

PROOF OF SERVICE OF A NOTICE OF APPEAL

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OCT 19 2021

THE STATE OF SOUTH CAROLINA

SC Court of Appeals

In the Court of Appeals

Appeal from the United States District Court for the District of South Carolina, at Columbia. Joseph F. Anderson, Jr., Senior District Judge. Case No: 3:21-cv-02161-JFA-PJG)

Submitted: Aug 31, 2021

Decided: Sept 21, 2021

JOHN C. NELUMS AND DELMARSHI H NELUMS

Petitioner - Appellant,

v.

Hutchens Law Firm, LLC, John B. Kelchner an individual, Lender processing services, Inc. Lps default solutions, Lps default solutions Network, Fidelity National Title Insurance Company Deutsche Bank National Trust Company for Residential Assets securitization Though Certificates series 2005-H, Ocwen loan Servicing LLC, Mortgage Electronic Registration System AKA MERS, Phh Mortgage Servicing, and John Doe,

Defendants-Appellants.

**Petition for Writ of Certiorari to the
United States Court of Appeals for the 4th Circuit and
United States Supreme Court for South Carolina**

**NELUM'S MOTION TO BYPASS COURT OF APPEALS,
PETITION FOR WRIT OF SUPERSEDEAS, AND
MOTION FOR TEMPORARY STAY**

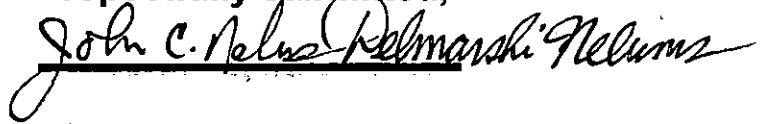
PROOF OF SERVICE

I certify that I have served the Notice of Appeal on Hutchens Law Firm, LLC, John B. Kelchner an individual, Lender processing services, Inc. Lps default solutions, Lps default solutions Network, Fidelity National Title Insurance Company Deutsche Bank National Trust Company for Residential Assets securitization Though Certificates series 2005-H, Ocwen loan Servicing LLC, Mortgage Electronic Registration System AKA MERS, PHJH Mortgage Servicing, and John Doe, by depositing a copy of it in the United States Mail, postage prepaid, on Monday, Thursday, October 14, 2021, addressed to his attorney of record, Hutchens Law Firm, LLC , PA, **240 Stoneridge Dr Ste 400, Columbia, SC 29210** [by personally Emailing a copy of it to his attorney of record, John B. Kelchner , at his office at **Hutchens Law Firm 240 Stoneridge Dr Ste 400, Columbia, SC 29210**

Thursday, October 14, 2021

Thursday, October 14, 2021

Respectfully submitted,



**John C. Nelums
Delmarshi Nelums
315 Bentwood Ln
803-513-9903
Columbia, SC 29229-8981**

) Appellant pro se litigants

Other Counsel of Record:

**Hutchens Law Firm
240 Stoneridge Dr
Ste 400,**

**Columbia, SC 29210
(803) 726-2700**

**The Honorable R. Bryan Harwell
Chief U.S. District Judge
401 West Evans Street
Florence, SC 29501
(843) 676-3800**

**The Honorable Joseph F. Anderson, Jr.
Senior U.S. District Judge
U.S. District Court
901 Richland Street
Columbia, SC 29201
(803)765-5136**

**The Honorable Paige Jones Gossett
U.S. Magistrate Judge
901 Richland Street
Columbia, SC 29201
(803) 765-5498**

**LETTER TO CLERK OF COURT UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF SOUTH CAROLINA COLUMBIA DIVISION
FILING NOTICE OF APPEAL**

94874

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OCT 19 2021

SC Court of Appeals

Thursday, October 14, 2021

The Honorable Daniel E. Shearouse
Clerk, Supreme Court of South Carolina
Post Office Box 11330
Columbia, South Carolina 29211

RE: Hutchens Law Firm, LLC, John B. Kelchner an individual, Lender processing services, Inc. Lps default solutions, Lps default solutions Network, Fidelity National Title Insurance Company Deutsche Bank National Trust Company for Residential Assets securitization Though Certificates series 2005-H, Ocwen loan Servicing LLC, Mortgage Electronic Registration System AKA MERS, Phh Mortgage Servicing, and John Doe

V.

JOHN C. NELUMS AND DELMARSHI H NELUMS

Case No: 3:21-cv-02161-JFA-PJG)

Dear Mr. Shearouse:

Enclosed for filing is a notice of appeal in the above case. Also enclosed are the following:

- (1) Proof of service of the notice of appeal on the respondent[s].
- (2) A copy of the order[s] [judgment] which is [are] to be challenged on appeal.

John C. Nelums Delmarshi Nelums

**John C. Nelums
Delmarshi Nelums
315 Bentwood Ln
803-513-9903
Columbia, SC 29229**

Attorney for Respondent

**Hutchens Law Firm
240 Stoneridge Dr
Ste 400,
Columbia, SC 29210
(803) 726-2700**

**The Honorable R. Bryan Harwell
Chief U.S. District Judge
401 West Evans Street
Florence, SC 29501
(843) 676-3800**

**The Honorable Joseph F. Anderson, Jr.
Senior U.S. District Judge
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901 Richland Street
Columbia, SC 29201
(803)765-5136**

**The Honorable Paige Jones Gossett
U.S. Magistrate Judge
901 Richland Street
Columbia, SC 29201
(803) 765-5498**

John C. Nelums &
Delmarshi H. Nelums
315 Bentwood Ln
Columbia, SC 29229-8981

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OCT 19 2007
SC Court of Appeals

TO: John C. Nelums
315 Bentwood Lane
Columbia, SC 29229

FROM: South Carolina Court of Appeals
1220 Senate Street
Columbia, SC 29201

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DELIVERY TIME 11:00 AM

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DELIVERY ADDRESS 315 Bentwood Lane, Columbia, SC 29229

DELIVERY METHOD Regular Delivery

DELIVERY STATUS Delivered

DELIVERY SIGNATURE [Signature]

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SC Court of Appeals

THE STATE OF SOUTH CAROLINA
IN THE SUPREME COURT

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John C. Nelums Delmarshi Nelums
315 Bentwood Ln
803-513-9903
Columbia, SC 29229-8981
Petitioner

Attorneys for Defendants-Appellants John B. Kelchner, Sarah o.

Leonard

QUESTIONS PRESENTED

The Defendants-Appellants of this Instant Case Deutsch Bank National Trust Company is in fact not a lawful Trust Company but a fiction being used by a conspiracy of attorneys as tool in a scheme or artifice to defraud Petitioners herein (as well as the American People). said conspiracy of attorneys has also served it into this instant case a verified fraudulent assignment of mortgage. does South Carolina Courts are aware of these issues and more and have chosen to rule in favor of said conspiracy of attorneys. therefore, petitioner herein ask

1. Whether U.S. Government's unconstitutional involvement in millions of foreclosures through FHFA and de facto and entwined State-actor Fannie Mae subject it to federal Court jurisdiction and the property "takings" clause of the U.S. Constitution?
2. Whether securitization and rehypothecation of mortgage notes utilizing and "selling" and/or "pledging" homeowners' property as collateral without consent or knowledge is unlawful, unconstitutional and violate the basic legal principle of NEMO DAT QUOD NON HABET? and whether this non-disclosure, participation and collection of financial benefits not applied to and well in excess of mortgage note debt owed is unlawful, unconstitutional and violate SEC securities laws?
3. Whether pro se litigants should be held to unfair pleading standards not regularly enforced upon attorneys or utilized in the same manner by other federal Courts? and whether forcing a pro se litigant to remove claims that are not barred by Void state Court judgements violates the guarantee of a Fair Legal Process and fosters manifest injustice in defiance of the Constitution and this Court's direction?
4. Whether recusal or disqualification under 28 U.S.C. § 455 is warranted to satisfy the Constitutional guarantee of a Fair Legal Process, when a district judge has a relationship with a litigant, and

his impartiality through his actions and non-action are reasonably questioned by some citizens and legal professionals?

5. Whether based upon defendant's failure to "plead or otherwise defend" against plaintiff's first motion for default judgment on or before April 3, 2020 plaintiff filed his 2nd Partial Motion for Declaratory Judgment-Default, and according to the merits panel opinion the clerk was to entered a default RCFC 55(a), or the alternate Magistrate Judge Paige J. Gossett [first judge] the court to enter default RCFC 55(b)(2)?
6. Whether "Claims Court Rule 55(a) provides that the clerk must enter default if the party "has failed to plead or otherwise defend?
7. Whether the Petitioners Presented Sufficient Evidence Which Was Ignored by The District Court to Warrant A Preliminary Injunction Where The Proffered Evidence Established Like hood Of Success On The Merits, That The Petitioners Would Suffer Irreparable Harm In The Absence Of Preliminary Relief And That The Balance Of Equities Tips In Their Favor And That An Injunction Is In The Public Interest?
8. Whether the Court issue a permanent injunction, pursuant to 18 U.S.C. § 1345, ordering that **Defendants-Appellants** is restrained from engaging, participating, or assisting in any lottery scam or money transmitting business; and **Defendants-Appellants.** for Concealment of Default Insurance Payment that was paid out from the Plaintiffs Property And using Plaintiffs Names to secure Insurance Payments from a Fraudulent Insurance Kickback-scheme Invoice settlement services for payment?
9. Whether Hutchens Law Firm, **LLP** agrees to maintain in full force and effect. A professional Liability Policy. The minimum amount of Coverage shall not be less than one Million Dollars (\$1,000,000.000) Default Invoice settlement services for payment concealment of (\$270,900.00), Kickback to HUTCHENS LAW FIRM LLP, South Carolina Law Prohibits the kickback fee agreement between LPS?
10. Whether 28 U.S. Code § 2284 (2) If the action is against a State, or officer or agency thereof, at least five days' The Honorable R. Bryan Harwell Chief U.S. District Judge, The

Honorable Joseph F. Anderson, Jr. Senior U.S. District Judge,
The Honorable Paige Jones Gossett U.S. Magistrate Judge fail
To notice of hearing of the action shall be given by registered or
Certified mail to the Governor and attorney general of the
State.?

11. Whether The attorney general for South Carolina may enforce the MARS Rule and obtain injunctive relief under Section 626(b) of the 2009 Omnibus Appropriations Act. 16 C.F.R. § 322.10. Under Section 626(b) a state attorney general who —has reason to believe that an interest of the residents of the State have been or is threatened or adversely affected by the engagement of any person . . . in practices that violatell the MARS Rule may bring a civil action to enjoin that practice.
12. Whether **LPS represents that 39 of the 50 largest banks in the United States** based on 2007 ratings Use its services. Its tecnu1ology solutions include its mortgage processing system (the "**MSP**") which Processes over 50% of all residential mortgage loans by dollar volume. Its outsourcing services Include "**the default management services**, which are used by mortgage **lenders** and **servicers to attorneys, trustees** and **real estate professionals.**"⁵ Reduce the expense of managing defaulted loans?
13. Whether PAYOFF EXPRESS IN DEFAULT: Working with FIS MSP, Process Management will provide real-time payoff quotes for loans serviced using the FIS-MSP platform. A Process Management user will be able to request a payoff quote directly from Process Management. This feature will be coupled with the Fees and Costs capability in Process Management to return not only a payoff quote from MSP, but also the latest fees and costs from any attorney working the default action, U.S. Code § 1345— Injunctions against fraud?
14. Whether **Section 2. Referrals.** The Firm Acknowledges that

Fidelity has the right to enter into Network Agreement. With other law firms at any time, Fidelity may decide which default matters are to be referred to the Firm ("Referral") and is not obligated to make a Minimum number of Referrals to the Firm. By accepting Referrals, the Firm Agrees to the terms of this Agreement and waives any right to assert. Attorney liens are similar charging liens for payment of services or Otherwise against such files. However, the Firm shall be entitled to invoice for the services rendered to date on the file(s) and costs. If Fidelity and /or The Clients subsequently terminates an individual referral, the transfer. Provisions of Section 15 below Shall?

15. Whether **Section 3. Attorneys Network Agreement Fees.** The fees for Services performed are set Forth in Exhibit B, Exhibit C, and Exhibit D (the Fees"). These Fees are Based upon Governmental, agency-or contractual guidelines as of September 1, 2001, the parties may mutually agree in writing to amend. Exhibits B, C and D. Except as specifically provided in Exhibits B, C and D, All Services shall be performed for flat Fees. If F'NMA, FHWC, FHA, and /or the VA revise their fee guidelines, or a contract is revised, the revised. Fee guidelines shall become "fees" for purposes of this Agreement and Shall apply to all Referrals on or after the effective date of the revised fee. Guidelines. (b) If Exhibits B, C, or D provide for the conversion to any hourly fee, with the exception Noted in 3(c) below, such conversion may. occur only after Fidelity or the client has given prior written approval. (c) The Firm may convert to an hourly fee when, in its discretion, it determines that there is a strong likelihood that Fidelity and/or the Client. Will suffer in irreversible loss if immediate action is not taken. If the Firm Makes such a determination, it shall seek Fidelity's approval for the conversion within one business day. If fidelity does not respond in a timely manner, the Firm may contact the client. If Fidelity denies approval, the Firm is nevertheless entitled to bill the emergency work completed to that. point on

an hourly fee basis. (d) The Firm recognizes that interest and Expenses accrue daily on each Referral Any reasonable penalties. Assessed by the Client pursuant to governmental penalties for delays. Resulting solely from the Firm's actions or inaction will be paid by the Firm. Without limiting any other provisions of the Agreement of this provision, together with Section 15 below, shall survive termination of the Agreement by either Party?

16. **Section 4. Attorneys Network Agreement. Expenses.** The Firm agrees to advance all fees necessary. To meet the costs and expenses required in handling the matters assigned. The Firm Agrees that expenses for telephone calls, express or certified. Mail, postage, Copying, faxing. courier charges, electronic research (lexis, Westlaw, etc.), PACER and/or Bank charges, travel time and related Expense. and mileage are Reimbursable unless required by law, case law. Or approved by Client. If any of These, charges are required by statute, the Firm shall so, indicate?
17. **Section 5. SEE Attorneys Network Agreement . payment for Services.** All invoices for services Around costs are to be submitted electronically by the Firm via the NewInvoice Invoice processing system, or such other electronic invoice processing System Required by **Client**: The Firm will be paid on its invoices directly by the Client. In no event shall Fidelity be deemed to be a guarantor of, or otherwise responsible for, any obligation of the Client. Within the thirty (30) days following each Referral, The Firm will be. Invoiced. separately by Fidelity for the administrative fees set forth. in Exhibits B, C and D. Said invoices shall be due and *payable with in thirty. (30) clays of* receipt by the Firm In the event the **Client** does not pay an invoice generated by rho Firth due to a *negligence* or an error of 'Fidelity, the Firm: shall not be required to pay Fidelity on its invoice on that referral?

18. **Section 6.SEE: Attorneys Network Agreement Insurance.**
The Firm agrees to maintain in full force and effect. a professional Liability Policy. The minimum amount of Coverage shall not be less than one Million Dollars (\$1,000.000.000); per Occurrence. The Firm shall provide proof of Insurance to Fidelity on an Annual basics and at Such other times as may reasonably be requested. The Firm shall Immediately notify Fidelity in writing of any changes in coverage, or Impending termination, expiration, or lapse of insurance?
19. **Section 7. SEE: Attorneys Network Agreement Representation of Client.** For purposes of this Agreement, Fidelity's *servicer's/investor clients (the "Client") shall be. considered the mutual Clients of both fidelity and the Firm. Fidelity shall be. Considered the agent of each Servicer's/investor Client.* The Firm, will never be prohibited from directly contacting any Client were, *in the* professional opinion of the Firm, such contact is necessary, whenever possible, the Firm shall order title. {from Fidelity National Title Chicago Title Alamo Title/Tico Title Security Union Title
20. **SEE Section (a) Attorneys Network Agreement outside Counsel.** The Firm area all responsibility for the acts and omissions of any outside counsel or "of counsel" retained by the Firm (for example. counsel. retained to assist in litigation or counsel retained to Make a Court appearances in remote counties). The Firm assumes all responsibility for any. Subcontractor or independent contractor engaged directly by the Firm?
21. **SEE Section 11 Attorneys Network Agreement Confidentiality.** Privileged information supplied To the Firm. By Fidelity shall be kept confidential in accordance: with applicable rules of professional conduct. Notwithstanding anything in this Agreement to the contrary, the Firm shall comply with all privacy and data. protection laws, rules, and regulations which are, or which may in the future. be applicable to the Services. The Firm agrees that it will keep. confidential. and will not use nor disclose to any other party any nonpublic personal, information which it receives from or on behalf of the

Client in connection with providing Services under this Agreement, except to perform Services under this Agreement. The term "nonpublic personal information shall have the meanings set forth in Section 509 of the Gramm-Leach Bliley Act (PJ, 106-102X | 5 U.S.C Section 6809) and implementing Regulations thereof These obligations shall survive termination of this. Agreement?

