.)
)
 Defendants.)

CERTIFICATE OF SERVICE

U.S. Postal Service
CERTIFIED MAIL RECEIPT
 (Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at www.usps.com

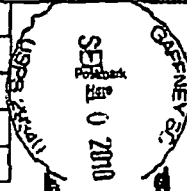
OFFICIAL USE

Postage	\$.61
Certified Fee	2.80
Return Receipt Fee (Endorsement Required)	2.30
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$5.71

Sent to: J.P. Morgan Chase Bank, N.A.
 Street (or PO Box No.): 700 Kansas Lane
 City, State, ZIP+4: Monroe, LA 71203-4774

PS Form 3811, February 2004 See Reverse for Instructions

HT2T 265 2000 09PT 9002



SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 	<p>A. Signature <input checked="" type="checkbox"/> Agent <input type="checkbox"/> <input checked="" type="checkbox"/> Addressee <input type="checkbox"/></p> <p>B. Received by (Printed name) _____ C. Date of Delivery: _____</p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: _____ <input type="checkbox"/> No</p>
<p>1. Article Addressed to:</p> <p><u>J.P. Morgan Chase Bank, N.A.</u> <u>700 Kansas Lane</u> <u>Monroe, LA 71203-4774</u></p>	<p>3. Service Type</p> <p><input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p>
<p>2. Article Number (Transfer from service label) <u>7008 1830 0002 5972 1214</u></p>	<p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>

M. POP
 2010 SEP 28 AM 10:09
 OFFICE OF THE CLERK
 CIVIL DIVISION
 MONROE, LA

EXHIBIT D

STATE OF SOUTH CAROLINA)
)
COUNTY OF UNION)

IN THE COURT OF COMMON PLEAS
2011-CP-44-342

First Piedmont Federal Savings and Loan)
Association, Gaffney, South Carolina,)

Plaintiff,)

-vs-)

J. P. Morgan Chase Bank, N.A.)

Defendant.)


CERTIFICATE OF SERVICE

FILE FOR RECORD
2011 DEC 15 PM 2:23
WILLIAM F. GAULT
CLERK OF COURT
UNION, SC

ADDRESSED TO:

J.P. Morgan Chase Bank
700 Kansas Lane
Monroe, LA 71203-4774

THE UNDERSIGNED attorney does hereby certify that he has this day served a copy of the pleadings named below in this action by placing a copy thereof in an envelope addressed to the addresses shown above, which envelopes were sealed and postage thereon fully prepaid, and by depositing the same in the United States Mail at Gaffney, South Carolina, and that there is regular communication by the United States Mail between the place of mailing and the places so addressed.


Susan Ranke
Paralegal to James R. Thompson
Attorney for the Plaintiff
210 S. Limestone Street, Suite 1
Gaffney, SC 29340-3014
TEL: (864) 489-6052
FAX: (864) 489-5406

Gaffney, South Carolina
Date: November 7, 2011

ITEM(S) MAILED: MOTION FOR DEFAULT JUDGMENT

EXHIBIT E

Return To:

JPMORGAN CHASE BANK, N.A.
700 KANSAS LANE
MONROE, LA 71203-4774

ATTENTION: RECORDS & IMAGING MGT MAIL CODE:LA4-4108

Prepared By: SCOTT THOMAS

MORTGAGE BOOK 227 PAGE 786

[Space Above This Line For Recording Date]

MORTGAGE

82656336
182656667
FILE FOR RECORD
JAN - 4 P 3:41
S. BRADLEY MORRIS
CLERK OF COURT
UNION, SC

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 December 27, 2006 together with all Riders to this document.

(B) "Borrower" is HENRY G LEDBETTER, MARRIED
RHONDA LEDBETTER, MARRIED

mail to:
Hanger with Agency Inc
PO Box 2196
S.C. 29304

FILED IN THE OFFICE OF CLERK OF COURT
THIS 4 DAY OF Jan. A.D. 2007
AT 3:41 P.M. AND RECORDED IN
BOOK NO. 227 PAGE 786

Borrower is the mortgagor under this Security Instrument.

(C) "Lender" is JPMORGAN CHASE BANK, N.A. S. BRADLEY MORRIS, C.C.C.P. & G.S.
UNION COUNTY, S.C.

Lender is a BANK
organized and existing under the laws of the U.S.A.

SOUTH CAROLINA - Single Family - Fannie Mae/Freddie Mac UNIFORM INSTRUMENT

Form 3041 1/01

6(SC) (0006)

Page 1 of 15

Initials *HTL RAL*

VMP MORTGAGE FORMS - (050)621-7291



Lender's address is 1111 POLARIS PARKWAY
COLUMBUS OH 43240

Lender is the mortgagee under this Security Instrument.

(D) "Note" means the promissory note signed by Borrower and dated December 27, 2006.

The Note states that Borrower owes Lender

One Hundred Fifty-One Thousand, Five Hundred and 00/100 Dollars
(U.S. \$ 151,500.00) 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, 2022.

(E) "Property" means the property that is described below under the heading "Transfer of Rights in the
Property."

(F) "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.

(G) "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):

- | | | |
|--|--|---|
| <input type="checkbox"/> Adjustable Rate Rider | <input type="checkbox"/> Condominium Rider | <input type="checkbox"/> Second Home Rider |
| <input type="checkbox"/> Balloon Rider | <input checked="" type="checkbox"/> Planned Unit Development Rider | <input type="checkbox"/> 1-4 Family Rider |
| <input type="checkbox"/> VA Rider | <input type="checkbox"/> Biweekly Payment Rider | <input type="checkbox"/> Other(s) [specify] |

(H) "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.

(I) "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.

(J) "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 remittal, 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.

(K) "Escrow Items" means those items that are described in Section 3.

(L) "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.

(M) "Mortgage Insurance" means insurance protecting Lender against the nonpayment of, or default on,
the Loan.

(N) "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.

(O) "RESPA" means the Real Estate Settlement Procedures Act (12 U.S.C. Section 2601 et seq.) and its
implementing regulation, Regulation X (24 C.F.R. Part 3500), as they might be amended from time to
time, or any additional or successor legislation or regulation that governs the same subject matter. As used
in this Security Instrument, "RESPA" refers to all requirements and restrictions that are imposed in regard
to a "federally related mortgage loan" even if the Loan does not qualify as a "federally related mortgage
loan" under RESPA.