CORPORATE DISCLOSURE STATEMENT

22. Pursuant to FRAP 26.1, Defendants-Appellants. Hutchens Law Firm, LLC, John B. Kelchner, Sarah o. Leonard, Gossett- Paige Jones, Joseph F. Anderson, Jr. Senior U.S. District Judge, R. Bryan Harwell Chief U.S. District Judge, ("Rule 1.7 Conflict of Interest") (Together, the "Defendants") are subsidiaries or affiliates of a publicly owned corporation, shareholders of FIS's received one-half share of the Common Stock for every share of FIS common stock held as of the close of business on June 24, 2008. FIS's shareholders collectively received 100% of the Common Stock of the Registrant, who is now stand-alone public company trading under the symbol "LPS" making Defendants Owners) There is A publicly owned corporation, is a party to the Appeal, which has a financial interest in the outcome.

JURISDICTION

23. This Court's jurisdiction continues to be invoked under 28 U.S.C. S 1251, 28 S 2101(e), and Article III, sec. 2.

CONSTITUTION

24. FIFTH AMENDMENT in pertinent part: "No person shall be—
Deprived of life, liberty or property, without due process."

25. SEVENTH AMENDMENT in pertinent part: "In suit at common
law, where the value in controversy shall exceed twenty dollars, the right of
trial by jury shall be preserved—in any court of the United States ...
according to the rules of the common law."

26. Judiciary Act of 1789, sec. 15, in pertinent part: "And be it
further enacted, that all the said courts of the United States, shall have
power in the trial of actions at law—to give judgment against him or her by
default."

STATUTES

27. 28 U.S.C. 5 1915 states in pertinent part: sec. (d) "The officers
of the court shall issue and serve all process, and perform all duties in such
cases—and the same remedies shall be available as are provided for law
in other cases."

28. 42 U.S.C. 5 1491 in pertinent part: sec. (a)(1) "United States
Court of Federal Claims has jurisdiction upon any claim against the United
States—Constitution, or Act of Congress, or agency regulation."

29. 28 U.S. Code § 2284 in pertinent part: sec. (a) **(b) (1) (2) (3)**
Three-judge court; when required; composition; procedure

30. 28 U.S.C. S 2702 in pertinent part: "Such rules shall not abridge—or modify any substantive right."

31. 28 U.S. Code § 1253. in pertinent part: Direct appeals from Decisions of three-judge courts

**TO THE HONORABLE JUDGES OF THE SOUTH CAROLINA
COURT OF APPEALS:**

JOHN C. NELUMS AND DELMARSHI H NELUMS., proceeding pro se, by and through the undersigned Pursuant to Rule 62 of the South Carolina Rules of Civil Procedure and Rule 23 of the Rules South Carolina Appellate Procedure, and move this Court to issue a temporary stay of the Attached Judgment Order IN THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF SOUTH CAROLINA, the Honorable Joseph F. Anderson, Jr. Senior U.S. District Judge, presiding Date 09-21-21, JOHN C. NELUMS AND DELMARSHI H NELUMS Plaintiffs CIVIL ACTION C/A No: 3:21-2161-JFA-PJG and C/A No: 3:20-2932 VS. HUTCHENS LAW FIRM, LLP JOHN B. KELCHNER an individual; Lender Processing Services, Inc. LPS Default Solutions, LPS Default Solutions Network FIDELITY NATIONAL TITLE INSURANCE COMPANY DEUTSCHE BANK NATIONAL TRUST DEUTSCHE BANK NATIONAL TRUST COMPANY AS TRUSTEE FOR RESIDENTAIL ASSET SECURITIZATION THOUGH

CERTIFICATES SERIES 2005-H OCWEN LOAN SERVICING, LLC
MORTGAGE ELECTRONIC REGISTRATION SYSTEM, AKA "MERS;"
PHH MORTGAGE SERVICES, and MOTION FOR AN EX-PARTE
TEMPORARY RESTRAINING ORDER, SHOW CAUSE ORDER, AND
PERMANENT INJUNCTION WITH ASSET FREEZE COMPLAINT FOR
PERMANENT INJUNCTION, 18 U.S. Code § 1345 – Injunctions against
Fraud and PLAINTIFFS'OBJECTION TO MAGISTRATE JUDGES
REPORT AND RECOMMENDATION AND EMERGENCY MOTIONTO
RECUSE AND DISQUALIFICATIONS JUDGE PAIGE J. GOSSETT
Defendants. § ORDER ADOPTING THE REPORT AND
RECOMMENDATION OF THE MAGISTRATE JUDGE AND GRANTING
DEFENDANTS' MOTION TO DISMISS, Presiding, date 09-21-21[Exhibit
1, Counterclaim] and the 09-2121 [Exhibit 2, PLAINTIFFS'OBJECTION TO
MAGISTRATE JUDGES REPORT AND RECOMMENDATION AND
EMERGENCY MOTIONTO RECUSE AND DISQUALIFICATIONS JUDGE
PAIGE J. GOSSETT 09-21-21[Exhibit 3, MOTION FOR AN EX-PARTE
TEMPORARY RESTRAINING ORDER, SHOW CAUSE ORDER, AND
PERMANENT INJUNCTION WITH ASSET FREEZE COMPLAINT FOR
PERMANENT INJUNCTION Order] of said Court and judge denying
Plaintiffs, and which measure will irreparably alter the status quo before a

Determination can be made of the merit of this action, by issuing a Temporary stay Pursuant to Rule 23 (c) this Court Will preserve the statue quo and prevent enforcement of the Order to vacate pending this Court's review of the petition for a writ of Supersedeas, In further support of this petition and Motion, Plaintiffs shows the following: appeals the district court's order

INTRODUCTION

JOHN C. NELUMS AND DELMARSHI H NELUMS comes to the Court with an urgent request – that the Court suspend the Rules of Appellate procedure to the extent necessary to prevent manifest injustice to the Constitution of the State of South Carolina and to the citizens of this state. See S.C. R. App. P. 2

Pursuant to an expedited schedule, this Court heard arguments on Defendants 'Motion to Dismiss on September 19, 2021, and conducted a non-jury trial on September 23, 2021, through September 26, 2021. On September 27, the ruling attached hereto and incorporated herein as Exhibit 1. On September 21, 2021, the Court issued its final judgment ("Order"), finding, inter alia, that Executive Order 21-21("Executive Order") is unconstitutional and was executed without legal authority. See Order attached hereto as Exhibit 2.C/A No: 3:21-2161-JFA-PJG and C/A

No: 3:20-2932 conducted behind closed doors. A Non-Judicial Proceedings. A See Fed. R. App. P. 34(a)(2); 10th Cir. R. 34.1(G). The case is therefore, ordered submitted without oral argument JOHN C. NELUMS AND DELMARSHI H NELUMS, a native and citizen of Richland County South Carolina, appeals from the magistrate judge's denial of his motion to dismiss for a violation of the Speedy Trial Act and the district judge's failure to recuse themselves

*This order and judgment are not binding precedent except under doctrines of law of the case, res judicata, and collateral estoppel. It may be cited, however, for its persuasive value consistent with Fed. R. App. P. 32.1 and 10thCir. R. 32.

District Judge Must Hold Own Hearing to Reject Magistrate's Credibility Finding

United States v. Thomas, 9th Cir., No. 11-30120 **Key Holding:** A federal district judge ordinarily must hold a new hearing before rejecting the credibility determinations underlying a magistrate judge's recommendation in favor of the government. **Potential Impact:** The court extends new protection to pretrial government victories before magistrate judges.

Regardless of which party wins a federal magistrate judge's recommendation on a pretrial matter, the district judge ordinarily may not reject the magistrate's credibility findings without holding a new hearing, the U.S. Court of Appeals for the Ninth Circuit announced June 29 (United

States v. Thomas, 9th Cir., No. 11-30120). The court relied upon its supervisory authority to extend the new-hearing requirement it had previously recognized only as a matter of due process in cases in which the defense prevailed before the magistrate

Judge Gossett- Paige Jones, Joseph F. Anderson, Jr. Senior U.S. District is violation of the Due Process Clause of the U.S. Constitution. United States v. Sciuto, 521 F.2d 842, 845 (7th Cir. 1996) ("The right to a tribunal free from bias or prejudice is based, not on section 144, but on the Due Process Clause."). Accordingly, JOHN C. NELUMS AND DELMARSHI H NELUMS respectfully requests that this Court issue a writ of supersedeas pursuant to Rule 23 to prevent manifest injustice, and to exercise its inherent authority over the lower courts of South Carolina pursuant to the South Carolina Constitution and Rule 2b by bypassing the Court of Appeals and reviewing the three-judge panel's denial of injunctive relief regarding Due Process Clause of the U.S. Constitution S.C. Const. FIFTH AMENDMENT art. S.C. Gen. Stat. §). JOHN C. NELUMS AND DELMARSHI H NELUMS, further requests that the Court temporarily enjoin the HUTCHENS LAW FIRM, LLP JOHN B. KELCHNER an individual; Lender Processing Services, Inc. LPS Default Solutions, LPS Default Solutions Network FIDELITY NATIONAL TITLE INSURANCE COMPANY

DEUTSCHE BANK NATIONAL TRUST DEUTSCHE BANK NATIONAL
TRUST COMPANY AS TRUSTEE FOR RESIDENTIAL ASSET
SECURITIZATION THROUGH CERTIFICATES SERIES 2005-H OCWEN
LOAN SERVICING, LLC MORTGAGE ELECTRONIC REGISTRATION
SYSTEM, AKA "MERS;" PHH MORTGAGE SERVICES, and MOTION
FOR AN EX-PARTE TEMPORARY RESTRAINING ORDER, SHOW
CAUSE ORDER, AND PERMANENT INJUNCTION WITH ASSET
FREEZE COMPLAINT FOR PERMANENT INJUNCTION, 18 U.S. Code §
1345 – Injunctions against

Rule 23 does not set forth a specific standard for issuing a temporary stay and writ of supersedeas, but rather provides broad discretion to the appellate courts, asking only that "the writ should issue in justice to the applicant." S.C. R. App. P. 23(c). In this case, stay is necessary: (1) because JOHN C. NELUMS AND DELMARSHI H NELUMS is likely to succeed on the merits, (2) to prevent irreparable harm to JOHN C. NELUMS AND DELMARSHI H NELUMS; and (3) it is in the public interest to avoid the chaos and confusion of trying to undo amendments to the state constitution that was illegally placed on Due Process Clause.

REASONS FOR GRANTING RELIEF

The Supreme Court also recognizing non-contractual basis of Tucker Act jurisdiction which includes those claims "founded either upon the

Constitution, or any Act of Congress, or any regulation of a department";

Testan, 424 U.S. at 398, 96 S.Ct. 9,48.

CONCLUSION

For all these reasons, Applicants respectfully ask this Court to Stay the preliminary injunction pending disposition of Applicants' appeal in the Fourth Circuit and petition for a writ of certiorari in this Court.

following.

Chief Justice Donald W. Beatty
Supreme Court
1231 Gervais Street
Columbia, SC 29201
(803) 734-1080

**JOHN C. NELUMS AND DELMARSHI H NELUMS DEMANDS A TRIAL
BY JURY OF ANY AND ALL ISSUES BEFORE THE COURT AND
TRIABLE BY A JURY**

Respectfully submitted on this 14 day of October 2021

A handwritten signature in black ink, appearing to read "John C. Nelums" and "Delmarshi Nelums", written over a horizontal line.

**John C. Nelums
Delmarshi Nelums
315 Bentwood Ln
803-513-9903
Columbia, SC 29229-8981**

CERTIFICATE OF SERVICES

I HEREBY CERTIFY that a copy of the foregoing PLAINTIFFS
**NELUM'S MOTION TO BYPASS COURT OF APPEALS, PETITION FOR
WRIT OF SUPERSEDEAS, AND MOTION FOR TEMPORARY STAY**
of Defendants ON Thursday, October 14, 2021, was served by Certified
Registered Letter on October 14, 2021 to the below listed parties:

**Hutchens Law Firm
240 Stoneridge Dr
Ste 400,
Columbia, SC 29210
(803) 726-2700**

**The Honorable R. Bryan Harwell
Chief U.S. District Judge
401 West Evans Street
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**The Honorable Joseph F. Anderson, Jr.
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Columbia, SC 29201
(803)765-5136**

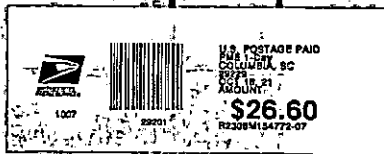
**The Honorable Paige Jones Gossett
U.S. Magistrate Judge
901 Richland Street
Columbia, SC 29201
(803) 765-5498**

Respectfully submitted,

A handwritten signature in black ink, appearing to read "John C. Nelums", written over a horizontal line.

**John C. Nelums
Delmarshi Nelums
315 Bentwood Ln
803-513-9903
Columbia, SC 29229-8981**

John C. Nelums &
Delmarshi H. Nelums
315 Bentwood Ln
Columbia, SC 29229-8981



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Exhibit # 1

STATE OF SOUTH CAROLINA
COUNTY OF RICHLAND

DEUTSCHE BANK NATIONAL TRUST
COMPANY AS TRUSTEE FOR
RESIDENTIAL, ASSET
SECURITIZATION
THOUGH CERTIFICATES SERIES
2005-H
PLAINTIFF(S)

VS.

JOHN C. NELUMS AND DELMARSHI
H NELUMS/ WOODLAKE HOMEOWNERS
'S ASSOCIATION, Inc
DEFENDANT(S)

CASE# 2021-CP 4000895
IN THE COURT OF COMMON PLEAS

DEFENDANT(S)...ANSWER TO
COMPLAINT AND COUNTERCLAIM
FOR FRIVOLOUS LAWSUIT AND
FRAUD ON THE COURT

DEMAND FOR JURY TRIAL

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RICHLAND COUNTY
FILED
2021 MAR 31 AM 9:30
JEANETTE W. McBRIDE
C.C.P., G.S., & F.C.

TO: THE HONORABLE COURT AND ALL PARTIES OF RECORDS

Defendants JOHN C. NELUMS AND DELMARSHI H NELUMS, specifically

Reserving all rights pursuant to Any. and all motions previously served.

Answering the Complaint of the Plaintiffs and asserting a counterclaim,

Would Allege unto this Honorable Court as Follow...

Defendants' requests that the **Pro se** status is recognized and treated By
the Court as The United States Supreme Court and US District Courts have
held such status be recognized and treated. "A pro se litigant's pleadings
are to be construed liberally and held to a less stringent standard than
formal pleadings drafted by lawyers". Haines v. Kerner, 404 U.S. 519, 520-
21, 92 S.Ct. 594, 30 L.Ed.2d 652 (1972); see also Estelle v. Gamble, 429
U.S. 97, 106, 97 S.Ct. 285, 292, 50 L.Ed.2d 251 (1976); Gillihan v.

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COUNTY OF RICHLAND

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U.S. 97, 106, 97 S.Ct. 285, 292, 50 L.Ed.2d 251 (1976); Gillihan v.

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Shillinger, 872 F.2d 935, 938 (10th Cir.1989). "We hold pro se pleadings to a less stringent standard than pleadings drafted by attorneys and construe them liberally". Tannenbaum v. United States, 148 F.3d 1262, 1263 (11th Cir. 1998) (per curiam); Elmore v. McCammon (1986) 640 F. Supp. 905 "...the right to file a lawsuit pro se is one of the most important rights under the constitution and laws. "Alexander v. Bothsworth, 1915. "Party cannot be bound by contract that he has not made or authorized Free consent is an indispensable element in making valid contracts."

GENERAL MATTERS

1. Defendants JOHN C. NELUMS AND DELMARSHI H NELUMS, Apologizes to the Court for the length and complexity of this pleading, But Given the procedural rules regarding compulsory counterclaims, has no Choice but to assert all good-faith claims it has against FIDELITY/LPS, HUTCHENS LAW FIRM LLP, DEUTSCHE BANK NATIONAL TRUST COMPANY AS TRUSTEE FIDELITY NATIONAL TITLE INSURANCE COMPANY for failure to join an indispensable party.

2. Further, FIDELITY/LPS, HUTCHENS LAW FIRM LLP, DEUTSCHE BANK NATIONAL TRUST COMPANY AS TRUSTEE previously filed motion to Foreclosure on Defendants JOHN C. NELUMS AND DELMARSHI H NELUMS Property, counterclaims as factually insufficient NELUMS hopes to have addressed FIDELITY/LPS, HUTCHENS LAW FIRM LLP, DEUTSCHE BANK NATIONAL TRUST COMPANY AS TRUSTEE FIDELITY NATIONAL TITLE INSURANCE COMPANY concern with this Pleading.

3. Given the extensive factual background associated with this matter, Defendants JOHN C. NELUMS AND DELMARSHI H NELUMS has Attempted with each defense and cause of action to include only the most Salient facts relevant to the defense or cause of action. However, all facts and other material pled herein are to be deemed incorporated into Each Defense and cause of action unless inconsistent.

4. Defendants asserts several inconsistent theories below. All Inconsistent material is pled in the alternative. Such inconsistent Material May—or may not—be specifically designated as such

5. Given the unusual nature of this case, several requests below. Constitute Novel legal theories presenting issues of first impression. Defendants JOHN C. NELUMS AND DELMARSHI H NELUMS is not Aware of any Binding precedent foreclosing the claims herein, but to the Extent there is Defendants JOHN C. NELUMS AND DELMARSHI H NELUMS respectfully Seeks that the Court allow good-faith argument for a Change in the law.

6. Some allegations against FIDELITY/LPS, HUTCHENS LAW FIRM LLP, DEUTSCHE BANK NATIONAL TRUST COMPANY AS TRUSTEE are Made based on vicarious liability of one form or another. Some Vicarious Allegations rest on agency theories, while some rest on a theory of joint- And-several liability applicable to joint venturers and co- conspirators.

7. Further, Defendant's position is that as a matter of equity FIDELITY/LPS, HUTCHENS LAW FIRM LLP, DEUTSCHE BANK NATIONAL TRUST

COMPANY AS TRUSTEE FIDELITY/LPS, HUTCHENS LAW FIRM LLP, DEUTSCHE BANK NATIONAL TRUST COMPANY AS TRUSTEE "stands in the shoes" of FIDELITY NATIONAL FINANCIAL TITLE INSURER, LPS' DEFAULT MANAGEMENT SERVICES AGREEMENT, (technically, FIDELITY NATIONAL FORECLOSURE SOLUTIONS, INC A Division of FIDELITY NATIONAL DEFAULT SOLUTIONS SERVICES AGREEMENT, d/b/a HUTCHENS LAW FIRM LLP and Attorneys John B. Kelchiner (S.C Bar No. 13589) Sarah o. Leonard (S.C Bar No. 80165) shareholders of FIS's received one-half share of the Common Stock for every share of FIS common stock held as of the close of business in June 24, 2008. FIS's shareholders collectively received 100% of the Common Stock of the Registrant, which is now a stand-alone public company trading under the symbol "LPS" making Plaintiffs Owners) (Fidelity's conduct is criminal under 18 U.S.C. § 155, for many of the defenses and claims here. Defendant most definitely seeks a judgment that FIDELITY/LPS, HUTCHENS



Fidelity National Title Group is a member of the Fidelity National Financial (NYSE: FNF) family of companies and the nation's largest group of title companies and title insurance underwriters - Chicago Title Insurance Company, Commonwealth Land Title Insurance Company, Fidelity National Title Insurance Company, Alamo Title Insurance, Lawyers Title, and Ticor Title - that collectively issue more title insurance policies than any other title company in the United States.

Rate Calculators

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**NATIONAL RATE CALCULATOR**

The National Rate Calculator provides Title Insurance Rates only. Lenders and other customers obtaining quotes for loan estimates and/or title and settlement rates must use the Title & Settlement Rate Quote calculator.

Online quotes are not available for IA, IL, IN, KS, MO and OK.

RateCalculator.FNTG.com

**TITLE & SETTLEMENT RATE QUOTE CALCULATOR**

If you are a Real Estate professional or Lender and do NOT require a customized quote, then please click the Access Public Rate Calculator link to use our Public Rate Calculator.

Rates.FNTG.com

Title Insurance**More Services**

Alamo Title Insurance



CHICAGO TITLE INSURANCE COMPANY



Additional Services



Commonwealth
MASSACHUSETTS TITLE INSURANCE COMPANY



Fidelity National Title
Insurance Company



FIDELITY
RESIDENTIAL SOLUTIONS
A subsidiary of Fidelity National Financial, Inc.

IPX
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Lawyers Title



TICOR TITLE



FIDELITY NATIONAL
TIMESHARE

SERVICELINK



National Title
Insurance of New York, Inc.

FIDELITY NATIONAL TITLE GROUP
NATIONAL AGENCY



UCC Plus
RISK MANAGEMENT
Providing a complete range of title and closing services

LAW FIRM LLP, DEUTSCHE BANK NATIONAL TRUST COMPANY AS TRUSTEE has no right to sue over Wrongful Foreclosure Action." but it would be inequitable if FIDELITY/LPS, HUTCHENS LAW FIRM LLP, DEUTSCHE BANK NATIONAL TRUST COMPANY AS TRUSTEE could come to Court asserting rights it well Knows it does not have, then use its lack of those rights to defend against Counterclaims or defeat defenses.

8. Formerly a branch of Fidelity National Financial - the nation's largest title insurer - LPS was spun off in 2008. It is still housed in the same

complex as the title company, in one of two twin 12-story buildings with expansive views of the Jacksonville waterfront. With 8,900 employees, it is one of the city's largest employers

9. Similarly, Defendants JOHN C. NELUMS AND DELMARSHI H NELUMS submits that, for certain purposes in this litigation, they too are Entitled to file DEFENDANT(S)...ANSWER, TO COMPLAINT AND COUNTERCLAIM FOR FRIVOLOUS LAWSUIT AND FRAUD ON THE COURT. It is unusual situation where a plaintiff with no standing sues the wrong defendants, but that is the story of this case.

10. Plaintiffs engaged in a fraudulent scheme, relying on Myriad illicit business practices in order to artificially inflate the Company's revenue and stock price. As a result of the fraud described herein, shareholders suffered millions of dollars in losses. In addition, the Company is also now facing multiple government investigations by federal and state authorities, including the Department of Justice, the United States Attorney General, and the Attorneys General of multiple states.

11. LPS was formed in July of 2008 as a spin-off from Fidelity National Information Services, Inc. ("FNIS"), at which time it became a publicly traded company. The Company provides mortgage processing services, settlement services and default solutions, as well as servicing and technology solutions to mortgage lenders. In particular, the Company's technology solutions include software and web-based

applications that automate loan processing. The Company's mortgage-processing services include loan facilitation and default management services.

12. As the economy slumped in 2008 and the foreclosure rate rose, Plaintiffs utilized a "fool-proof" business model to increase market share, drive revenues, and artificially inflate LPS' stock price. This business model, which ultimately achieved the profits Plaintiffs sought, was steeped in illicit practices. Under this business model, LPS offered default management services free of charge to clients – banks and mortgage servicers – many of whom already used the Company's technology solutions. As further detailed below, these services included administrative and support services to assist in managing the foreclosure process. Banks and mortgage servicers who were flooded with foreclosures readily welcomed this hard-to-refuse offer.

13. In order to generate revenues from its business model, LPS put together a "network" of attorneys to help service its clients' Foreclosure cases. In order to be a part of the LPS network, attorneys had to execute a "Network Agreement" with LPS. This agreement imposed significant limitations on attorneys and set forth improper fee arrangement between LPS and network attorneys. Indeed, network lawyers were required to pay illegal "referral fees" to LPS as certain legal work was accomplished in the cases they were handling. Attorneys were conscripted

into this network because LPS offered a steady flow of legal work and, as LPS was the nation's largest servicer, attorneys who were not part of the network would be at a competitive disadvantage in landing foreclosure cases. By financing its business model with attorneys' fees rather than by charging clients, LPS had a unique competitive advantage and was perfectly positioned to profit from the foreclosure crisis.

14. LPS needed to keep its network attorneys under its thumb and operating at its whim so that it could push through foreclosures as quickly as possible, earn more business from bank and servicer clients, expand its market share, charge more fees to attorneys, and increase the Company's profits. In order to do this, LPS required its attorneys to follow certain timeframes in managing cases and strongly discouraged them for communicating with clients. All communications went through LPS' Desktop system – the Company's work-flow processing web-based software application. In this way, LPS managed the flow of information between clients and network attorneys. LPS also tracked its network attorneys through an internal metric known as Attorney Performance Reviews ("APR"), which ranked attorneys based on how quickly they performed tasks on behalf of servicers. Network attorneys had to learn to operate successfully within the confines of the APR to continue to receive LPS referrals. While these limitations eviscerated the attorney-client relationship and the quality of the work performed, to be successful in the LPS network, network attorneys had to play by

LPS' rules.

15. Due to hard economic times marked by record foreclosure rates, and as a result of its successful albeit improper business model, LPS had a tremendous volume of default work to process. The Company was determined to push this work through the Company's system as quickly as possible in order to drive market share and profits. To achieve this, LPS employed various illicit practices at its offices – which included its Jacksonville, Florida headquarters, its LPS Default Solutions, Inc. Subsidiary in Mendota Heights, Minnesota, and its document solutions subsidiary (DocX, LLC ("DocX")) in Alpharetta, Georgia – to churn as many Files as quickly as possible.

16. These illicit practices were pervasive throughout the Company during the Fraudulent Foreclosure Period and included the fabrication of documents, "robo-signing," the forging of documents, Improper notarization, violation of security protocols, and the concealment of known mistakes from courts, attorneys, and clients. For instance, through DocX, the Company engaged in the wholesale fabrication of mortgage assignments, which were filed with county clerk offices and used as evidence by LPS' clients in foreclosure proceedings to evict homeowners. Moreover, to increase the speed at which it processed

mortgage-related documents, LPS required its employees to engage in “robo-signing” and “surrogate signing.” “Robo-signing” involved LPS employees signing mortgage related documents at record speeds without verifying their accuracy. “Surrogate-signing” or forging, as it was internally known, involved LPS employees forging the names of various bank officials on these same mortgage documents. These problematic documents were then improperly notarized by LPS Fraudulent Foreclosure employees who wholly ignored notarization protocols by failing to verify the signatories’ identities

17. LPS’ efforts to push through work as quickly as possible to drive market share and profits created a culture which valued speed over accuracy and encouraged the concealment of known mistakes. LPS employees were rewarded for their speed, and this resulted in the violation of security protocols and significant and pervasive errors in the default services that they were providing (e.g., the application of mortgage payments to incorrect accounts). Even when these problems were discovered by the Company’s internal auditors, LPS swept them under the rug. Indeed, LPS knowingly concealed errors in files from clients, network attorneys, and courts to keep clients happy and to ensure that a finger could not be pointed at LPS.

18. Through these illicit practices, LPS’ revenues rose significantly throughout the Fraudulent Foreclosure Period. In particular, default management services revenue nearly doubled. While Plaintiffs

continuously touted these revenues and the market share the Company was gaining, they failed to disclose to investors that its attorney-reliant model and illicit business practices drove these achievements. In such a way, Plaintiffs artificially inflated LPS' stock price during the Fraudulent Foreclosure Period

19. Eventually, the Company's illicit business scheme began to unravel. As detailed below, through a series of partial revelations beginning on April 16, 2009, the market began to learn the truth regarding the Company's improper business model and illicit business practices. Indeed, revelations on April 16, 2009, April 3, 2010, and October 1, 2010 through October 4, 2010, caused the stock price to plummet by Approximately 13%, 4%, and 13%, respectively, on unusually heavy trading volume, resulting in millions of dollars in investor losses. At the same time that investors learned bits and pieces of information regarding the Company's true business practices, Plaintiffs continued to mislead the market through false assurances and outright lies. In such a way, Plaintiffs prevented the market from learning the full truth and kept the Company's stock price artificially inflated throughout the Fraudulent Foreclosure Period. Indeed, had the market been apprised of the full truth about plaintiffs' practices, the impact on LPS' stock price would have been far more dramatic. Plaintiffs' fraud has not gone unnoticed. The Company is currently the subject of inquiries by the Department of Justice, the U.S. Attorney General, and the Attorneys General of several states. LPS also

recently signed a consent order with various federal regulatory bodies, which requires it to intensely review and remediate the Company's practices. In addition, the Company is the subject of litigation throughout the country related to the practices described herein

20. On information and belief, the system is so organized that there is a company called Lender Processing Services, which allegedly has created the means to systematize this fraud. Lawyers use the LPS system to request which affidavits and documents they need, LPS then has document mills where they can magically make an authorized vice president of whoever you need and send you back-dated signed Documents saying that you have the right to foreclose.

21. On information and belief, The Summit is published quarterly by the Customer/Attorney Relations Team for employees, clients, and attorney firms in the Fidelity National Foreclosure Solutions partnership. Demands strict proof thereof. at Jury Trial

22. Fidelity National Foreclosure Solutions, Inc.'s Document Execution teams are responsible for facilitating requests between attorneys and clients for documents that need to be executed. FNFS has signing authority for several our clients. Any documents that can be executed by FNFS are executed and returned to attorneys, while those that must be executed by clients are forwarded to clients or investors and are tracked through a process within NewTrak called "Signature Required."

23. In January 2006, FNFS introduced Signature Required

into NewTrak. This feature provides the opportunity for the attorney, FNFS and the client to communicate regarding the execution of documents relating to the foreclosure or bankruptcy. When attorneys click on the Signature Required Button in NewTrak, a pop-up window opens for them to identify the process for which the document needs to be executed. Once the process is selected, a signature required process is opened for attorneys to provide the document that needs to be executed through a step in NewTrak. When the document is loaded into NewTrak, it automatically prints in Minnesota for the Document Execution team to work.

Dune Capital Management

24. Any exhibits referenced below incorporated herein by Reference.

PARTIES, VENUE, AND JURISDICTION

25. On information and belief, S.C. Supreme Court justice Donald Beatty Stated That any judge or attorney who start a war against South Carolina constitution will be jailed.

26. On information and belief, Pursuant to Art. V, § 4 of the South Carolina Constitution, Rule 402(k), the Oath of Office for Attorneys John B. Kelchiner, Sarah o. Leonard in violation due to perjury of his oath of office, and denial of due process; due to his/her willful aiding and abetting of a fraud, and, utter rebellion, War against the Constitution for the United States. LPS put together a "network" of attorneys to help service its clients' foreclosure cases. In order to be a part of the LPS network,

attorneys had to execute a "Network Agreement" with LPS; ALL

ATTORNEY'S

27. That upon information and belief, private-label trusts, those formed by securities companies, and does not include trusts formed by Gennie Mae, Fannie Mae and Freddie Mac.

28. That upon information and belief, The FDIC sold IndyMac in 2009 to group of private equity firms and hedge funds, including Dune Capital Management and J.C. Flowers & Co, IndyMac was founded in 1985 by David Loeb and Angelo Mozilo, Demands strict proof thereof. at Jury Trial

29. That upon information and belief, the FDIC as receiver for IndyMac Federal Bank did not assignment of said Mortgage dated December 2, 2020, unto Deutsche Bank National Trust Company as Trustee for residential Asset Securitization Trust 2005-A8CB- mortgage Pass-Through Certificates Series 2005-H **Fraud Upon This Court**

30. The mortgage assignment dated December 2, 2020, Document DBNTC filed March 1, 2021 8:11 am with The Richland Common Pleas Court is a forgery.

31. Affixing or submitting false signatures on a mortgage document is a violation of federal and state law, and those signatures are without authority to complete the transaction. According to a mortgage fraud notice prepared jointly by the Federal Bureau of Investigation and the Mortgage Bankers Association, submitting false mortgage assignments and

forging signatures violates potentially eight federal criminal statutes.

Specifically: (1) 18 U.S.C. § 1001 - Statements or entries generally; (2) 18 U.S.C. § 1010 - HUD and Federal Housing Administration transactions; (3) 18 U.S.C. § 1014 - Loan and credit applications generally; (4) 18 U.S.C. § 1028 - Fraud and related activity in connection with identification documents; (5) 18 U.S.C. § 1341 - Frauds and swindles by mail; (6) 18 U.S.C. § 1342 - Fictitious name or address; (7) 18 U.S.C. § 1343 - Fraud by wire; and (8) 18 U.S.C. § 1344 - Bank Fraud. See FBI Mortgage Fraud Notice (available at <http://www.mbaa.org/FBIMortgageFraudWarning.htm>); see, also, Truth in Lending Act, title I of the Consumer Credit Protection Act, as amended, 15 U.S.C. § 1601 et seq., South Carolina Statutes &, Mortgage fraud (penalty is a felony of the third degree).

32. On information and belief, FIDELITY/LPS, HUTCHENS LAW FIRM LLP, DEUTSCHE BANK NATIONAL TRUST COMPANY AS TRUSTEE FIDELITY NATIONAL TITLE INSURANCE COMPANY is in violation South Carolina General Statute § 39-5-10 et seq.; in violation of the South Carolina Unfair Trade Practices Act, Ann. § 39-5-10 et

33. On information and belief, FIDELITY/LPS, HUTCHENS LAW FIRM LLP, DEUTSCHE BANK NATIONAL TRUST COMPANY AS TRUSTEE FIDELITY NATIONAL TITLE INSURANCE COMPANY; in violation **False Claims Act, (FCA), 31 U.S.C. §§ 3729 - 3733**, may be enforced either by the Justice Department or by private individuals in a qui tam proceeding.

34. That upon information and belief, South Carolina Law

Prohibits the kickback fee agreement between FIDELITY/LPS. Hutchens Law-Firm, LLP and Attorney.