Exhibit A

All that certain piece, parcel or lot of land lying, being and situate in Union County, South Carolina, and also being known and designated as Lot No. 46 of Rockport Subdivision as shown on plat of survey entitled "Rockport, Phase I" prepared by Wolfe & Huskey, Inc., Engineering and Surveying, dated November 4, 1992, and recorded November 17, 1992 in Plat Book 28, page 14, Clerk of Court Office for Union County, South Carolina.

This property is being conveyed subject to Restrictive Covenants recorded in Deed Book 208, page 584, Office of the Clerk of Court for Union County, South Carolina.

This being the same property conveyed to Henry G. Ledbetter and Rhonda Ledbetter by deed of James S. Burress and Robynne O. Burress, dated August 19, 2004, recorded August 16, 2004 in Deed Book 228, page 938, Office of the Clerk of Court for Union County, South Carolina.

JMC

RCJ

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:

Cathy By

(Seal)
-Borrower

[Signature]

(Seal)
-Borrower

[Signature]

HENRY G LEDBETTER

(Seal)
-Borrower

(Seal)
-Borrower

[Signature]

RHONDA LEDBETTER

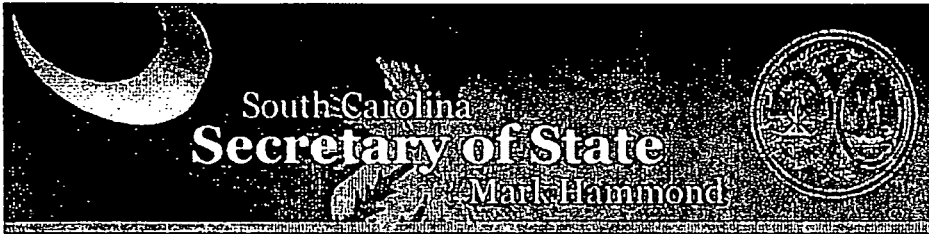
(Seal)
-Borrower

(Seal)
-Borrower

(Seal)
-Borrower

(Seal)
-Borrower

EXHIBIT F



CHASE EQUIPMENT FINANCE, INC.

*Note: This online database was last updated on 7/19/2012 6:01:23 PM.
See our Disclaimer.*

DOMESTIC / FOREIGN: Foreign
 STATUS: MER
 STATE OF INCORPORATION / ORGANIZATION: OHIO Profit

REGISTERED AGENT INFORMATION

REGISTERED AGENT NAME: C T CORPORATION SYSTEM
 ADDRESS: 2 OFFICE PARK COURT
 CITY: COLUMBIA
 STATE: SC
 ZIP: 29223
 SECOND ADDRESS: SUITE 103

FILE DATE: 12/30/1986
 EFFECTIVE DATE: 04/24/1987
 DISSOLVED DATE: 06/28/2011

Corporation History Records

CODE	FILE DATE	COMMENT	Document
Merger	06/28/2011	MERGED INTO-JPMORGAN CHASE BANK, NATIONAL ASSOCIATION(NO)	
Agent	05/22/2010	CH AGT ADDRESS	
Foreign Amendment	05/14/2009	CHANGED NAME FROM-CHASE EQUIPMENT LEASING INC.	
Amendment	01/06/2005	CHANGED NAME FROM BANC ONE LEASING CORPORATION	
Authority	04/24/1987	AUTHORITY	Film

Disclaimer: The South Carolina Secretary of State's Business Filings database is provided as a convenience to our customers to research information on business entities filed with our office. Updates are uploaded every 48 hours. Users are advised that the Secretary of State, the State of South Carolina or any agency, officer or employee of the State of South Carolina does not guarantee the accuracy, reliability or timeliness of such information, as it is the responsibility of the business entity to inform the Secretary of State of any updated information. While every effort is made to insure the reliability of this information, portions may be incorrect or not current. Any person or entity who relies on information obtained from this database does so at his own risk.

EXHIBIT G

SAINT-AMAND, THOMPSON & MATHIS, L.L.C.

Attorneys At Law

JAMES R. THOMPSON
JOSEPH L. MATHIS
JOSEPH L. V. JOHNSON

210 SOUTH LIMESTONE STREET, SUITE 1
GAFFNEY, SOUTH CAROLINA 29340-3014
TELEPHONE (864) 489-6052
TELEFAX (864) 489-5406

C. EMILE SAINT-AMAND
(1907-1992)

March 24, 2011

VIA: FAXSIMILE
1-614-417-9407

JP Morgan Chase Bank, N.A.
Attention: Payoff Processing

RE: Henry Gene Ledbetter and Rhonda C. Ledbetter
Loan # [REDACTED] B367
111 Rockport Way, Pacolet, SC

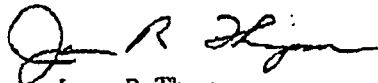
Dear Chase:

I represented First Piedmont Federal Savings and Loan Association in the foreclosure of a Second Mortgage on the above property. Mr. & Mrs. Ledbetter were no longer living on the property and I could not locate them to serve them personally and they were served by publication.

First Piedmont Federal is now the owner of this property and would like to pay off your first mortgage. Please provide me with a payoff good through April 1, 2011 and indicate that it is the payoff for 111 Rockport Way, Pacolet, South Carolina.

Thank you for your prompt attention to this matter.

Very truly yours,


James R. Thompson

JRT/sr

EXHIBIT H

CHASE FAX COVER SHEET

Date: 3/29/2011

If you do not receive a clear transmission, please call us at the Customer Care number referenced below.

Deliver To: James R Thompson

Sent From: Chase (OH4-7302)
3415 Vision Drive
Columbus, OH 43219-6009

Fax: (864) 489-5406

Confidentiality Notice:

Per your request, the documents were sent via the fax number provided to Chase by you or your representative. If you do not receive any or all of the pages properly, please call us at (800) 848-9136. This transmission is only intended for the use of the individual or entity to which it is addressed, and may contain information that is confidential or privileged under law. If the reader of this message is not the intended recipient, you are hereby notified that retention, dissemination, distribution, disclosure, printing, copying, or use of any of the information contained in or attached to this fax is strictly prohibited. If you received this fax in error, please notify the sender immediately by telephone and destroy the original. Thank you.