35. The Seventh Amendment to the United States

Constitution is part of the Bill of Rights. This amendment codifies the right to a jury trial in certain civil cases and inhibits courts from overturning a jury's findings of fact.

36. On information and belief, any party may request a jury pursuant to Rule 38 on any or all issues triable of right by a jury and, upon the filing of a jury demand, the matter shall be returned to the circuit court. A case shall not be referred to a master or special referee for the purpose of making a report to the circuit court.

37. Pursuant to Rule 53, SCRCP, a master has no power or authority except that Which Is granted by the order of reference. Smith v. Ocean Lakes Family Campground, 315 S.C. 379, 381, 433 S.E.2d 909, 910 (Ct.App.1993). After The master has Exercised that authority, the order of reference terminates and the power to Dispose Of the case returns to the circuit courts. Id.; see also Cox v. Fleetwood Homes of Ga., Inc., 329 S.C. 157, 161, 494 S.E.2d 462, 464 (Ct.App.1997) ("[O]nce the Judge issues a ruling disposing of the case, his jurisdiction of the Matter, except for the correction of merely clerical Errors, end[s].'" (quoting Barnett v. Piedmont Shirt Corp., 230 S.C. 34, 38, 94 S.E.2d 1, 3 (1956))), cert.

Pending. A master who acts after the reference Terminates does so without subject Matter jurisdiction, and the resulting Orders are void. Bunkum v. Manor Properties, 321 S.C. 95, 99, 467 S.E.2d 758, 761 (Ct.App.1996) (After the master Had entered final judgment, He Had no subject matter jurisdiction to hear the Motion for assessment of costs, Fees, expenses and damages against an appeal Bond.). Issues relating to subject Matter jurisdiction may be raised at any time cannot be waived even by consent and should be taken notice of by this court on Our own motion. See Johnson v. State, 319 S.C. 62, 64, 459 S.E.2d 840, 841(1995). SEE:

PARTIES

38. Defendants (hereinafter "NELUMS") is a resident citizen of The State of Richland County, South Carolina. Are Defendants in Case No. 2021-CP-4000895 RCP, filed in this Court

39. John B. Kelchiner is a South Carolina resident and a South Carolina attorney. John B. Kelchiner is a shareholder, HUTCHENS LAW FIRM LLP. John B. Kelchiner is in fact working on this Case: No 2021-CP-4000895

40. Sarah o. Leonard is a South Carolina resident and a South Carolina attorney. Sarah o. Leonard is a shareholder, HUTCHENS LAW FIRM LLP. Sarah o. Leonard is in fact working on this Case: No 2021-CP-4000895

41. The Plaintiffs Hutchens Law-Firm, LLP is a law firm based principally in the State of South Carolina, This Plaintiffs (hereinafter "Hutchens Law Firm, LLP") represents to the public that its focus is South Carolina, foreclosures and related to bankruptcies, This Plaintiffs may be served with process by serving its Registered Agent and Partner, John B. Kelchiner (S.C Bar No. 13589) Sarah o. Leonard (S.C Bar No. 80165) at 240 Stoneridge Drive Suite 400 Columbia, SC 29210

42. The Plaintiffs Lender Processing Services, Inc. (hereinafter "LPS") is a publicly traded corporation that provides mortgage services to various parties in the mortgage industry. LPS has its principal place of business at 601 Riverside Avenue Jacksonville, Florida 32204. LPS does business in every bankruptcy court in the United States of America by agent or employee including this Court. This company's stock symbol is also, LPS. This Plaintiffs may be served by delivering service of process to Jeffery S. Carbiener, President and CEO, at the address of this Plaintiffs listed above

43. The Plaintiffs LPS Default Solutions is a wholly owned subsidiary of LPS. LPS Default Solutions has its principal place of business at 601 Riverside Avenue Jacksonville, Florida 32204. LPS Default Solutions provides management of mortgage loans as a subservice to various national mortgage servicers when a consumer's loan reaches a predetermined state of default under the contracts which are in place between LPS Default Solutions and its clients the mortgage servicers

as will be more fully set out herein. LPS Default Solutions Network may be served by serving process upon David A. Brown, President and CEO, at the address of this Plaintiffs listed above. This Plaintiffs will be Referred to hereinafter as "LPS Default"

44. FIDELITY NATIONAL TITLE INSURANCE COMPANY (hereinafter also referred to as the Company) at its main administrative office at 601 Riverside Avenue, Jacksonville, Florida 32204. The Company's statutory home office is located at 3916 State Street, Santa Barbara, California 93110. Demands strict proof thereof. at Jury Trial

45. As of December 31, 2010, the Company was licensed to transact title insurance business and to also provide escrow and other services to real estate property buyers and mortgage lenders. The Company is licensed in all states except Iowa as follows:

46. As alleged in further detail herein, all the Plaintiffs acted in concert and conspired to unlawfully and secretly violate and avoid the bankruptcy rules, the bankruptcy code, and the federal and the state common law in their roles as attorneys and vendors to creditors to the detriment of Defendants. Each of the Plaintiffs reached an agreement to illegally split attorneys' fees ("Illegal Agreement"), acted in concert and conspired in furtherance of the Illegal Agreement, enjoyed a significant benefit from the Illegal Agreement, which caused harm to the Defendants, and to this Court. The Defendants who have been harmed by the conduct

set out herein. Each of the Plaintiffs was a necessary party to the conspiracy

47. In their thinly veiled misuse of legal process to halt Defendants exposure activities, Plaintiffs have engaged in a conspiracy inflicting harm upon Defendants. Plaintiffs, acts Violated civil and Constitutional rights, under color of state law, violating federally protected Rights. These Violations create a cause of action under the Civil Rights Act (Title 18 U.S.C. §§ 1983-1988); Under RICO (Title 18 U.S.C. §§ 1961-1965);

48. These trusts are each governed by Pooling & Servicing Agreements establishing the duties of various entities involved in the creation and operation of the trust

49. One of the most significant duties of the trustee is the conveyance of the mortgages and notes from the original lenders to the depositor, then to the trust. This conveyance is done via mortgage assignments.

50. The trusts represent to purchasers of their securities that the notes and mortgages (bundled to form the asset pool of the trust) will be delivered with assignments to the trust in recordable form, so that they will be able to foreclose on the assets in the event of default

51. Despite the trusts' representations, in many trusts the assignments of the notes and mortgages were not delivered at all to the trustee or, if delivered, were allegedly lost or misplaced.

52. The trustees, the servicers and the depositors of the MBS Trusts routinely provided certification of compliance, and falsely alleged that they had fulfilled their obligations as mandated by the Securities and Exchange Commission ("SEC") Regulation AB and by the prospectuses and pooling and servicing agreements.

53. Without the assignments, the value of the assets in the trust is severely diminished because the trustee is unable to establish Clear chain-of-title to pursue a foreclosure action. The trust usually turned to a lost note affidavit" procedure to assert ownership. Faced with an increasing number of inaccuracies in foreclosure cases, courts have increasingly established minimum evidentiary standards requiring more than a lost note affidavit. Rather than pursuing the proper procedure for obtaining valid assignments, the Plaintiffs have filed forged mortgage assignments in court to support their foreclosure cases .

54. There are two categories of Plaintiffs. The first is comprised of LPS and LPS Default who are "vendors" or "subservices" to most national mortgage servicers and who have agreements with those

mortgage servicers, referred to as a "Default Services Agreement" to manage all bankruptcy and foreclosure default related loans for those servicers.

55. The second category is the law firm Plaintiffs Hutchens Law Firm, LLP (hereinafter "Plaintiffs Hutchens Law firm, LLP"). Plaintiffs Hutchens Law Firm, LLP has a contract with LPS Default called a Network Agreement" which provides for the express exchange of consideration from Plaintiffs Hutchens Law-Firm, LLP to the remaining Plaintiffs in the form of the payment of referral fees to LPS for the referral of bankruptcy court and foreclosure related matters and other default related matters. The Network Agreement and the Default Services Agreement enables the

56. Plaintiffs to perpetrate its Illegal Agreement through their conspiracy. Plaintiff Fidelity National Information Services, Inc. (FIS or Plaintiff) is a Georgia corporation with its headquarters and principal place of business in Jacksonville, Florida. 2) As part of its business, FIS provides online banking services, mobile banking services and other products to financial institutions throughout the United States

57. Plaintiffs LPS is a Delaware company with its principal executive offices located in Jacksonville, Florida. As detailed throughout, LPS operates in the mortgage industry and is the industry's number one provider of mortgage processing services, settlement services and default solutions, and the nation's leading provider of integrated data, servicing and technology solutions for mortgage lenders.

58. That upon information and belief, ("M") "Mortgage Insurance" Means Insurance protecting Lender against Nonpayment of. Or default. On the loan. Demands strict proof thereof. at Jury Trial

59. The third category FIDELITY NATIONAL TITLE INSURANCE COMPANY, The Firm agrees to maintain in full force and effect. A professional Liability Policy. The minimum amount of Coverage shall not be less than one Million Dollars (\$1,000,000.000). Demands strict proof thereof. at Jury Trial

60. FIDELITY NATIONAL TITLE INSURANCE COMPANY

Management Agreements, Master Services Agreement: Effective March 12, 2003, the Company and certain affiliates entered into a Master Services Agreement IndyMac Mortgage, FSB, One West Bank, FSB, Ocwen Loan servicing, Deutsche National Trust Company, Bank of America, PHH Mortgage Servicing, with its ultimate parent, Fidelity National Financial, Inc. (FNF). Under the terms of the agreement, the Company receives from affiliates the following services: underwriting, claims settlement, payroll, legal, advertising, investment services, administrative and personnel services, and information technology. The agreement limits Compensation for services to reimbursement of actual expenses. Fees incurred under the agreement are settled on a monthly basis with LPS/FNF.

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61. Background of the Company

62. LPS was formed on July 2, 2008, as a spin-off from FNIS.

At that time, it became an independent publicly traded Company. According to the Company, "LPS is the industry's number one provider of mortgage processing services, settlement services and default solutions, and the nation's leading provider of integrated data, servicing and technology solutions for mortgage lenders." See Lender Processing Services, Overview, <http://phx.corporate-ir.net/phoenix.zhtml?c=222167&p=irol-overview> (last visited Apr. 27, 2011). Indeed, LPS handles more than 50% of residential mortgages by dollar volume in the U.S. See LPS Information Statement, Exhibit 99.1 to Amendment No. 6 to Form 10-12B filed on June 19, 2008. The Company has 14 of the 15 biggest loan servicers as clients and all the nation's 50 largest banks use at least some of its services. 2 The Company is extremely profitable and achieved revenues of nearly \$2.4 billion in 2009 and \$2.5 billion in 2010.

63. The Company operates through two reporting segments: (1) Technology, Data and Analytics; and (2) Loan Transaction Services. See LPS' Form 10-K for the period ending December 31, 2009, filed on February 23, 2010. The Technology, Data, and

1 Internal citation are omitted, and emphasis is added, unless otherwise stated.

2 See Scot J. Paltrow, Special Report: Legal woes mount for a foreclosure kingpin, REUTERS (Dec. 6, 2010), <http://www.reuters.com/assets/print?aid=USTRE6B547N20101206> (last visited Apr. 27, 2011) (hereinafter, "Reuters").

Analytics segment includes the Company's technology solutions, such as its mortgage servicing platform ("MSP") and its Desktop system. Id. MSP automates all areas of loan servicing, from loan setup and ongoing processing to customer service, accounting and reporting. Id. LPS' Desktop system is a web-based, "middleware enterprise workflow management application designed to streamline and automate business processes." Id. The Desktop system has three components: process management, document management, and invoice management, and is utilized primarily by many servicers to manage the default side of their businesses.

64. The Company provides the hardware for these applications as well as personnel to help keep these systems running. The Company's Loan Transaction Services segment includes its default management services and its loan facilitation service. Id., the Company's loan facilitation services consist of origination and real estate-related services, such as settlement services, title agency and closing services, traditional appraisals and appraisal management services. Id.

65. LPS' Default Management Services

66. LPS touts that its default management services allow its "customers to efficiently manage the business processes necessary to take a loan and the underlying real estate securing the loan through the default and foreclosure process." Id. The Company states that it "offer[s] full spectrum of services relating to the management of defaulted loans, from

initial property inspection through the eventual disposition of our customer's asset." Id. These include foreclosure services, property preservation and inspection services, and asset management, default title and settlement services. Id. In particular, the Company represents that it provides its lender and servicing customers with services that facilitate completing the foreclosure process, such as offering them certain administrative and support services in connection with managing foreclosures, including posting and publication of foreclosure and auction notices, conducting title searches, providing due diligence and research services, and various other title services in connection with the foreclosure process. Id.

67. On information and belief, the Company operated its default management services segment from its headquarters in Jacksonville, Florida, its Mendota Heights, Minnesota location, and through its document solutions subsidiary in Alpharetta, Georgia (DocX). The Company's Minnesota location primarily handles bankruptcy matters, while the Company's Jacksonville location primarily handles matters related to foreclosures, as well as some special assets.

68. The LPS Business Model

69. LPS Drives Market Share by Offering Its Clients Free Services

70. As the economy slumped, LPS' default management services became the Company's key source of revenues. See Reuters at 2.

Indeed, foreclosures have skyrocketed since 2006. In 2008, nearly 3.2 million foreclosure filings were made on more than 2.3 million U.S. properties, an increase of 225% since 2006 and an 81% increase since 2007.³ In 2009, over 3.9 million foreclosure filings were made on more than 2.8 million

³ See RealtyTrac, 2008 Year-End Foreclosure Market Report, Feb. 5, 2009, <http://www.realtytrac.com/home/> (last visited May 5, 2011).

properties.⁴ And, at the end of October 2010, the number of properties heading into foreclosure was 7.4 times historical averages. Reuters at 2. As LPS' services are efficient, low-cost and speedy, LPS was perfectly positioned to profit from the foreclosure crisis.

71. Determined to increase market share during hard economic times, Plaintiffs utilized a seemingly fool-proof business model. As detailed above, LPS' Desktop application is primarily used by customers for default management. Plaintiffs took advantage of this ready customer base to market its default management services to these clients who already used its core technology. Plaintiffs offered to provide these clients complete default management servicing. As Plaintiffs Carbiener explained:

72. Critically, under LPS' business model, but unknown to the market, the Company offers these default management services free to its clients – banks and mortgage servicers. As Bill Newland ("Newland"), the Vice President of Operations of LPS Default

⁴ See RealtyTrac, Realty Trac Year-End Report Shows Record 2.8 Million U.S. Properties with Foreclosure Filings in 2009, Jan. 13, 2010, <http://www.realtytrac.com/home/>, (last visited May 5, 2011).

73. Solutions,⁵ who specifically handles the Company's attorney management area testified, when LPS provides services to its clients – the mortgage servicers and banks that hire it to do foreclosure work – it does not charge them fees. Newland Dep. at 52:16-25; 53:1-6; 154:19- 25 and 155:1-17. Accordingly, for mortgage servicers and banks, receiving complete default management services for free during the foreclosure crisis was a “no brainer.” In such a way, LPS was successful in signing up existing customers into these services and gained market share as bank clients turned to LPS to assist them in completing foreclosures faster and in greater volumes.

74. LPS Earns Revenues by Charging Referral Fees to Attorneys in its “Network” and through Illegal Fee-Splitting

75. In order to generate revenues from its business model, Plaintiffs formed a “network” of attorneys to help it service its clients' foreclosure cases. Attorneys who became part of its network would receive a steady flow of legal work from Plaintiffs. As LPS was the nation's largest servicer, attorneys who did not sign up to be a part of this network would be at a competitive disadvantage in landing foreclosure cases. For these reasons, many law firms were conscripted into the LPS network.

⁵ Excerpts of the Deposition Transcript of Bill Newland dated June 16, 2009 (“Newland Dep.”), taken in Wood v. Option One Mortg. Corp., Fid. Nat'l & Bankr.

Solutions, and attached to the Third Amended Complaint filed in *Thorne v. Prommis Solution Holding Corp.*, No. 09-11763 (Bankr. N.D. Miss. Sept. 30, 2010), are attached as Exhibit A. Newland, who testified on behalf of the Company in a 30(b)(6) deposition, has primary oversight for the Company's Jacksonville facility and manages the Company's attorney management area and special assets for its foreclosure department. Newland Dep. at 7:24-25 and 8:1-4.