Felecia A. Thomas

Chase (OH4-7302)
3415 Vision Drive
Columbus, OH 43219-6009



March 29, 2011

James R Thompson

Re: Account Number: *****3367
Henry G. Ledbetter and Rhonda Ledbetter

Junior Lien Holder

Dear James R Thompson:

I am writing in response to the inquiry Chase received about the mortgage loan referenced above. We cannot process your request. Chase is committed to protecting customer account information. For that reason, we require a copy of the Note before we can release any information to the Junior Lien Holder.

We appreciate your business. If you have questions, please call us at the telephone number below.

Sincerely,

A handwritten signature in cursive script that reads "Larry Thode".

Larry Thode
Vice President
Chase Home Lending
(800) 848-9136 Customer Care
(800) 582-0542 TDD / Text Telephone
www.chase.com

CC104

EXHIBIT I

THIS IS INTENDED ONLY FOR THE USE OF ADDRESSEE. IT CONTAINS INFORMATION WHICH IS CONFIDENTIAL UNDER THE ATTORNEY-CLIENT PRIVILEGE OR OTHERWISE NOT SUBJECT TO DISCLOSURE. IF YOU ARE NOT THE INTENDED RECIPIENT OR THE EMPLOYEE OR AGENT RESPONSIBLE FOR DELIVERING THE MESSAGE TO THE INTENDED RECIPIENT, ANY USE OF THIS INFORMATION, OR DISSEMINATION, DISTRIBUTION OR COPYING OF THIS COMMUNICATION, IS STRICTLY PROHIBITED. IF YOU HAVE RECEIVED THIS COMMUNICATION IN ERROR, PLEASE NOTIFY US IMMEDIATELY BY TELEPHONE. THANK YOU.

FAX TRANSMISSION

SAINT-AMAND, THOMPSON & MATHIS, L.L.C.

210 SOUTH LIMESTONE STREET, SUITE 1

GAFFNEY, SC 29340-3014

(864) 489-6052

FAX: (864) 489-5406

To: Chase
Customer Service

Date: March 29, 2011

Fax #: 614-422-7575

Pages: 9 including this cover sheet

From: James R. Thompson

Subject: Henry G. Ledbetter vs. Rhonda Ledbetter
Loan # 1826563367

COMMENTS: (See Attached)

Letter dated March 24, 2011 (James R. Thompson)

Letter dated March 29, 2011 (Chase)

Mortgage Note

Order for Publication

Affidavit for Publication (Union County News)

SAINT-AMAND, THOMPSON & MATHIS, L.L.C.
Attorneys At Law

JAMES R. THOMPSON
JOSEPH L. MATHIS
JOSEPH L. V. JOHNSON

210 SOUTH LIMESTONE STREET, SUITE 1
GAFFNEY, SOUTH CAROLINA 29340-3014
TELEPHONE (864) 489-6052
TELEFAX (864) 489-3406

C. EMILE SAINT-AMAND
(1907-1992)

March 24, 2011

VIA: FAXSIMILE
1-614-417-9407

JP Morgan Chase Bank, N.A.
Attention: Payoff Processing

RE: Henry Gene Ledbetter and Rhonda C. Ledbetter
Loan # [REDACTED] 3367
111 Rockport Way, Pacolet, SC

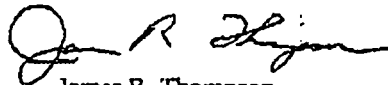
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JRT/sr

Chase (OH4-7302)
3415 Vision Drive
Columbus, OH 43219-6009



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Larry Thode
Vice President
Chase Home Lending
(800) 848-9136 Customer Care
(800) 582-0542 TDD / Text Telephone
www.chase.com

CC104

Note, Disclosure, and Security Agreement

<p>Lender FIRST PIEDMONT FEDERAL SAVINGS & LOAN ASSOCIATION 1220 WEST FLOYD BAKER BOULEVARD PO BOX 1800 GAFFNEY, SC 29341</p>	<p>Borrower HENRY GENE LEDBETTER JR.; RHONDA C. LEDBETTER 111 ROCKPORT WAY PACOLEY, SC 29372</p> <p><input type="checkbox"/> Refer to the attached addendum for additional Borrowers and their signatures.</p>	<p>Loan Number: <u>0078</u> Loan Date: <u>01-23-2008</u> Maturity Date: <u>02-10-2013</u> Loan Amount: <u>22,738.00</u> Amount of <u> </u></p>
--	--	---

Annual Percentage Rate, Finance Charge, Amount Financed, Total of Payments

<p>Annual Percentage Rate The cost of my credit as a yearly rate. 6.825%</p>	<p>Finance Charge The dollar amount the credit will cost me. \$6,895.40</p>	<p>Amount Financed The amount of credit provided to me or on my behalf. \$ 32,171.00</p>	<p>Total of Payments The amount I will have paid when I have made all scheduled payments. \$ 39,166.40</p>
---	--	---	---

<p>My Payment Schedule Will Be:</p> <p>Payments: <u>80</u> Amount of Payments: <u>\$ 838.94</u></p> <p>\$ \$ \$</p>	<p>When Payments Are Due MONTHLY BEGINNING 03-10-2008</p>	<p>*"a" means to alternate.</p>
--	---	---------------------------------

Demand. This note has a demand feature. This note is payable on demand and all disclosures are based on an assumed maturity of one year.

Prepayment. If I pay off this note early, I may will not have to pay a minimum charge.

If I pay off this note early, I may be entitled to a refund of part of the additional finance charge.

Late Charge. I will be charged a late charge when an installment is not paid within 10 days after it is due. This charge will be 5% of the unpaid portion of the installment, or \$18.50, whichever is less. However, this charge will not be less than \$9.20. These amounts may change pursuant to §§ 37-3-203 and 37-1-109 of the South Carolina Consumer Protection Code so to always be the maximum amount allowed by law.

Security. I am giving a security interest in:
 the goods or property being purchased.
 collateral securing other loans with you may also secure this loan.
 (brief description of other property) REAL ESTATE MORTGAGE ON 111 ROCKPORT WAY, PACOLEY, SC 29372

Filing Fee. \$11.00

Non-Filing Insurance. \$

Required Deposit. The annual percentage rate does not take into account my required deposit.

Assumption. Someone buying the property securing this obligation cannot assume the remainder of the obligation on the original terms.