76. In order to be a part of the LPS "network," attorneys had to execute a "Network Agreement" with LPS. This agreement provided significant limitations and requirements on attorneys and set forth a fee arrangement between LPS and network attorneys. Indeed, although Plaintiffs deliberately failed to inform the market in its words Period statements (as well as courts and borrowers in proceedings), LPS earns revenue by charging referral fees it calls "administrative fees" to lawyers in its network for handing them foreclosure and bankruptcy files. Newland testified that while clients do not pay for LPS' services regarding a foreclosure (*Id.* at 143:8-12), attorneys in the network pay an "administrative support fee" for having the loan come to them through the referral network of LPS Default Solutions. *Id.* at 143:13-17. According to Newland, the fee is a set dollar amount determined by the Company's executives. *Id.* at 144:1-5. Accordingly, the only compensation of any type that LPS Default Solutions receives is this administrative support fee from attorneys. *Id.* at 156:3-9. According to Newland, these fees fund all LPS Default Solutions' activities, pay all its overhead, and comprise all of its profits. *Id.* -

77. CW1 6 confirmed the referral fees paid by attorneys to

LPS. 7 He stated that "all the money comes from attorneys" – nothing from banks or servicers. LPS signed a host of lifetime clients for free service.

Some of the older LPS clients, including Washington

6 The former Project Manager at LPS ("CW1") worked in the Jacksonville headquarters from November 2006 through April 2010. This former employee reported to Newland, who reported to the Vice President of Foreclosure, Chuck Martisek. In this capacity, CW1's division, which was known as the Outsource or Desktop Division, used LPS Desktop software to track loans through foreclosure on behalf of LPS' servicer clients.

7 All confidential witnesses are referred to in the masculine to protect their identities.

Mutual, Option One and Saxon Mortgage Services ("Saxon"), were known within LPS as "legacy clients" and had "blanket contracts" giving them whatever they wanted.

These contracts obligated LPS to prepare as many custom reports as these servicer clients requested, and LPS could not change the terms of their contracts even though it was not cost effective to continue providing unlimited custom reporting to them.

78. Several former employees detailed how referral fees worked at LPS. CW2 8 recounted that LPS referred business to attorneys based on a client request for action, and then the attorney paid LPS for the referral. CW 1 also confirmed that LPS was paid based on each referral it made from a client to an attorney or law firm in LPS' approved network. By way of example, CW 1 stated that if Washington Mutual used LPS' outsource services, Washington Mutual would refer a foreclosure to an LPS approved attorney and then the attorney would pay LPS a "referral fee." CW 1 believed that LPS received \$200 per referral.

8 The former Bankruptcy Specialist at LPS ("CW2") worked in the Mendota Heights, Minnesota office of LPS from August 2008 through November 2010. In this capacity, his

duties included analyzing and auditing loans in bankruptcy on behalf of LPS servicer clients who had responsibility for collecting payments from those loans. He reported to Team Leads and a Supervisor who reported to Manager Jack Junier ("Junier"), who in turn reported to Assistant Vice President Dory Goebel. He worked mostly with Saxon but also performed bankruptcy file audits for American Home Mortgage (formerly Option One).

79. Likewise, CW 169 also explained that attorneys paid LPS for each "process" referral, such as the filing of a Proof of Claim, a Motion for Relief, an Agreed Order, or other action by the attorneys. This former employee stated that such filings or actions were known as "processes" internally at LPS. According to CW16, as the attorneys handled more referrals, the total referral fees received by LPS added up. Each subsequent referral generated another payment for the attorney and another referral fee to LPS. By way of example, CW 16 noted that if LPS referred a Motion for Relief to an attorney, LPS would get x dollars for the referral going to the attorney. CW 16 explained that, at times, attorneys had to file multiple Agreed Orders because the borrower re-defaulted on the initial or subsequent Agreed Orders. LPS received additional referral fees when the attorneys received additional fees for making subsequent filings. Moreover, CW 1 recounted that as a foreclosure can wrap up quickly or it can be delayed (i.e., if the borrower files for bankruptcy), the attorney paid LPS \$200 at the outset of the foreclosure but then if the case is stayed or delayed, LPS may collect another \$200 from the attorney when the case resumes

⁹ The former LPS Bankruptcy Financial Specialist in Mendota Heights, Minnesota ("CW 16"), worked for LPS from April 2005 through June 2010. From 2006 through 2008, CW 16 served as a Team Lead Bankruptcy Financial Specialist. In approximately March 2008, he had what he describes as a "nervous breakdown" because of the immense pressure to process a huge number of loan files per day, gave up his Team Lead position, and worked from home from 2008 until February 2009. In February 2009, he returned to work in LPS' Minnesota office in the "High Risk" department until approximately October 2009. From approximately October 2009 until the last day of June 2010, he again worked as a Bankruptcy Financial Specialist. As a Bankruptcy Financial Specialist in 2009 and 2010, CW 16 reported to Supervisor Heidi Wilson. In this capacity, his duties included reviewing loan files in which there were borrower disputes or problems with escrow accounts and "ledgering out accounts" to show all dates, payments, and anything financial. The ledgers were required by courts as part of the bankruptcy adjudication process.

80. This improper fee arrangement between LPS and network attorneys, which amounted to fee-splitting, is detailed in the Network Agreements that these parties executed. 10 These agreements outline a schedule of the fees that will be billed to the client for the completion of certain legal work by the attorneys and, also for the completion of the same work, the fees that the network attorneys are required to pay to LPS. 11 The schedule shows that the amounts paid by attorneys to LPS are directly tied to, and constitute shared portions of, the amounts paid by clients to attorneys. See id.

81. While under its business model, the Company was heavily dependent on attorneys' fees, it failed to disclose this to the market, instead offering only vague references to its working relationship with a network of "independent" attorneys. Not only did LPS keep these fees and their impact on Company revenues secret from investors, but it also failed to disclose them to courts and borrowers in various foreclosure and

bankruptcy proceedings throughout the country. As CW2 explained, LPS never disclosed its sharing of attorneys' fees to the court or borrowers.

Although "network attorneys" submitted requests

10 Network Agreement Demands strict proof thereof. at Jury Trial

11 In addition to the Network Agreements, LPS' network arrangements involved Default Services Agreements ("DSAs") between LPS and its bank and mortgage servicer clients. An exemplar Default Services Agreement is attached hereto as Exhibit C. The DSAs set forth the way LPS would retain and work with attorneys while providing foreclosure, bankruptcy and related default matters. Under the DSAs, only network attorneys that executed Network Agreements would be "selected and retained by [LPS]." Those network attorneys were managed by LPS but paid by LPS's bank and mortgage servicer clients pursuant to fee schedules attached to the DSAs. In court proceedings for attorney fees as part of bankruptcy proceedings, they failed to alert the court that some portion of those fees were going to LPS.

82. The Network Firms Were Not "Independent"

Throughout the Foreclosure Period, Plaintiffs misled investors as to its true relationship with its network attorneys. While in its public filings LPS touted its network of "independent attorneys," nothing could be further from the truth. As CW2 stated, "LPS controlled the attorneys." This control was critical to the success of the Company's business model. With the network attorneys under its thumb and operating at its whim, LPS could push through foreclosures as quickly as possible, earn more business from its bank and servicer clients, expand its market share, earn more fees from the attorneys, and thereby increase the Company's profits.

83. LPS' control over its network attorneys is evident from the role it played in selecting attorneys for various cases. While the Company

represented that its clients could use any attorneys they wanted, this was misleading. Only attorneys who have signed a Network Agreement with LPS can use its process management system. See Newland Dep. at 95:6-9. Newland testified the Company's clients are limited in that if they want the loan to stay on the Company's system, they have to use an attorney in the LPS network because attorneys who are not in the network do not have access to the Company's system. See Id. at 95:10-19; 96:9-13. 12 This is supported by the language of LPS' DSAs, which limited its

While Newland mentioned a seemingly implausible exception where, in lieu of using a network attorney, a client could update the system "just like an attorney," when pressed for details about this unrealistic alternative, Newland was at a loss. See Id. at 96:14-25; 97:1-10.

clients' choice of attorneys to the "nationwide network of natural persons, law firms, foreclosure trustees, professional organizations and third persons who have executed [an LPS] Network Agreement." See Exhibit C at 5; see also id. at 9, 16-17.

84. Even among "network attorneys," LPS had a heavy hand in selecting who would be used by a particular client. In some instances, LPS employees would simply select an attorney for the client. For example, CW3 13 stated that LPS selected the attorneys for the handling of foreclosures. According to this former employee, even if the client wanted to use its own attorney, and pay for it, ultimately work "went through the attorney that Lender Processing Services picked." In addition, LPS also selected attorneys to handle the resale of foreclosed properties. CW4 14

recounted that he had witnessed LPS getting mortgage loans from banks without an attorney referral and then "picking an attorney for them to go to." Indeed, he noted that there were mortgage loans that come into the LPS queue or system that "don't have lawyers assigned to them," and an LPS staff member would manually go into the system "and assign an attorney to those files." Likewise, CW 16 explained that LPS had an automated process that automatically referred loan files to law firms if a borrower's payments were late beyond a certain number of days or if other pre-defined

13 The former REO Asset Manager at LPS ("CW3") was employed with LPS from August 2008 through September 2009. In this capacity, he dealt with the maintenance and sale of foreclosed properties that were on the market for resale.

14 The former Financial Support Supervisor ("CW4") worked for LPS in Jacksonville, Florida from August 2008 through March 2010, and reported to the Sales Reporting Supervisor.

triggers were met. The process for selecting the attorney to receive each referral was also automated, and was based on the lender's list of pre-approved attorneys, and the district or territory where the property was located. Sometimes the automation did not work, in which case there was a spreadsheet that guided who received the referral. However, as CW 16 noted, the banks were not typically involved in referring individual cases to attorneys.

85. In other instances, LPS would significantly influence which attorneys would be used. CW1 stated that "the standard thing at LPS was that we do not tell people who to use. But clients asked for recommendations," and LPS was more likely to recommend lawyers who

had a closer relationship with LPS. The former Project Manager explained that "certain attorneys had better relationships with LPS," and such relationships "didn't hurt" those attorneys' chances of being selected by servicers. Indeed, as CW4 explained, LPS "has a lot of referrals to certain law firms." For example, CW1 noted that attorney James Albert Elli had a luxury suite at the Jacksonville Jaguars football stadium, and "LPS senior management went there a lot."

86. Even aside from the initial referral, the Network Agreement further illustrates that LPS is the puppeteer of network attorneys. Indeed, network attorneys are required to "follow the timeframes and communication requirements provided by the Company and take certain specified legal actions upon the request of the Company (e.g., attend hearings, object to a debtor's plan, file motions for adequate protection and for relief from stay, prepare and send demand letters, etc.). See Exhibit B. Moreover, under the LPS model, attorneys and clients were strongly discouraged from communicating with one another. CW5 15 definitively explained about LPS' relationships with law firms, that the client (i.e., bank or investor) was "not to get into direct contact with the attorney" that would be handling the foreclosures on behalf of the bank or investor. Through this system, LPS was, in effect, "the filter" between any communications between the bank/investor and their attorney and, in such a way ensured that there was no direct communication between the two. Any communication between the client and the attorney was routed by LPS

staff and not permitted to be direct. CW3 also explained that LPS controlled communication between the attorneys it selected and the clients, requiring attorneys to first speak to the Lender Processing side. In fact, according to CW5, LPS would refer to the banks/investors as their "clients," even though the banks/investors were the clients of the attorneys handling them foreclosures.

87. LPS' control of the communications between its networks attorneys and their clients are evidenced by numerous opinions issued by Federal Bankruptcy Judges. In Judge Sigmund's April 15, 2009 opinion in *In re Taylor*, No. 07-15385 (Bankr. E.D. Pa. Apr. 15, 2009) (hereinafter "Taylor"), 16 Judge Sigmund discusses the review she undertook of the NewTrak system that was later integrated into LPS Desktop. Judge Sigmund notes that

15 The former LPS Operations Specialist and Auditor ("CW5") worked at the Jacksonville, Florida office of LPS from June 30, 2009 through August 24, 2010. In this capacity, he worked in the area of foreclosures, describing himself as a "foreclosure specialist and auditor." This former employee's role involved the "government service entity" side or "GSE," meaning Freddie Mac and Fannie Mae. In this capacity, he handled some sales reporting and audited what was already reported for compliance and accuracy so that fines could be avoided.

16 Taylor, Demands strict proof thereof. at Jury Trial

"NewTrak manages, without human interaction, the relationship between [the client] and its attorneys in the collection of delinquent mortgage loans through automated responses in certain ques." Taylor at 7. The opinion

states that "[t]he retained counsel does not address the client directly nor does it address another counsel that may be performing tasks for [the client] in the same case, even when the separate attorneys are handling related matters." Id. at 30. The attorney in that case "believed he was precluded from making any direct contact with the client." Id. at 33. Indeed, the attorney did not "believe it could deviate from that form of consultation even when the Court expressed concern over the handling of the Stay Motion." Id. at 46. Likewise, in a Memorandum Opinion dated April 6, 2011 in In.re Wilson, No. 07-11862 (Bankr. E.D. La. Apr. 6, 2011) (hereinafter "Wilson"), 17 Judge Magner granted a Motion for Sanctions as to the liability of LPS. In so doing, Judge Magner held that "LPS managed the communications between Option One and its counsel" Wilson at 24

88. such a way, network attorneys were kept in the dark by the limited information they received from LPS. According to CW2, his supervisor told him that "we are not allowed to give clients numbers or true details." He and his co-workers were directed to generalize when talking to counsel. For example, they could tell attorneys that certain amounts were misapplied to a specific loan post-petition but could not reveal how funds were misapplied in a specific amount on a specific day. Accordingly, although LPS would get

17 Wilson, Demands strict proof thereof. at Jury Trial

recommendations from local counsel based on LPS findings, such advice

was limited by what LPS told them.

89. Network Law Firms Are Kept In Line with Attorney Performance Reviews

90. In order to facilitate the speed and success of the LPS business model, the Company needed a mechanism to “encourage” network attorneys to complete their work as quickly as possible. CW 1 explained that APR were a metric that LPS used to track and rate the performance of attorneys who assisted LPS servicer clients with foreclosures and bankruptcies. 18 APR ratings were “strictly based on speed” and ranked attorneys based only on how quickly they performed various tasks on behalf of servicers.

91. Newland confirmed the Company’s APR ranking system. Newland Dep. at 167:10-13. He explained that the “APR ranking is based off the completion of events that are within the APR scoring module.” Id. at 169:9- 14. There are recommended time frames for completing events (e.g., a foreclosure sale), and the APR measures how the attorney does in completing these events within those time frames. Id. at 169:15-25 and .170:1-5.

92. As Reuters stated:

Interviews, deposition transcripts and LPS’s own records underline that the company keeps its clients happy and maximizes its own fee income by whipping law firms to gallop cases through the courts.

The law firms are on a stopwatch: Kersch confirmed that the LPS Desktop system automatically times how long each firm takes to complete a task. It

assigns firms that turn out work the fastest a "green" rating; slower ones "yellow" and "red" for those that take the longest.

18 An exemplar APR, Demands strict proof thereof. at Jury Trial

Court records show that green ratings go to firms that jump on offered assignments from their LPS computer screens and almost instantly turn out ready-to-file court pleadings, often using teams of low-skilled clerical workers with little oversight from the lawyers. Copies of company newsletters from shortly before LPS was spun off show that the company each year gave awards to the law firms that were consistently the fastest.

Firms that move more slowly were slapped with "red" designations. For them, work offers dried up.

Reuters at 4.

93. Accordingly, network attorneys were at the mercy of LPS, who handled more than 50% of the industry's residential mortgage volume. These attorneys had to learn to operate successfully within the confines of the APR to continue to receive LPS referrals. While Plaintiffs' business model both increased the Company's market share and provided a constant source of revenue, it also eviscerated the client-attorney relationship and led to improperly rendered legal advice. Indeed, Plaintiffs' influence over the attorneys in its network constituted the unauthorized practice of law. Moreover, their charging of referral fees and fee-splitting arrangements were a violation of applicable laws. These arrangements were clearly impermissible and violated provisions of federal law (including 18 U.S.C. § 155), the U. S. Bankruptcy Code and various codes of

professional responsibility across the country. As Judge Sigmund stated in Taylor, the "barrier that NewTrak supplies to obstruct client/attorney communications is contrary to the Model Rules of Professional Conduct." Id. at 45. "Since there is no client consultation and since the lawyer is simply tasked to file a motion based on a pre-coded event or a claim objection based on a claim not filed by that firm, the Rules of Professional Conduct appear to have been subordinated to this automated system." Id. at 46. 19 Accordingly, although during the Class Period Plaintiffs led the market to believe that they worked with an independent network of attorneys Plaintiffs' business model was completely improper and utterly unsustainable.

94. LPS Engages in Illicit Practices to Push Through Foreclosures and Bankruptcies at Rapid Rates to Increase Profits

95. Plaintiffs' improper business model and the economic downturn generated tremendous volumes of default work for LPS, which they were determined to push through the Company's system at rapid rates in order to drive market share and profits. To accomplish this, LPS employed various illicit practices at all its offices to churn as many files as quickly as possible. These practices included: the fabrication of documents, "ro-bo signing," forging or surrogate signing, improper notarization of documents, violation of security protocols, and concealment of known mistakes from courts, attorneys, and clients. While through these practices

LPS ultimately attained the record profits it sought, Plaintiffs' operations we are teeming with fraudulent conduct.