Contract Documents. I can see my contract documents for any additional information about nonpayment, default, any required repayment before the scheduled date, and prepayment refunds and penalties.

Promise to Pay, SEE ATTACHED AMOUNT FINANCED ITEMIZATION

Promise to Pay. For value received, I promise to pay to you, or your order, at your address above, the principal sum of \$22,738.00 plus interest from 01-23-2008 at the rate of 6.825 % per year until PAID IN FULL.

Interest accrues on an ACTUAL/ACTUAL basis. I agree to pay late charges in accordance with the provisions shown in the Truth-in-Lending Disclosures. The purpose of this loan is CONSOLIDATION.

Payment. I will pay this note as follows:
80 MONTHLY PAYMENTS OF \$838.94 BEGINNING 03-10-2008.

Security Agreement

Security. To secure the obligations of this Loan Agreement, I give you a security interest in the Property described below:

- Additional Finance Charge.** I also agree to pay a refundable fee of \$87.00 and it will be paid in cash. paid pro rate over the loan term. withheld from the proceeds, (if this fee is withheld from the proceeds, the amount is included in the principal sum.)
- Minimum Charge.** I agree to pay a minimum charge of \$16.00 if I pay this note off before you have earned this much in loan finance charges.
- Other Terms.**
- All Debts.** The Property will also serve as collateral for all present and future debts.
- Other Security.** This Loan Agreement is secured by REAL ESTATE MORTGAGE ON 111 ROCKPORT WAY, PACOLEY, SC 29372

Additional Terms of the Promissory Note

Definitions. As used in this Loan Agreement, [X] indicates terms that apply in this Loan Agreement. Loan Agreement refers to this Promissory Note, Security Agreement, and Terms in Lending Description, and any extensions, renewals, modifications, and substitutions of this Loan Agreement. Loan refers to this transaction generally, including obligations and duties arising from the terms of all documents prepared or submitted for this transaction, such as applications, security agreements, disclosures, or notes, and this Loan Agreement. Security Agreement refers to the security agreement contained within this Loan Agreement. Secured Debt refers to all sums advanced to you under the terms of the Loan Agreement, and all present and future debts (if the All Debts subsection of the Security Agreement has been checked). The promise I, me and my refer to each borrower signing this Loan Agreement, individually and collectively with their heirs, successors and assigns, and each other person or legal entity (including guarantors, endorses, and sureties) who agrees to pay this Loan Agreement. You and your refer to the Lender and its successors and assigns.

Payments. Unless otherwise provided in the Other Terms section, each payment I make on this Loan Agreement will be applied first to any charges I owe other than principal and interest, then to interest due to date, and finally to principal that is due. No late charge will be assessed on any payment when the only delinquency is due to late fees assessed on earlier payments and the payment is otherwise a full payment. The actual amount of my full payment will depend on my payment record.

Interest. Interest will accrue on the unpaid principal balance until paid in full. For interest calculation, the actual method will determine the number of days in a year. The interest rate and other charges on this Loan Agreement will never exceed the highest rate or charge allowed by law for this loan. If the amount collected is found to exceed the highest rate or charge allowed, you will refund an amount necessary to comply with the law.

Prepayment. I may prepay this Loan Agreement in whole or in part at any time. Any partial prepayment will not excuse any later scheduled payments until I pay in full.

If an Additional Finance Charge has been triggered and the loan is prepaid in full, or upon maturity by acceleration, I agree that this fee or a portion thereof, will be refundable if the prepayment causes the recalculated APR to exceed the finance charge allowed by law.

Commissions. I understand and agree that you (or your affiliate) will earn commissions or fees on any insurance products, and may learn such fees on other services that I buy through you or your affiliate.

Waiver and Representations. I have the power and authority to enter into this Loan Agreement and delivery of this Loan Agreement will not violate any agreement governing me or my property, in which I am a party. I own all of the Property, unless otherwise stated and disclosed to you in writing. You claim to be the Property is ahead of the claims of any other creditor, except as disclosed in writing to you prior to any advance on the Secured Debt. The Property has not been and will not be used for any purpose that would violate any laws or subject the Property to forfeiture or seizure.

Default. Subject to any limitations in the Real Estate or Residence Security section, I will be in default if any of the following occur:

- I fail to make a payment when due.
- The prospect of payment, performance, or satisfaction on collateral is significantly impaired.
- Remedies. Subject to any limitations in the Real Estate or Residence Security section, and unless stated in the Security Agreement, after I default, you may at your option do any one or more of the following:
 - Make all or part of the amount owing by the terms of this Loan Agreement due.
 - Use any and all remedies you have under state or federal law, or in any instrument securing this Loan Agreement.
 - Make a claim for any and all insurance benefits or funds that may be available on my default.
 - Set off any amount due and payable under the terms of this Loan Agreement against my right to receive money from you, unless prohibited by law.
 - Make a claim for any and all insurance benefits or funds that may be available on my default under the terms of this Loan Agreement.
 - Require me to gather the Property and make it available to you in a reasonable fashion (unless prohibited by law), keep or dispose of the Property as provided by law; apply the proceeds to your expenses of collection and enforcement; and then to the Secured Debt; and, unless prohibited by law, and without any required notice of delinquency, hold me liable for any delinquency if when you receive from the sale does not satisfy the Secured Debt.

By electing any one or more of these remedies you do not give up your right to use any other remedy. You do not waive a default if you choose not to use a remedy. My electing not to use any remedy, you do not waive your right to later consider the event a default and to use any remedies if the default continues or occurs again.

Real Estate or Residence Security. If this Loan Agreement is secured by real estate or a residence that is personal property, the existence of a default and your remedies for such a default will be determined by applicable law, by the terms of any separate instrument creating the security interest, and, to the extent not prohibited by law and not contrary to the terms of the separate security instrument, by this Loan Agreement.

Waivers. To the extent not prohibited by law, I waive present, past, and future claims, demands, notices of acceleration, notices of intent to accelerate, and notices of default. You may renew or amend payments on this Loan Agreement, regardless of the number of such renewals or amendments. You may release any borrower, endorser, guarantor, surety, accommodation maker, or any other co-signer. You may release, substitute, or impair any Property securing this Loan Agreement.