96. The Company Fabricates Missing Assignments to Foreclose on Homeowners

97. In order to foreclose on a home, a foreclosing entity must establish ownership of the mortgage at issue. **See Reuters at 2.** In the recent housing boom, mortgages were generated at an incredible pace and, in many cases, subsequently transferred to trusts owned

19 While Judge Sigmund did not impose sanctions on LPS in Taylor, it was only because "[w]hile NewTrak prescribed that approach, LPS did not dictate how they would handle cases referred to them when problems with the procedure were apparent." Taylor at 56.

by investors who bought securitized packages of mortgages. Id. Such a transfer requires a mortgage assignment to be created, which transfers ownership from the original lender to the next owner (i.e., trusts). However, as was recently brought to light in the media, many original lenders never handed over ownership of the mortgages to the trusts. **See Reuters at 2.** Only the holder or owner of a mortgage can institute a foreclosure action in the event that the homeowner stops making their mortgage payments. 20

98. Without the assignments, LPS' customers could not complete foreclosures and LPS therefore could not profit. Accordingly, with the help of its subsidiary DocX, 21 LPS produced significant numbers of invalid assignments on behalf of banks so that its clients could foreclose on

homeowners. See Reuters at 2. Indeed, creation of missing or lost assignments were one of the very services DocX offered its customers for a fee. As is evidenced by a DocX rate sheet, DocX offered the following services, among others, for a specified fee: 22

- **Create Lost Note Affidavit**
 - **Create Missing Intervening Assignment**
 - **Cure Defective Assignments**
 - **Recreate Entire Collateral File**
-

20 See June M. Clarkson, Theresa B. Edwards and Rene D. Harrod, Office of the Attorney General, Economic Crimes Division, Unfair, Deceptive, and Unconscionable Acts in Foreclosure Cases (hereinafter "Attorney General Presentation"), attached as Exhibit G.

21 In 2005, Fidelity National Financial, Inc. ("FNF") acquired DocX, which was spun off with LPS in 2008. On February 1, 2006, FNF merged with Certegy Inc. to form FNIS. DocX was in Alpharetta, Georgia.

22 DocX rate sheet, Demands strict proof thereof. at Jury Trial

99. This was confirmed by CW6, 23 who explained that if a servicer was missing an assignment in a file, DocX would e-mail the servicer to request a copy of the assignment. However, if the servicer could not locate the assignment, DocX would simply prepare a new assignment of title. DocX had even acquired some "newer lender" clients who "had missing assignments in almost all cases."

100. CW724 explained the process by which documents such

as assignments were generated at DocX. Indeed, he explained that Data Entry employees took information from scanned documents on their computer screens and entered it into LPS Desktop software to create assignments of mortgage. These employees entered data such as the loan amount, person's name, address and a property description. Data Entry employees did not perform any analysis or verify any information; they just pulled information from one screen and entered it into another. CW7 then printed those documents through LPS Desktop and took

23 The former DocX Customer Service Representative ("CW6") was employed with DocX from August 2005 through May 2010. He reported to Team Leads who, in turn, reported to Rene Gaglione ("Gaglione"). This former employee was tasked with entering data from client files, including "collateral files" and "payoff files" into a DocX computer system to prepare forms that he would print and sign with other DocX employees in front of a notary. This former employee worked with banks and servicers, including Litton Loan Servicings, Select Portfolio, and MorEquity, Inc.

24 The former DocX Data Entry Clerk ("CW7") was employed with DocX from April 2009 through February 2010 and was hired as a temporary employee. This former employee reported to Melissa Cleary, who reported to Shelly Scheffey ("Scheffey"). In this capacity, he did data entry, and prepared cover sheets for different states related to foreclosure properties and on a few occasions signed these documents as a witness. them into the "Signing Room" at DocX, where a supervisor took the documents and handed them out to signers.

101. Prior to and throughout the Fraudulent Foreclosure Period, the Company produced, at a minimum, hundreds of thousands of invalid assignments and other mortgage-related documents for use in

foreclosure cases. The invalid nature of these assignments is evident from repeated problems in the assignments that highlight their illegitimacy.

Indeed, LPS executed assignments fraught with deficiencies, including but not limited to: (1) signatures and dates after foreclosures were initiated for mortgages that should have been handed over to trusts; (2) signatures by LPS employees purporting to be officers of lenders that no longer exist; (3) incomplete or non-existent grantees or grantors such as "bogus assignee" or "bad bene"; (4) improper effective assignment dates such as "9/9/9999;" and (5) blank signature lines witnessed and notarized. See Exhibit G; Reuters at 2-3. Assignments and other mortgage documents with these deficiencies were filed all over the country in county clerk offices and with courts from as early as 2006 to 2010. ²⁵ Moreover, documents with deficiencies that rendered them invalid were generated in both its LPS Alpharetta (DocX) and its Minnesota locations. See Reuters at 3.

102. The discrepancies in the documents produced by LPS were also confirmed by confidential witnesses. CW8 ²⁶ explained that during his tenure, he had pointed out to his

25 See Composite, Demands strict proof thereof. at Jury Trial

103. connection with the challenged conduct, Plaintiffs, directly or indirectly, used the means and instrumentalities of interstate commerce, including, but not limited to, the United States mails, interstate telephone communications, and the facilities of the national securities markets

26 The former Member of the DocX Foreclosure Department ("CW8") was employed with the Company from 2006 through April 2010. He began as a mail clerk and was

supervisor, Scheffey, the Operations Manager, that some documents were being released with "bogus assignee" or "bogus assignor" as the signatory.

Moreover, there were documents that did not have the correct "maturity date" and instead specified the maturity date as "99/99/99." CW927 also confirmed the discrepancies in the assignment documents. This former employee explained that the appearance of the terms "bogus assignee" and "bad bene" on mortgage related documents were the result of human error. These entries on assignments were merely placeholder terms on the assignment documents that could not be left blank. Likewise, the date 09/09/99, which has shown up on numerous DocX-prepared documents, was the result of a glitch in the LPS desktop system, which would occur if this date was not overwritten with an actual date. As CW8 explained, assignments released with these deficiencies were the result of a lack of quality control on entries that were done by the keepers at DocX.

Documents lacking the proper signatory and/or maturity date should have remained in the Company's "exception queue" but instead were released improperly. However, when CW8 brought this issue to the attention of higher-ups, such as Gaglione and

promoted first to data entry and then to the foreclosure department in mid-2009. In this capacity, this former employee reported to Scheffey, Rebecca Ohde, and Tony Raymond.

27 The former Client Care Services Manager ("CW9") was employed with DocX from July 2008 through September 30, 2010. This former employee reported to Scheffey, who in turn reported to Gaglione, who then reported to Lori Brown O'Reilly ("Brown"). He managed a team that supported document management services for large mortgage servicers. This included the processing of assignment documents used in the foreclosure process.

Brown, they instructed him to just send out the documents even with these discrepancies, and that he should only worry about it if the documents were returned.

104. LPS Abused Client Authority and Required Employees to "Robo-Sign" Documents

105. Through its business model, LPS managed default services for a significant portion of the industry, and as a result, had millions of documents to execute and sign. These documents often required signatures from bank officials. Since obtaining signatures on such significant volumes of documents are very time-consuming, CW6 explained that each client designated between two and four people at DocX with "signing authority" for those clients. In delegating authority to DocX employees, the LPS bank/servicer clients would first review copies of various DocX employees' signatures to decide which employee they wanted to designate to various titles, including Vice President and Assistant Vice President or Secretary. Because different states required differently

titled employees to sign Assignments of Title and Releases of Liens, the LPS clients designated several titles to different LPS employees. This was confirmed by CW9, who explained the procedure (which came down from upper management) by which employees of DocX would sign assignments that would have normally been signed by a representative of the client (e.g., Wells Fargo and American Home Mortgage). As this former employee explained, there was a corporate resolution signed between DocX and their clients giving DocX employees the authority to sign as a representative of the client. This was done solely to speed up the turnaround time of getting the documents completed and filed.

106. LPS abused this delegated signing authority to push through the large volume of foreclosures by requiring its employees to “robo-sign” documents needed to complete files for foreclosure. The practice of robo-signing involved LPS employees signing documents without verifying or reviewing their content and, in many cases, not even knowing what it was that they were signing. This practice was pervasive throughout the Company.

107. LPS went so far as to set up specific rooms to facilitate this improper conduct. At DocX, this practice occurred in a “signing room” also known internally as the “forging room.” Indeed, CW 10 28 explained that there were multiple signing rooms at DocX. Robo- signing of various mortgage- related documents was also confirmed by CW7 and CW8.

108. In the Signing Room there were 10 to 20 employees

sitting at tables with large stacks of documents on one side of them. CW7 explained that each person pulled a page off the top of the stack near them, signed that page and moved it to another stack next to them. They did not appear to perform any analysis, review or verification of any details in the documents they were signing. These documents included mortgage or promissory notes, and assignments of mortgages. As CW 11 29 explained, at first, the signers worked in

28 The former DocX Business Unit IT Executive ("CW10") was employed by DocX from November 1994 through October 15, 2010. He essentially fulfilled the position of "Chief Information Officer" of LPS Document Solutions division of DocX. This former employee reported directly to Brown, who in turn reported to Clay Cornett (President of LPS Default Solutions). This former employee was responsible for supervising all IT-related issues within DocX and even helped shut down the unit.

29 The former Document Scanner ("CW 1 1") was employed with DocX from September 2006 through February 2010. He began working for DocX as a temporary employee in the capacity of a document "prepper," and was promoted to scanner. In that role, he scanned mortgage documents and then checked them for accuracy. This former employee reported to Tina Detwiler and Rebecca Ohde, who reported to Gaglione.

an open area at the office. But, when clients came to visit the site, they made some complaints made about the signers and so that group was moved to a closed "middle room" in the office with a door at each end. Managers closed the doors when clients came through so the clients would not see the signers. Most days when clients were not visiting, they left the doors open and people could walk through the signing room on their way

from one part of the building to another

109. CW12, 30 who signed Releases of Assignments and Refinance documents elaborated on the robo-signing process at DocX. He stated that each signer received a batch of documents and had to "sign whatever page" they had in front of them, even if it was not their name on the page. CW 12 and the other signers had a big stack of documents in front of them. He would pull a page off the top of the pile, signed it without reading or analyzing it, and then moved it to a signed pile to be notarized. This former employee recounted that at first, all the signers were in a big room together with data entry employees but then the signers were moved into a dedicated signing room, purportedly because business was growing and DocX needed more space for data entry employees.

30 The former Document Executioner ("CW 12") worked at DocX from September 2006 through April 2010 when he was laid off shortly before DocX shut down. Originally, this former employee began working at DocX as a temporary employee and then he was hired on as a permanent employee in February 2007. His title changed three times during his employment and included a "sign and stamp clerk," a "document executioner," and a "data entry employee." His duties remained constant regardless of his title. CW12 had three supervisors during his employment, all of whom reported to Gaglione and Kim French ("French").

**110. LPS Requires Employees to Forge Signatures
Through an Arrangement Called Surrogate Signing**

111. In order to further expedite the robo-signing process, LPS employed a practice called "surrogate signing," by which it required its

employees to sign or forge the names of those individuals at the Company who had been given signing authority by clients. Indeed, as CW 1 explained, while there were managers at DocX with the authority to sign for banks, DocX instead employed lower-level employees to forge the signatures of those authorized managers.

112. Indeed, as CW 11 relayed, people were supposedly “signing” documents but really were “forging” documents. Gaglione was in charge of the Signing Department, which employed some temporary and some full-time employees. After “temps” were freshly hired to work in the signing room, they were directed to try signing a variety of other people’s names. Whichever signature they could most closely emulate was the signature they were directed to sign, repeatedly.

113. This was also confirmed by Chris Pendley (“Pendley”) in an interview for the television program 60 Minutes.³¹ He represented that on his first day as an employee at DocX, he was informed that he was going to be signing documents using someone else’s name. He recounted that he would sign documents as though he was an officer of a bank and would sometimes be “Vice President” of as many as five to six different banks on a given

³¹ See Interview with Scott Pelley, correspondent for 60 Minutes (April 3, 2011), “The next housing shock,” dated April 3, 2011, a transcript (unofficial) is available at

<http://www.cbsnews.com/stories/2011/04/01/60minutes/main20049646.shtml?tag=currentVideoInfo; segment Title> (last visited May 18, 2011).

day. Pendley explained that DocX employees had to sign at least three hundred and fifty documents an hour and that he alone signed four thousand a day. He was paid \$10 an hour to sign documents in this manner. The 60 Minutes episode also revealed that some of the supposed bank vice presidents at DocX were only high school kids

114. W 1332 confirmed Chris Pendley's account of the Company's signing room. "We had to sit there all day and sign other people's names." CW 13 did not know what he was signing, and neither did his co-workers. He stated that "whenever you ask a question," Jeffrey Baldwin ("Baldwin") and Gaglione would say "don't worry about it." Indeed, this former employee signed approximately 3,500 documents a day and stated that "sometimes I'd be five different bank officers for different institutions" in one day. He would sign for both women and men because he had good handwriting. On his first day at DocX, Gaglione held a meeting and explained surrogate signing and claimed it was legal and approved by DocX clients. CW13 was shown several signatures and asked to practice signing just like them. Then based on whose signatures he could most closely emulate, he was directed to sign those names. Gaglione "literally sat in the signing room with us. She was well aware of what was going on." CW 13 stated that he and his co-workers would listen to iPods and "from start to when you leave, sign documents. Don't even look at what

you are signing. They give you 3,000 pages and seven people need to sign that batch. You need to flip through and sign the name assigned to you. We had no idea what we were Signing.

32 The former Document Signer ("CW 13") was employed with DocX from March 2009 through the end of 2009. He was placed with DocX through the temporary service, Manpower.

Everything had to be rapid, at least 3,000 per day." As CW 13 recalled, "they had us coming in on weekends to sign from nine a.m. to six p.m. on Saturday to sign them."

115. The Company's surrogate signing practices were also confirmed by former LPS employee Cheryl Denise Thomas, 33 who testified that she personally signed an assignment of mortgage as a Vice President for Mortgage Electronic Registration Systems, even though she was not a vice president of that company. See Thomas Dep. at 42:18-25 and 43:9-25. Moreover, Thomas explained that numerous mortgage assignments were signed by "surrogate signers." See Thomas Dep. at 45-51. Thomas explained that they were told that surrogate signing was "legal" and "okay." See Thomas Dep. at 54. Managers such as Gaglione and Scheffey told employees to fill out a form indicating that other employees could sign for that person. See Thomas Dep. at 55-56. Thomas explained that the Company hired a lot of temps to serve as surrogate signers and notaries. Id. at 77. Thomas testified that the surrogate signing procedures

occurred before and after DocX became part of LPS. Id. at 57

116. In addition to Thomas and CW 13, numerous former employees explained how DocX managers told LPS employees that surrogate signing was a legal practice that was approved by clients. For example, CW6 recalled a meeting in the fall of 2008 or early 2009, at which a DocX manager said "delegated signing" was legal and approved by clients.

33 See Excerpts of the Deposition Transcript of Cheryl Denise Thomas dated March 23, 2011 ("Thomas Dep."), in Wells Fargo v. Mariskovic, No. 09-00764 (Fla. 9th Cir. Ct), attached as Exhibit J. Thomas held a lot of different positions and had many different responsibilities at DocX. Thomas Dep. at 10:22-25 and 11:1-11. Her last position before the closing of DocX was working in the Reject Department. Id

Pendley also explained that while the practice seemed strange, he and his colleagues were repeatedly told that everything was above board and legal. Likewise, CW 14, 34 who referred to himself as a "surrogate signer," recounted questioning this practice to his supervisor in 2009 and asking for an explanation as to why his name could be used without his reviewing and/or signing the document. He was told it was because he signed a document when he was hired authorizing his name to be auto signed. CW9 further described this document, which was called a "surrogate signer agreement." This former employee explained that this "agreement" was signed by the DocX employees who were responsible for signing the

clients' mortgage assignments and supposedly gave other DocX employees the ability to sign client documents in place of the authorized DocX employees.

117. Questions regarding surrogate signing were not welcome. As CW12 explained if you asked any questions about whether signing other people's names were legitimate, "I guarantee you a week later you would be fired." This was confirmed by CW 13 who stated that another colleague who was a friend of his asked what they were signing and questioned whether the process was legal. As a result, he was fired. Indeed, CW12 relayed that Gaglione was renowned for firing people with little or no provocation. Moreover, CW 11 recounted that he saw an employee terminated from DocX because he could not sign someone else's name correctly. This former employee stated that a few people asked

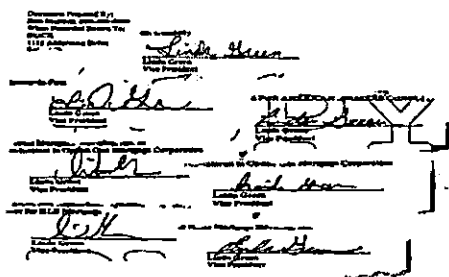
34 The former Source Document Specialist ("CW 14") was employed with DocX from 2003 through May 2010. In this capacity, he was responsible for "prepping mortgage files" and was a "surrogate signer."

questions about the Company's business practices, including the forging. In response, management got testy and said, "Just do your job."

118. Brown, the President and founder of DocX, was intimately aware of the robo-signing and surrogate signing practices at DocX. As CW 12 explained, Brown told everyone what to do. "Lori knew people were

signing other people's names. She would be in the signing room" and sat with the signers when they had to work overtime. Lori even brought the signers and notaries donuts or other snacks when they had to work late and would linger in the signing room and talk with the signers while they did their work.

119. The Company's surrogate signing practices are further evidenced by documents filed with county clerk offices and courts throughout the country. Indeed, as has been widely discussed in the media, many DocX documents were repeatedly signed by "bank officers" such as Linda Green. Linda Green apparently signed hundreds of thousands of mortgage assignments as a "Vice President" at a minimum of 14 different banks and mortgage companies. See Exhibit G. Linda Green was an LPS/DocX employee and not a bank officer. Moreover, a study of the signatures on documents supposedly signed by Linda Green reveals that Linda Green's name was signed by many different people, who had very different handwriting:



120. The Company Encourages Improper Notarization

In addition to forging documents and robo-signing without review, the Company also engaged in improper notarization of the documents it was executing. To be valid, assignments and other mortgage-related documents had to be notarized. Notarization reflects that the documents were authentic and people signing the documents were who they purported to be. There are certain protocols that notaries are required to follow before notarizing a document. Despite the legal significance attributed to them notarization, the Company also caused tons of documents to be fraudulently notarized. Mortgage assignments filed in county clerk offices show that the Company's signing and notarization practices were not limited to DocX but also occurred at LPS' other offices. **Reuters at 1.**

121. For example, Thomas testified that she notarized anywhere between one to a thousand documents at DocX on any given day. See Thomas Dep. at 23:17-25. Thomas explained that she was instructed not to be in the room when assignments were being signed and would notarize documents without seeing them signed by the signatories. See Thomas Dep. at 26: 1-9 and 10-25; 27: 1-25. Thomas raised questions to supervisors as to why many people (whose signatures she was notarizing) signed as corporate officers (e.g., vice presidents, secretaries, etc.). She was told to do what she was required to do, that it was "covered," and that there was legal documentation. See Thomas Dep. at 31-32. Indeed, Thomas testified that Gaglione would keep her away from the

signing room and told her it was none of her business who is in the room. Id. at 64:7-12. In addition, Thomas stated that she has notarized documents that she knew a surrogate had signed. Id. at 58. When Thomas left, her notary stamp was destroyed by the Company. See Thomas Dep. at 32:21-25 and 33:1-24.

122. This was confirmed by CW 12, who explained that after the documents were robo-signed, the notary got a big stack of documents to stamp and sign. Company notaries would notarize documents indicating that they had witnessed the identified person sign the document, even though they never observed the actual signing nor verified the identity of the signer. Likewise, CW13 explained that DocX insisted that one of his colleagues, a friend who lived in Fulton County, become a notary so that he could notarize the documents they were signing. That friend would sign and notarize the documents and still must sign as someone else in the same document

123. Although DocX Was Shut Down, Illicit Practices Continued and Were Widespread

124. The fraudulent practices described above resulted in an Overwhelming number of fraudulent documents being filed with county records offices and in court proceedings. The handwriting was on the wall, and, likely sensing an impending legal and public relations catastrophe, the Company was eventually forced to shut down DocX According to CW6, in the late summer or early fall of 2009, a team of five or six auditors arrived

at DocX. These auditors locked themselves in the signing room and went through thousands of files. They were "dragging in hundreds of boxes of documents" into the signing room. Then, in mid-January of 2010, the Company informed its employees that DocX was closing, explaining the reason for the closure as business not being as good as it needed it to be. By September 2010, DocX was officially closed.

125. However, Plaintiffs' illicit practices, which were not limited to DocX, continued unchecked at its other locations. This was confirmed by CW2, who explained that the official company story is that LPS stopped allowing employees to sign other people's names to documents in 2008 and terminated the practice because of DocX. However, when he worked at the LPS Minnesota office, he "knew people were signing for [LPS employee] Dory Goebel." While LPS liked to claim they fixed the problem in 2008, the solution was essentially no better. For example, he explained that his peers or team leads who he referred to as "trained monkeys" would simply take two screen printouts to whoever was supposed to sign, show them the printouts and say, "we need an affidavit" and the appropriate person had to sign. Indeed, CW2 detailed that LPS processes "relied exclusively on two or three screens" that showed information from the loan records maintained by the servicer but "ignored other screens that showed they were wrong." LPS policy was to follow a rote process "that said just look at limited screens." This former employee stated that "[t]hey were not verifying the information is correct, only that it existed on one screen shot."

In addition, LPS began shifting robo-signing operations to on-site client locations, where LPS' signers and notaries unscrupulously mass-produced the same type of deficient documents generated at DocX and LPS Minnesota. **See Reuters at 2.** Thus, in substance nothing had changed at LPS.

126. The Company's Business Model Led to Security Breaches and Significant Errors

127. Employees Were Pressured to Share Passwords

128. addition to the above practices, the volume of work and

the Company's emphasis on speed over accuracy led to security breaches and significant errors in mortgage documents. Indeed, CW 15 35 explained that LPS was "slammed," which forced the Company to overlook certain protocols and issues. For example, one such practice concerned their use of bank identification numbers. According to this former employee, LPS' bank clients would give one-person access to their system to retrieve documents, but internally that person's access would be used by multiple personnel to expedite the work. As CW15 explained, this was a potential security breach and inappropriate, since the bank thought that only the person to whom they had given the ID number was accessing the system. This practice of "sharing ID's" was particularly prevalent when doing work for Wells Fargo and Washington Mutual. Password sharing was also confirmed by Adrian G. Lofton ("Lofton"), a former employee at the

Company's Jacksonville, Florida headquarters, who detailed in his certification how cost-cutting measures at LPS led to an abuse of basic security protocols, allowing employees to access mortgage records of borrowers and alter them by changing

35 The former Sales Reporting Supervisor ("CW15") was employed with LPS from May 2007 through September 2010 and reported to Leo Stanfield and Steven Rogers. During his employment, he was tasked at one point with "supervising DocX."

entries, reversing transactions, adding transactions, and moving funds in and out of suspense accounts. 36 See Lofton Cert. at ¶¶109-111. In so doing, associates were violating the Company's computer security rules and the rules of each mortgage bank servicer. Id. at ¶125

129. CW16 also confirmed that LPS' employees engaged in password sharing. According to this former employee, banks issued user names and passwords for specific LPS employees. For example, Option One and HSBC provided only a limited number of passwords. Only those employees were supposed to use the passwords so that the banks could track who was accessing their system and records, and potentially editing records. The banks did not want people sharing passwords so they could track who was making changes in their systems and who was doing what in case there were errors that had to be resolved later. Although password sharing was rampant, "you were forbidden to ever tell the banks" it was happening.

130. As new employees could not get usernames or passwords for a month or two because the banks were slow, they had to use other people's passwords to work on files. Managers and Supervisors all encouraged and pressured employees to share passwords, including Assistant Vice President Eric Tate. "Everybody in the whole department was guilty of it." CW 16 explained that bankruptcy, attorney management, research, and anyone

36 See Certification of Adrian G. Lofton ("Lofton Cert."), dated March 24, 2011, *In re Residential Mortg. Foreclosure Pleading & Document Irregularities*, No. F-059553-10 (N.J. Super. Ct., Gen. Equity Part), attached as Exhibit K. Lofton worked with Fidelity National Foreclosure Solutions, Inc., a division of Fidelity National Default Solutions (the predecessor to LPS) in Jacksonville from April 2006 through October 2007. Lofton Cert. at ¶¶68-71.

that needed access would use other people's passwords. Password sharing was widespread and constant. CW 16 refused to share his passwords with other employees and "got in trouble for it." His Supervisor

told his team members that they would all have to work

harder because CW 16 refused to use their passwords so he could not work on certain files or for certain lenders.

131. Moreover, CW17,37 who worked with a variety of LPS lender clients including American Home and Saxon, confirmed that banks attempted to track who was accessing their internal systems and changing records by limiting access to certain preapproved LPS employees who were granted specific usernames and passwords. However, if CW 17 did

not have a pass code for a particular lender, he would "borrow" his co-workers' pass codes. CW 17 explained that he "frequently used other people's passwords" and that he used them "nightly." CW 17 explained that there was too much work to be done for only the authorized LPS employees to be able to do it all. LPS supervisors had higher level pass codes giving them increased access within the lenders' internal systems.

CW 17 and his co-

37 The Assistant Operations Support Specialist ("CW 17") was employed with LPS parttime on the night shift from February 2009 through May 2010. CW 17 was part of the Default Solutions Group and worked on bankruptcy files. This former employee worked on a team of four employees and a supervisor under Operations Support Manager Katy Soderberg. In this capacity, CW17 initially reviewed court documents and checked documents. CW 17 reviewed lender screens at Soderberg's direction and had to double check dates, data and make corrections if the LPS system was wrong, which it frequently was. At approximately the start of 2010, most of CW17's nightly tasks involved working on bankruptcy ledgers to make sure payments from the borrower were

"accounted for and balanced." workers would use their supervisors' password "to do stuff because [they had] more authority and access."

132. LPS Put Intense Pressure On Employees to Do Work Quickly, Rather Than Accurately

133. The Company applied immense pressure to complete large volumes of work as quickly as possible, no matter how poor the quality. Indeed, CW16 explained that there was "immense pressure to meet volume goals." LPS demanded "mandatory overtime" so that employees could process all the loan files that needed attention. CW16 explained that

there were so many orders that needed to be reviewed and actions that LPS employees had to take in loan files for attorneys to be able to file documents. There was a huge volume of ledgers³⁸ that had to be created and problems in loan files that had to be researched and unraveled by CW 16 and his colleagues. These problems included, among others, missing payments, misapplied payments from other loan files, and payments that should have been attributed to other loans.

134. CW16 explained that while the pressure to get through a huge volume of loans and to get his team members to meet their goals from 2006 to 2008 caused him to have a nervous breakdown, upon returning to LPS in 2009, "the pressure was worse." There was

³⁸ According to CW16, ledgers were required by courts as part of the bankruptcy adjudication process. Ledgers showed all the payments the borrowers had made for 12 or 24 months or since the filing of bankruptcy. The ledgers also showed how the payments were applied towards principal and interest. The requirements for what had to be included in a ledger varied by court district. CW 16 also checked origination paperwork to confirm that ARM details were accurate and to answer questions posed by lenders or attorneys.

new management, and the new supervisor would grab people from other departments with no training or background to do thirty issues a day to address the huge volume the LPS clients demanded. Indeed, from 2006 to 2008, CW16 typically worked on 25 files per day but in 2009 and 2010, he worked on 50 files per day. CW 16 noted that he did not become significantly more efficient, rather management just ramped up the

pressure to go faster.

135. The intense pressure to speed through files was echoed by CW 17, who stated that there was tremendous pressure to do everything as quickly as possible. CW 17 recounted that Soderberg told him and his co-workers to "get it done and get it done as quickly as you can. I have to meet numbers." It "was frustrating because you'd come across stuff" and there was "no indication how to proceed." LPS "wanted us to do hundreds and hundreds" every night. There was no incentive compensation plan for the night shift, but a frequent refrain was that "other people want your job, we'll just let you go if you don't keep up."

136. LPS also emphasized speed by limiting the amount of time spent on a file. CW 16 stated that they were "only allowed to look at an issue for two minutes, or five minutes tops." His supervisors and managers did not want CW 16 and his fellow employees to spend time on any loan unless it was incredibly complex. However, they frequently could not finish it within five minutes. According to CW 16 "a lot of people didn't understand the financial side and just winged it."

137. Lofton also confirmed how the Company's focus on speed over accuracy caused employees to cut corners. He stated that during "crunch" times when a great volume of work came in and departments

were understaffed, employees would cut corners. See Exhibit K, at ¶¶112-113. They were encouraged to do so by supervisors who would tell them “to do whatever was needed to get the job done.” *Id.* at ¶¶113-114.

Moreover, as Thomas testified, the managers were constantly “rushing stuff out the door.” See Thomas Dep. at 52-53. However, if mistakes were made, the employees would take the fall for it. *Id.* CW2 also confirmed that at LPS, “it was about speed, and quantity not quality.”

138. Files Are Rife with Errors

139. Company’s automated system, which automatically generated referrals to attorneys and, thus, fees to LPS, caused a slew of problems in the loan files. According to CW 16, there were serious problems in the automation process that led to “phantom referrals,” when the LPS MSP software system generated “processes” or attorney referrals that did not really exist. CW16 stated that “Motions for Relief were generated when they should not be, or Agreed Order processes generated when didn’t need to be.” When these phantom referrals were generated in error, it led attorneys to work on processes and file documents with courts alleging borrower failures or defaults that were not accurate. He stated: “I remember seeing it all the time.” CW 16 explained that two of 10 files had referrals that should not be there. While attorneys who were honest would

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review the file and realize there was not sufficient information to justify the referral, many other attorneys who were not honest or who had organizations with a lot of low-level employees handling the intake “would just file it even though created by error.” CW16 noted that the David J. Stern law firm would make fees wherever they could. If LPS questioned them as to why they filed a process that was based on an error, the attorney would simply blame LPS and ask why LPS created the referral incorrectly. The phantom referral problems continued throughout CW16’s time at LPS and were a bigger problem as the overall volume of work increased.

140. In addition to the phantom referrals, there were a slew of other major problems in LPS’ files. According to CW16, on top of the 20% of files with phantom referrals, approximately another 35% of files had some problems in them. Those problems varied, and included among others, an ARM that had improperly adjusted up, 39 a failure to properly account for a borrower’s principal and interest payments, and a failure to properly attribute payments between pre-petition and post-petition that led the banks to try to collect pre-petition obligations they were not permitted to pursue.

141. CW 16 recounted that, in 2009 and 2010, he was part of a

10-person team, each of whom worked on as many as 50 files per day. Approximately 55 percent of the files had problems, which meant that there were many files with errors. However, as they could only spend five minutes on most files, that left no time to fix the problems.

142. The errors in the files also resulted from LPS' inability to follow procedures. As CW 16 noted, LPS had a variety of different procedures for each of the different lenders it served. Each lender has different procedures for different functions. It was overly complicated, especially for new or inexperienced LPS employees. LPS hired on temps with no mortgage experience. However, according to CW16, LPS was "not diligent about following procedures," as a big source of LPS' income is banks giving LPS loans so LPS can generate revenue from attorney referrals. LPS was providing lip service to banks about having procedures in place "to appease the banks." CW 16 stated that "the longer you work

39 According to CW 16, in bankruptcy, banks are not permitted to raise interest rates on borrowers, even if the borrower had an ARM loan with an interest rate that would have otherwise adjusted up.

there the more you know what you are doing is not right." LPS was playing with people's life and houses. Mistakes in the files could cause people to lose their homes. As CW16 explained, it was easy for LPS employees to feel like they were just playing video games looking at computer screens

and lose sight of the fact that the drive for speed over accuracy has consequences in real people's lives.

143. Even though LPS had a quality control department, it did not conduct an accurate or thorough assessment. According to CW16, the Quality Control department would randomly pick twenty files from the previous month and review them for problems. However, in actuality, they often just reviewed them for how well the employee described the issue, rather than whether the resolution reached or ledger prepared was actually accurate. As each employee touched thousands of files per month, a sample of 20 loans was a poor predictor of quality. Even if Quality Control identified problems with those twenty files, they only requested that the problems be resolved for those files. It did not prompt a bigger sampling to see if that employee had more problems or errors in their files that had not been reviewed by Quality Control.

144. LPS Rewards Employees for Speed but Does Not Penalize Them for Mistake

145. According to CW2, LPS had an incentive compensation plan, known as ICP, which was a rating system that was 100 percent based on speed compared to the number of files processed by employees. It "didn't matter if you had a harder client. If they were kicking out more loans,

right or not, you were graded down if you did not keep up. People could kick out totally fraudulent audits, but if they were fast, they were rewarded. This was going on the whole time." He stated that his supervisors "Jack [Junior] and Dory [Goebel] absolutely knew about it." "The policy was just do it as fast as you can." ICP bonuses amounted to a couple hundred dollars per month in compensation that you lost if you were found to be slower than your co-workers. Lofton also confirmed that team associates received bonuses based on speed in resolving issues and that the Company's bonus system placed a premium on resolving issues without raising them to supervisory personnel. Lofton Cert. at ¶¶105-106, 108.