Collection Expenses and Attorneys' Fees. On or after Default, to the extent permitted by law, I agree to pay all reasonable expenses of collection, enforcement, or protection of your rights and remedies under this Loan Agreement. Expenses include, but are not limited to, attorneys' fees not to exceed 15% of the unpaid debt after default and referral to an attorney that is the usual practice of your business, court costs and other legal expenses. These expenses will be due and payable immediately, if not paid immediately, these expenses will bear interest from the date of payment until paid in full at the rate provided in the terms of this Loan Agreement. All fees and expenses will be secured by the Property I have granted you, if any. To the extent permitted by the United States Bankruptcy Code, I agree to pay the reasonable attorneys' fees you incur to collect this debt as awarded by any court exercising jurisdiction under the Bankruptcy Code.

General Provisions. This Loan Agreement is governed by the laws of South Carolina, the United States of America, and to the extent required, by the laws of the jurisdiction where the Property is located, if that or more borrowers sign this Loan Agreement, we are liable to repay jointly and severally. This Loan Agreement is the complete and final expression of our agreement. No modification of this Loan Agreement is effective unless made in writing and signed by me and you. The duties and benefits of this Loan Agreement will bind and benefit the successors and assigns of me and you. If any provision of this Loan Agreement is unenforceable, then the unenforceable provision will be severed and the remaining provisions will be enforceable.

Unless otherwise required by law, any notice will be given by delivering it or mailing it by first class mail to my last known address. Notice to one party will be deemed to be notice to all parties. Where a notice is required, I agree that 10 days prior written notice will be reasonable notice to me under the Uniform Commercial Code or other applicable state law.

I will provide you any financial statement or information you request. All financial statements and information I give you will be correct and complete. My name and address are my best legal name and my principal residence. I will provide you with at least 30 days notice prior to changing my name or principal residence.

I agree to sign, deliver, and file any additional documents or certificates that you may consider necessary in perfect, continue, and preserve my obligations under this Loan and to confirm your lien status on any Property.

Additional Terms of the Security Agreement

Generally. Property means any collateral described to this Loan Agreement in which I have an interest, now or in the future, wherever the Property is or will be located, and all proceeds and products from the Property. Property includes all past, present, and future interests, improvements, and accessories to the Property; any original or derivative title or interests; and all obligations that support the payment or performance of the Property.

If the All Debts subsection is checked, the Property also secures all present and future debts, even if this Loan Agreement is not referenced in the debt instrument, the future debts are also secured by other collateral, or if the future debt is secured by a different type than this debt. Nothing in this Loan Agreement will not secure any debt for which you fail to give any required notice of the right of retention (i.e., right to cancel), or any debt for which a non-purchase money security interest is created in household goods or consumer with a consumer loan, as those terms are defined by federal law governing unfair and deceptive credit practices.

Purchase Money Security Interest. If this is a purchase money loan (the loan proceeds are used to purchase the collateral), I authorize you, at your option, to distribute the loan proceeds directly to the seller of the Property. The portion of the Property purchased with loan proceeds will remain subject to your purchase money security interest until the Secured Debt is paid in full. Payments on any non-purchase money loan are secured by this Security Agreement will not be applied to the purchase money loan. Payments on the purchase money loan will be applied first to the non-purchase money portion of the loan, if any, and then to the purchase money portion in the order in which the purchase money Property was acquired. If the purchase money Property was acquired at the same time, then payments will be applied in the order you select. No security interest will be terminated by application of this formula.

Waivers. I waive all claims for loss or damage caused by your acts or omissions where you acted reasonably and in good faith. I waive all rights I have now or in the future to a lienholder or personal property exemption in the Property.

Assumptions. Someone buying the Property cannot assume the obligations. You may declare the entire balance of the Loan Agreement to be immediately due and payable upon the creation of, or transfer of, or creation of, a transfer or sale of the Property.

Perfection of Security Interest. I authorize you to file a financing statement covering the Property. I agree to comply with, maintain, and otherwise assist you in connection with perfecting your security interest under the Uniform Commercial Code.

Duties Toward Property. I will protect the Property and you, interest against any competing claims. Except as otherwise provided in this Loan Agreement, I will keep the Property in my possession at the address indicated in this Loan Agreement. I will keep the Property in good repair and use it only for personal, family, or household purposes. I will immediately inform you of any loss or damage to the Property. You have the right of reasonable access to inspect the Property.

I will keep books, records, and accounts about the Property and my assets in general, to which I will allow you reasonable access. I will pay all taxes and assessments levied or assessed against me or the Property. I will not sell, lease, license, or otherwise transfer or encumber the Property without your prior written consent. You do not authorize any sale or other disposition of the Property. Any sale or disposition you do not authorize will violate your rights.

If I pledge the Property to you (deliver the Property into you, or you designated third party's possession or control), I will, upon receipt, deliver any proceeds and products of the Property to you. I will provide you with any notices, statements, financial history, reports, and other information relating to the Property I receive as the owner of the Property.

Insurance. I agree to keep the Property insured against the risks reasonably associated with the Property until the Property is released from this Security Agreement. I may provide the required insurance through an existing policy of insurance that I own or control, or through a policy that I buy. I have the choice in the selection of an insurance company, subject to applicable law. I will maintain this insurance in the amounts you require and have the insurance company name you as loss payee on any insurance policy. I will give you and the insurance company immediate notice of any loss. You may apply the insurance proceeds toward what is owed on the Secured Debt, if the insurance proceeds do not cover the amount I owe you. I will pay the difference. You may require additional security as a condition of providing any insurance proceeds to be used to repay or replace the Property. If you acquire the Property in damaged condition, my rights to any insurance policies and proceeds will pass to you to the extent of the Secured Debt. I will immediately notify you of cancellation or termination of insurance.

I am required to maintain insurance on the Property to protect your interest. If I fail to maintain the required insurance, or fail to provide you with evidence of insurance, I understand and agree to the following:

- You may (but are not required to) place insurance on the Property to protect your interest, which will not cover my equity in the Property.
- The insurance you provide may be written by a company other than one I could choose and may be written at a higher rate than I could obtain if I purchased the insurance.
- I will pay for the costs of any Property insurance you provide.

Single interest insurance. I may obtain single interest insurance from anyone I want that is acceptable to you. If I get the insurance from or through you I will pay \$_____ for _____ of coverage.

Property insurance. I may obtain property insurance from anyone I want that is acceptable to you. If I get the insurance from or through you I will pay \$_____ for _____ of coverage.

Authority to Perform. I authorize you to do anything you deem reasonably necessary to protect the Property and your security interest in the Property. If I fail to perform any of my duties under this Loan Agreement, you are authorized, after providing me with any required notice and opportunity to perform, to perform the duties or cause them to be performed and add the costs of performance to the Secured Debt. These authorizations include, but are not limited to, permission to pay for the repair, maintenance, and preservation of the Property and taking any action to obtain or preserve the benefits and rights of the Property. Your authority to perform for me will not create an obligation to perform and your failure to perform will not preclude you from exercising any other rights under the law or this Security Agreement. If you come into actual or constructive possession of the Property, you will preserve and protect the Property to the extent required by law. Your duty of care with respect to the Property will be satisfied if you exercise reasonable care in the safeguarding of the Property or in the selection of a third party in possession of the Property.

Additional Sources of Insurance - Disclosure

Product refers to any insurance product or annuity I purchase from you. With regard to any Product I purchase from you, the following apply:

- The Product is not a deposit account or other obligation of any depository institution or any affiliate of any depository institution.
- The Product is not guaranteed or insured by any depository institution or any affiliate of any depository institution.
- The Product is not insured by the Federal Deposit Insurance Corporation (FDIC).
- The Product, except in the case of Federal Flood Insurance or Federal Crop Insurance, is not insured by any federal government agency.
- If this box is checked, there is investment risk associated with the Product, including the possible loss of value.

Third Party Agreement

For the purposes of the provisions within this enclosure, I, me or my means the person signing below and you means the Lender identified in this Loan Agreement. I agree to give you a security interest in the Property that is described in the Security Agreement section. I agree to the terms of this Loan Agreement, but I am in no way personally liable for payment of the debt. This means that if the Borrower defaults, my interest in the secured Property may be used to satisfy the Borrower's debt. I agree that you may, without releasing me or the Property from this Third Party Agreement and without notice or demand upon me, extend new credit to any Borrower, renew or change the Loan Agreement one or more times and for any term, or fail to perfect your security interest in, impair, or release any security (including guarantees) for the obligations of any Borrower. I have received a completed copy of this Loan Agreement.

X _____ (Sign)

By signing, I acknowledge that I have received a copy of this disclosure on today's date. Unless these disclosures are provided electronically or I have purchased the Product by mail, I also acknowledge that you have provided these disclosures to me orally.

X _____ Date _____

X _____ Date _____

X _____ Date _____

Attach FTC "Preservation of Consumer Claims and Defenses" Notice if Applicable.

Notice to Borrower

You (the cosigner) are being asked to guarantee this debt. Think carefully before you do. If the borrower doesn't pay the debt, you will have to. Be sure you can afford to pay if you have to, and that you want to accept this responsibility. You may have to pay up to the full amount of the debt if the borrower does not pay. You also may have to pay late fees or collection costs, which increase this amount. The creditor can collect this debt from you without first trying to collect from the borrower. The creditor can use the same collection methods against you that can be used against the borrower, such as suing you, etc. If this debt is ever in default, that fact may become part of your credit record. This notice is part of the contract that makes you liable for the debt.

Insurance

Credit insurance, credit life, credit accident and sickness (disability), and any other insurance coverage quoted below, are not required to obtain credit and you will not provide them unless I sign and agree to pay the additional premium. If I want such insurance, you will obtain it for me (if I qualify for coverage). You are quoting below ONLY the coverages I have chosen to purchase.

Credit Life	Premium	\$ _____
<input type="checkbox"/> Single <input type="checkbox"/> Joint <input checked="" type="checkbox"/> None	Term	_____
Credit Disability	Premium	\$ _____
<input type="checkbox"/> Single <input type="checkbox"/> Joint <input checked="" type="checkbox"/> None	Term	_____
_____	Premium	\$ _____
<input type="checkbox"/> Single <input type="checkbox"/> Joint <input type="checkbox"/> None	Term	_____

Signature. My signature below means I want (only) the insurance coverage(s) quoted above. If "None" is checked, I have declined the coverage you offered.

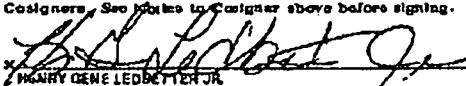
X _____ DOB _____


X _____ DOB _____

X _____ DOB _____

Signatures

By signing under seal, I agree to the terms contained in this Loan Agreement. I also acknowledge receipt of a copy of this Loan Agreement on today's date. Cosigners - See Notice to Cosigner above before signing.

X  (Seal)
HARRY GENE LEDBETTER JR.

X  (Seal)
RHONDA C. LEDBETTER

X _____ (Seal)

(Optional)
Signed _____ For Lender
Title VICE PRESIDENT - 388

COPY

STATE OF SOUTH CAROLINA)
)
COUNTY OF UNION)

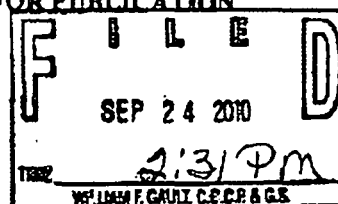
IN THE COURT OF COMMON PLEAS
2010-CP-44-219

First Piedmont Federal Savings and Loan)
Association, Gaffney, South Carolina)
)
Plaintiff,)

-vs-

Henry Gene Ledbetter, Rhonda C. Ledbetter)
and JPMorgan Chase Bank, N.A.)
)
Defendants.)

ORDER FOR PUBLICATION



It appearing to my satisfaction from the attached Affidavit of James R. Thompson, attorney for Plaintiff, and the Complaint filed herein, that a cause of action exists in favor of the Plaintiff against the Defendants, Henry Gene Ledbetter and Rhonda C. Ledbetter, herein; that the action is for foreclosure of a certain mortgage covering real estate located in the County and State aforesaid; and that, upon information and belief and to the best knowledge of Affiant below, the Defendants, Henry Gene Ledbetter and Rhonda C. Ledbetter are not a resident of the State of South Carolina, or, if so, the present whereabouts of said Defendants, Henry Gene Ledbetter and Rhonda C. Ledbetter, are unknown and that the said Defendants, Henry Gene Ledbetter and Rhonda C. Ledbetter, are a necessary party to the within action, now therefore, on motion of the undersigned attorney for the Plaintiff.

IT IS ORDERED that the Summons herein, together with Notice of the Filing thereof on the Office of the Clerk of Court for Union County, South Carolina, be served upon the said Defendants, Henry Gene Ledbetter and Rhonda C. Ledbetter, by publication of the same in a newspaper published in the County and State aforesaid, which newspaper is designated most likely to give notice to said Defendants, Henry Gene Ledbetter and Rhonda C. Ledbetter, once a week for three consecutive weeks, and that a copy of the Summons and Complaint be forwarded to said Defendants, Henry Gene Ledbetter and Rhonda C. Ledbetter, by depositing the same in the United States mail, postage prepaid, addressed to the last known address of said Defendants, Henry Gene Ledbetter and Rhonda C. Ledbetter.

In the event service is accomplished by other means, publication may cease without further notice or order.

William F. Gault
William F. Gault, Clerk of Court
for Union County

Union
~~Gaffney, South Carolina~~
~~September 24, 2010~~

Union County News



Union County's only locally owned and operated newspaper

Union, S.C.
PUBLISHERS

STATE OF SOUTH CAROLINA
COUNTY OF UNION

Personally appeared before me ANNA BLAND who being duly sworn, says that (he, she) is publisher of the Union County News, a weekly newspaper published at Union, County and State aforesaid, and that the attached advertisement appeared 3 times in said newspaper, and on the following dates consecutively:

Oct. 11, 2010
Oct 18, 2010
Oct 25, 2010

Sworn to and subscribe before me, this
..... day of November 2010

Anna Bland

[Signature]
Notary

~~MY COMMISSION EXPIRES APRIL 15, 2011~~

Commission Expires

FILE FOR RECORD
2010 NOV -4 PM 1:31
WILLIAM F. GAULT
CLERK OF COURT
UNION, SC

LEGAL NOTICE

STATE OF SOUTH
CAROLINA
IN THE COURT OF
COMMON PLEAS
COUNTY OF UNION
2010-CP-44-219
NOTICE OF FILING

First Piedmont Federal
Savings and Loan
Association, Gaffney, South
Carolina, Plaintiff,
-vs-
Henry Gene Ledbetter,
Rhonda C. Ledbetter and
JPMorgan Chase Bank,
N.A., Defendants

YOU WILL PLEASE
TAKE NOTICE that the Lis
Pendens, Summons and
Complaint in this action
were filed in the Office of
the Clerk of Court for Union
County, South Carolina on
September 1, 2010.

SAINT-AMAND, THOMP-
SON & MATHIS, LLC

BY:
James R. Thompson
Attorney for Plaintiff
210 South Limestone
Street, Suite 1
Gaffney, SC 29340-3014
TEL (864)489-6052
FAX (864) 489-5408

Gaffney, South Carolina
September _____, 2010

STATE OF SOUTH
CAROLINA
IN THE COURT OF

COMMON PLEAS
COUNTY OF UNION
2010-CP-44-219
SUMMONS
(Non-Jury)

First Piedmont Federal
Savings and Loan
Association, Gaffney, South
Carolina, Plaintiff,
-vs-
Henry Gene Ledbetter,
Rhonda C. Ledbetter and
JPMorgan Chase Bank,
N.A., Defendants.

TO THE DEFENDANT(S)
ABOVE NAMED:

You are hereby sum-
moned and required to
answer the Complaint in
this action, of which a copy
is herewith served upon
you, and to serve a copy of
your Answer to the said
Complaint on the
Subscriber at his office at
210 South Limestone
Street, Suite 1, Gaffney,
South Carolina 29340, with-
in thirty (30) days after the
service hereof, exclusive of
the day of such service;
and if you fail to answer the
Complaint within the time
aforesaid, the Plaintiff(s) in
this action will apply to the
Court for the relief demand-
ed in the Complaint.

SAINT-AMAND,
THOMPSON & MATHIS,
LLC

BY:
James R. Thompson
Attorney for Plaintiff
210 South Limestone
Street, Suite 1
Gaffney, SC 29340-3014
TEL (864)489-6052
FAX (864) 489-5408

Gaffney, South Carolina
August _____, 2010
10/11, 18, 25

EXHIBIT J

CHASE FAX COVER SHEET

Date:4/28/2011

If you do not receive a clear transmission, please call us at the Customer Care number referenced below.

Deliver To: James R Thompson

Sent From: Chase (OH4-7302)
3415 Vision Drive
Columbus, OH 43219-6009

Fax: (864) 489-5406

Confidentiality Notice:

Per your request, the documents were sent via the fax number provided to Chase by you or your representative. If you do not receive any or all of the pages properly, please call us at (800) 848-9136. This transmission is only intended for the use of the individual or entity to which it is addressed, and may contain information that is confidential or privileged under law. If the reader of this message is not the intended recipient, you are hereby notified that retention, dissemination, distribution, disclosure, printing, copying, or use of any of the information contained in or attached to this fax is strictly prohibited. If you received this fax in error, please notify the sender immediately by telephone and destroy the original. Thank you.

Chase (OH4-7302)
3415 Vision Drive
Columbus, OH 43219-6009



April 28, 2011

James R. Thompson

Re: Account Number: *****3367
Henry G. Ledbetter and Rhonda Ledbetter

Authorization Required for Account Information

Dear James R. Thompson:

I am writing in response to the recent request that Chase received for information about one of our customer's accounts.

We are unable to process your request. Chase is committed to protecting customer account information. We require signed, written authorization from the customer before we can release any information by telephone or in writing to a third party.

We appreciate your business. If you have questions, please call us at the telephone number below.

Sincerely,

Chase
(800) 848-9136
(800) 582-0542 TDD / Text Telephone
www.chase.com

CC229

EXHIBIT K

SAINT-AMAND, THOMPSON & MATHIS, L.L.C.

Attorneys At Law

JAMES R. THOMPSON
JOSEPH L. MATHIS
JOSEPH L. V. JOHNSON

210 SOUTH LIMESTONE STREET, SUITE 1
GAFFNEY, SOUTH CAROLINA 29340-3014
TELEPHONE (864) 489-6052
TELEFAX (864) 489-5406

C. EMILE SAINT-AMAND
(1907-1992)

May 11, 2011

J.P. Morgan Chase Bank, N.A.
700 Kansas Lane
Monroe, LA 71203-4774

RE: 111 Rockport Way, Pacolet, S.C.
Formerly owned by Henry G. Ledbetter and Rhonda C. Ledbetter
Your loan # [REDACTED] 3367

Dear J.P. Morgan Chase Bank, N.A.:

I represent First Piedmont Federal Savings and Loan Association of Gaffney, South Carolina. My client is now the owner of the property described above by virtue of the foreclosure of a mortgage given to it by the Ledbetters on January 23, 2008.

On September 1, 2010, I filed a Summons and Complaint in Union County, South Carolina on behalf of First Piedmont Federal Savings and Loan Association to foreclose the aforesaid mortgage. The process server was unable to locate either Mr. or Mrs. Ledbetter in order to effect personal service of the pleadings and it was therefore necessary to serve them by publication. Chase Bank was also made a party to the foreclosure action because of an outstanding mortgage on the public records of Union County dated December 27, 2006 in the principal amount of One Hundred Fifty-One Thousand Five Hundred and 00/100 Dollars (\$151,500.00). A copy of the mortgage is enclosed. You were served with a copy of the pleadings by certified mail on September 10, 2010. Chase Bank did not file an Answer to the Complaint and it was not represented in any way.

As you can imagine, the mortgage of Chase Bank is an impediment to the sale of the property by my client. We have made repeated calls to various persons employed by Chase Bank in an attempt to pay the balance, if any, and obtain a satisfaction of the mortgage. Without exception, none of your representatives have been willing to discuss your mortgage or provide a payoff.

Your response, or lack of response, to our calls to pay you money leads me to one or more conclusions, i.e., you are continuing to receive regular monthly payments which I seriously doubt since the Ledbetters are no longer in possession or more likely your

mortgage has been paid in full and you failed to satisfy the mortgage on the public records. Unless I hear from you to the contrary, I will assume the latter is true and if so, pursuant to § 29-3-310, et seq. of the South Carolina Code of Laws, I am therefore requesting that you enter satisfaction of your mortgage on the public records of Union County, South Carolina or in the alternative deliver the satisfied mortgage to the undersigned who will be responsible for filing the satisfaction.

If by some chance there is a balance owed to you on the Ledbetter mortgage, kindly provide the payoff. If I do not hear from you or no payoff is provided, I will again assume that the mortgage debt has been paid in full and I will file suit to ask the Court to order that satisfaction be entered.

Thank you for your prompt attention to this matter.

Very truly yours,


James R. Thompson

JRT/sr

cc: Johnny R. Greene

Enclosures

THE STATE OF SOUTH CAROLINA
In the Court of Appeals

APPEAL FROM UNION COUNTY
Court of Common Pleas

The Honorable John C. Hayes, III, Circuit Court Judge

Case No. 2011-CP-44-342

First Piedmont Savings & Loan Association of Gaffney, South Carolina,Respondent,

v.

J.P. Morgan Chase Bank, N.A.,Appellant.

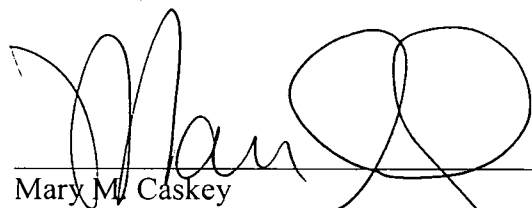
PROOF OF SERVICE

I, Mary M. Caskey, an attorney with Haynsworth Sinkler Boyd, P.A., counsel for Appellant J.P. Morgan Chase Bank, N.A., hereby certify that on August 2, 2012, I served the Memorandum in Support of Appellant's Motion to Stay Time Limits and for Leave to File a Motion to Set Aside the Judgment in the Trial Court in the above referenced matter on the Respondent, First Piedmont Savings & Loan Association of Gaffney, South Carolina by mailing a copy of the same, by United States Mail, postage prepaid, and addressed to counsel of record as follows:

James R. Thompson, Esq.
Saint-Amand Thompson & Mathis, LLC
210 South Limestone Street, Suite 1
Gaffney, South Carolina 29340-3014

[signature on following page]

RECEIVED
AUG 02 2012
SC Court of Appeals



Mary M. Caskey
Haynsworth Sinkler Boyd, P.A.
1201 Main Street, 22nd Floor (29201-3226)
Post Office Box 11889 (29211-1889)
Columbia, South Carolina
Tel: (803) 779-3080
Fax: (803) 765-1243

August 2, 2012

Haynsworth
Sinkler Boyd, P.A.

ATTORNEYS AND COUNSELORS AT LAW

CHARLESTON
COLUMBIA
FLORENCE
GREENVILLE
MYRTLE BEACH
WASHINGTON, DC

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FACSIMILE 803.765.1243
www.hsblawfirm.com

MARY M. CASKEY
ATTORNEY
DIRECT DIAL NUMBER 803.540.7870
mcaskey@hsblawfirm.com

August 2, 2012

Via Hand Delivery

The Honorable Jenny Abbott Kitchings
Clerk of Court
South Carolina Court of Appeals
1015 Sumter Street
Columbia, South Carolina 29201

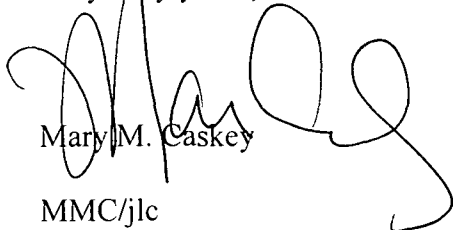
RE: *First Piedmont Federal Savings & Loan Association v. JPMorgan Chase Bank, N.A.*
Court of Appeals Tracking No. 2012207986
HSB File No. 09150.0243

Dear Ms. Kitchings:

Please find enclosed for filing the original and six copies of the Memorandum in Support of Appellant's Motion to Stay Time Limits and for Leave to File a Motion to Set Aside the Judgment in the Trial Court and accompanying Proof of Service. I have also enclosed copies of each document to be date-stamped and returned via our courier.

Thank you for your assistance.

Very truly yours,



Mary M. Caskey

MMC/jlc
Enclosures (as stated)

cc: (via U.S. Mail, w/enclosures)
James R. Thompson, Esq.
Ronald C. Scott, Esq.
Erica G. Lybrand, Esq.
Elizabeth A. Blackwell, Esq.

RECEIVED
AUG 02 2012
SC Court of Appeals