146. CW 16 further elaborated on the Company's bonus system. According to this former employee, LPS' incentive compensation plan was based entirely on speed and the number of issues addressed each month. Under the ICP, employees were judged against other employees. LPS expected everyone to resolve thirty issues a day, and many of the new employees had no training or experience with mortgages. If employees did not meet the volume goals, they would receive a "verbal performance review" and lose their incentive for the month. After subsequent failures to meet their goals, they received written reviews and could lose additional incentives. CW16 explained that employees could

make money by rushing through files and could lose their job for failing to meet volume targets. However, **there were no penalties** for being wrong, just for being slow.

147. According to CW16, under the bonus system, working through a payment issue was worth five points and escrow problems were worth six points. If you hit 1000 points in a month, that translated into a bonus of \$75. At 2000 points, the bonus was \$200. At 3000 points, the bonus was \$275. Every five issues after that were worth \$1.00.

"Management pushed it. They pushed it, they pushed it, they pushed it."

148. The Company Concealed Errors at Any Cost

~~Not only did the Company reward speed over accuracy, it also required~~

149. Not only did the Company reward speed over accuracy, it also required employees to hide LPS' errors no matter what the ramifications. According to CW2, who was responsible for auditing bankruptcy files and determining whether LPS had done its job correctly or incorrectly, the attitude at LPS was that LPS "was not paid to audit files in bankruptcy." This was the excuse used internally to justify performing only a minimal effort and ignoring conflicting information or errors in files. It was repeated to him whenever he brought problems to the attention of his manager, and sought permission to pursue a solution or notify the servicer client. CW2 explained that the clients believed that

because LPS agreed to perform a service for them, it was going to do a competent job. However, it was known internally that LPS lacked the ability and resources to audit the loans. Indeed, CW 16 explained that banks needed to rely on LPS to help them because of the weaknesses in their systems. But LPS was not able to do things the right way.

150. Moreover, CW2 explained that when LPS did an audit and discovered that LPS had made a mistake that led an LPS servicer client to present false information to a court, LPS would not let its employees "point the finger at LPS." Indeed, CW2 explained that there was a known and openly discussed policy during his entire employment at LPS of "not fully disclosing what is known, what is being done and what they are finding." These details were not disclosed to clients, borrowers or the courts. This policy was openly discussed during department meetings.

151. As fixing mistakes or identifying problems did not bring revenue to LPS, its employees were encouraged to ignore them and move on. Indeed, while CW2 repeatedly told his supervisors about problems, he could not get them to correct the mistakes or come clean about problems to their clients. While he would make recommendations based on what he saw, he was told by his manager that "our client agreement doesn't call for recommendations, don't do it." CW2 stated that "there are times when the

servicers do not know all the local rules or procedures and it was our job to inform them, but the policy was not to tell [the servicers] anything" that would potentially upset them.

152. CW17 confirmed the LPS policy of ignoring mistakes or sweeping them under the rug. According to CW 17, the emphasis was always on speed over quality. When CW17 was working on a ledger project, he regularly noticed other problems in the file. It could be something simple "and you can change it right then, but you'd get in trouble if you fixed it" because technically "it was not your job." LPS ended up wasting time and leaving problems to fester even though the one person who first saw the problem could have easily fixed it. Moreover, CW17 saw "files again and again" and often the problem was still not fixed. The problems he frequently saw were "payment amounts being wrong, dates and times of when foreclosures or bankruptcy should be happening did not match. Ledgers [had] payments that were totally weird and wrong." According to CW17, the purpose of doing their work "was to fix problems" but CW 17 and his colleagues were "told not to fix" some of the problems in the files. Indeed, when CW17 and his colleagues identified problems in the files they were told by their supervisors "to go do your job." It was not clear if the problems were ever going to be fixed by someone else.

153. CW2 explained that the result of these practices is a "three-year time bomb" waiting to explode. Indeed, he explained that problems existed in many LPS loans, and he "knows there are mistakes now" that are still being concealed from clients and courts. He stated that: "out of 100 files, I guarantee 78 are incorrect." The errors ranged from adversary proceeding violations, incorrect agreed orders, missing payments not accounted for, and escrow issues such as clients escrowing on non-escrow loans. As a result of these errors, CW2 explained that LPS was "messing with people's homes." Indeed, CW2 explained that "people we are doing everything they are legally required to do but losing them homes anyway because of errors." When this former employee explained to his supervisors that LPS' errors were putting borrowers at risk of incorrectly losing their homes, the response was "[d]on't worry about that, it is not our department." 40

154. LPS' Illicit Practices Caused Default Services Revenues to Rise

155. Through the Company's hard-to-refuse business model and illicit practices as detailed above, Plaintiffs were successful in cornering the market for default management services. In such a way, Plaintiffs were able to increase the Company's revenues to unprecedented

levels in an otherwise terrible economy. Indeed, the Company's default management services revenues more than doubled and grew to represent nearly 50% of the Company's total revenue. This is illustrated in the table below, which contains LPS' total

40 CW2 eventually became so concerned about what he saw as illegal conduct and actions that effectively defrauded borrowers and LPS servicer clients that he wrote a letter of resignation and submitted it to his manager, Junior. In the letter, CW2 briefly explained that he had repeatedly brought what he believed to be ethical and legal problems to Junior, and that Junior did not take any actions in response. As a result, CW2 resigned because he did not want to go to jail and would no longer participate in actions that mislead courts.

annual revenues and total annual revenues for the Default Management Services business segment for the years 2007 through 2010:

156. Throughout the Fraudulent foreclosure Period, Plaintiffs touted these record revenues and the Company's significant market share in the default industry, while deliberately failing to disclose the illicit practices that drove these achievements and that its business model was unsustainable. In such a way, Plaintiffs artificially inflated the Company's stock price. However, Plaintiffs' scheme was hanging by a thread and would eventually unravel. and, as detailed below, when the market began to learn bits and pieces surrounding the Company's illicit business practices, Plaintiffs continued their fraud and maintained the artificial inflation in LPS' stock price through outright lies and false assurances to investors.

157. SCIENTER ALLEGATIONS

158. The Individual Plaintiffs acted with scienter in that they knew or recklessly disregarded that the public documents and statements issued or disseminated in the name of the Company were materially false and misleading; and knowingly or severely recklessly substantially participated or acquiesced in the issuance or dissemination of such statements or documents as primary violators of the federal securities laws.

159. Indeed, the Individual Plaintiffs, by virtue of their receipt of Information reflecting the true facts regarding LPS and its core business practices, their control over, and/or receipt of LPS' allegedly materially misleading misstatements and/or their associations with the Company that made them privy to confidential proprietary information concerning LPS, were active and culpable participants in the fraudulent scheme alleged herein. The Individual Plaintiffs knew and/or severely recklessly disregarded the falsity and misleading nature of the information, which they caused to be disseminated to the investing public. The ongoing fraud as described herein could not have been perpetrated over a substantial period, as has occurred, without the knowledge and/or severe recklessness and complicity of the personnel at the highest level of the Company, including the Individual Plaintiffs,

160. Default Management Services Was a Core Operation of the Company During the Fraudulent foreclosure Period

161. Prior to and during the Fraudulent foreclosure Period, LPS' default management services were a core operation of the Company. As detailed in the table in Section IV above, default management services became an increasingly significant percentage of the Company's revenues, nearing 50% in 2009. Moreover, throughout the Fraudulent foreclosure Period, the Individual Plaintiffs repeatedly touted the success of its default management services business and the impact that the success of this business segment had on its revenues. As the most senior executive officers of LPS, the Individual Plaintiffs knew, or at a minimum were severely reckless in not knowing, of facts critical to this core operation of the Company on which they repeatedly made statements.

162. Plaintiff Were Aware of the Illicit Practices at DocX

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163. Plaintiffs were intimately knowledgeable of the practices at

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At DocX. Indeed, as recounted by CW10, after the acquisition of DocX,

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LPS

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executives began to visit the DocX offices. This former employee

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stated that after

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LPS spun-off from Fidelity, Plaintiffs Carbiener would visit

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the different business

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units regularly, including DocX. Plaintiffs Carbiener

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also came to DocX with

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Plaintiffs Chan. Moreover, CW 10 confirmed that

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Brown regularly reported to LPS

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about how DocX's business unit was

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faring. Brown would travel too corporate

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offices in Jacksonville to report on

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the status of the business unit and frequently

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had calls with the higher-ups

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in Jacksonville.

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164. During the Fraudulent foreclosure Period, Plaintiffs also

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Repeatedly acknowledged the problematic business practices at DocX and

their

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internal investigation of this entity. For example, Plaintiffs made the

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following

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admissions:

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- see: *Schneider, Kenneth, et al. vs. Lender Processing Services, Inc., et al.*
- see: Clark v LPS Litigation 2012-07-23. Class Action
- see: U.S. Trustee Sanction, Fidelity/LPS, Ron Wilson CASE NO. 07-11862
And the Boles Law Firm for making misrepresentations:
- see: FDIC v. LSI, LPS, Fidelity, et al.
- see: United States of America v Lorraine Brown Case No. 3:12-CR-198-j-25-MCR

- See: "Foreclosure Mill" Florida Bar v. David j. Stern-Complaint,
— Consent
— judgement, Report of Referee, and Judgment

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- See: "Foreclosure Mill" "Order to Show Cause Why Ben Ezra & Katz

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- See: "Foreclosure Mill" Ben-Ezra & Katz, Sanction for Fraud, Is
— Having a Very Bad

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- See: "Foreclosure Mill" Ben-Ezra & Katz, Sanction for Fraud, Is Having a
— Very Bad

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- See: "Foreclosure Mill" Fraud on The Court Fishman & Shapiro,
— Wamu,
— Chase, JP MORGAN V. POCOPANNI DUVAL,
— COUNTY
— FLORIDA CASE NO.: 16-2008-CA-3989.

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- See: THE FLORIDA BAR v FORECLOSURE MILL MARSHALL C
— WATSON CONDITIONAL GUILTY PLEA FOR CONSENT
— JUDGEMENT

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- See: American Home Mortgage Servicing Inc. v Lender
— Processing
— Services

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See: "DEPOSITION TRANSCRIPT OF DEUTSCHE BANK NATIONAL
— TRUST CO. VP RONALDO REYES Be prepared to blown away
— with April Charney and Linda.

See: FULL DEPOSITION TRANSCRIPT OF LENDER PROCESSING SERVICES SCOTT A. WALTER PART 2 "STEVEN J. BAUM, P.C.", "O. MAX GARDNER", "US TRUSTEE"

See: FULL DEPOSITION TRANSCRIPT OF CHRISTIAN S. HYMER 1ST VP OF OPERATIONS FOR LENDER PROCESSING SERVICES (LPS) MINNESOTA

See: DEUTSCHE BANK NATIONAL TRUST Ronaldo Reyes DEPOSITION TRANSCRIPT OF DEUTSCHE BANK NATIONAL TRUST VP RONALDO REYES

See: PT. 2 "NO TRUST LOAN TRANSFER" DEPOSITION TRANSCRIPT OF DEUTSCHE BANK NATIONAL TRUST CO. VP RONALDO REYES

Fidelity's (LPS) Secret Deals with Mortgage Companies and Law Firms

165. SECTION I. SERVICES PROVIDED BY THE FIRM TO FIDELITY

166. A- The Firm shall provide Fidelity and its clients with competent legal representation on all Referrals, including adherence to appropriate standards of professional conduct.

167. B- The Firm shall provide Fidelity and its clients with legal representation in a manner consistent with, and in compliance with, Fidelity's standards and procedures.

168. C- The Firm shall provide Fidelity and its clients with expertise and knowledge related to the law and legal practice in the Jurisdiction and notifying Fidelity of changes in law related to the law and

practices related to the Referrals.

169. D- In the state of SC, the Firm shall institute foreclosure proceedings in such manner as is required by the applicable investor guidelines, and take all the steps necessary to bring the foreclosure to sale within 60 days after the matter is referred by Fidelity to the Firm, unless either: (i) the borrower files for bankruptcy; or (ii) Fidelity and the Firm mutually agree an event has occurred which has caused a permissible delay in the foreclosure;

170. E- In connection with bankruptcy Referrals, the Firm shall, upon request by Fidelity: (i) attend 341 hearings; (ii) object to the debtor's plan; (iii) file a motion for adequate protection; (iv) file a motion for relief from stay; (v) process a consent order/stipulation; (vi) prepare and send demand letters; and (vii) process other reasonable requests by Fidelity;

171. F- The Firm shall follow these timeframes for bankruptcy Referrals: (i) file a motion for relief from stay within 5 days after receipt of the Referral, unless a particular client requires a different timeframe; (ii) communicate motion filing and hearing results to Fidelity within 24 hours, and email final orders immediately upon receipt; and (iii) obtain relief from

stay within 45 days after receipt of the Referral, unless Fidelity and the Firm agree an event has occurred which has caused a peninsula delay in the bankruptcy;

172. G- In connection with replevin actions, the Firm shall follow the timeframes and communication requirements as provided by Fidelity's standards and procedures, and

173. H- The Firm shall update AMOS web or Lenstar, were applicable.

174. SECTION II. SERVICES PROVIDED BY FIDELITY TO THE FIRM

175. A- Fidelity shall maintain a national network ("Network") of service-oriented attorneys who handle Referrals.

176. B- Fidelity shall develop and implement marketing services to obtain clients for the Network.

177. C- Fidelity shall prepare and deliver complete Referral packages to the Firm.

178. D- Fidelity shall monitor the Referrals for compliance with investor and client due diligence guidelines.

179. E- Fidelity shall facilitate client communication and

provide per event, per loan and portfolio specific reports to clients regarding

Referral status;

180. F- Fidelity shall maintain loan data and documentation in client files and computer systems.

181. G- Fidelity shall facilitate judgment figure calculations, as applicable.

182. H- Fidelity shall calculate and process the VA 567 form and maintain the responsibility on providing this to the VA in the appropriate timeframes, when applicable.

183. SECTION II, SERVICES PROVIDED BY FIDELITY TO THE FIRM

184. I- Fidelity shall facilitate the calculations of all bids and provide them to the Firm in a timely manner.

185. J- Fidelity shall prepare and mail all HUD Occupancy letters to the mortgagor, mortgagee and HUD, as applicable.

186. K- Fidelity shall facilitate the ordering of all broker's price opinions and appraisals, and provide them to the appropriate parties, when applicable;

187. L- Fidelity shall maintain all direct contact with the loan

servicing customer and work with the customer on processing appropriate information requested by the mortgagor. Such cases would include working with the collection/loss mitigation department on approval for Deed in Lieu's, short pays and repayment plans and the like:

188. M- Fidelity shall maintain contact with investors, agencies, mortgage insurance companies and another appropriate signatory offices to obtain executed documents needed in the foreclosure, bankruptcy, or other action.

189. N- Fidelity shall request all VA cut off extensions if advised by the Firm that we are unable to meet the required timeframes, when applicable;

190. O- Fidelity shall request all HUD first action extensions if advised by the Firm that we are unable to meet the required timeframe, when applicable.

191. P- Fidelity shall prepare and track the filing of any Proof of Claim required in an applicable bankruptcy.

192. Q- Fidelity shall oversee the plan review process in connection with an applicable bankruptcy.

193. R- Fidelity shall compile figures and financials for any bankruptcy Referral.

194. S- Fidelity shall assemble the loan documents for any
bankruptcy Referral.

195. T- Fidelity shall compile, scan, and email all necessary
information to the Firm.

196. U- Fidelity shall monitor the status of an applicable
motion for relief from stay.

197. V- Fidelity shall assist in the research of billing inquiries
and breakdowns.

198. W- Fidelity shall order valuations, as applicable.

199. X - Fidelity shall facilitate the calculation of post-petition
and contractual reinstatement figures.

200. Y- Fidelity shall approve agreed order terms.

201. Z- Fidelity shall track and monitor agreed order
payments.

202. AA- Fidelity shall track and review the final bankruptcy
order.

203. BB- Fidelity shall, when requested, close the client's
bankruptcy tracking system.

204. CC- Fidelity shall provide direction to the Firm for

institution or reinstitution of a foreclosure action after the appropriate
bankruptcy issues have been resolved to permit same, when applicable.

205. DD- Fidelity shall monitor the status of a replevin action,
when applicable.

206. EE- Fidelity shall endeavor to standardize all processes
and procedures requisite to managing defaulted loans from its multi-loan
servicer, multi-platform customer base to provide operational and
communication efficiencies to the Firm.

465.207. Fidelity Contract Manager" means the employee
appointed by Fidelity to manage the relationship between the Parties
hereunder.

466.208. Fidelity Software" means software. (a) owned or
licensed
by Fidelity, a Vendor or subcontractor, and (b) licensed or sublicensed to
DEUTSCHE BANK NATIONAL TRUST COMPANY AS TRUSTEE for its
use in connection with the Services or used by Fidelity in connection with
the Services. Fidelity Software shall include, but not be limited to,
NewInvoice, NewTrak, and NewImageExpress.

467.209. Foreclosure" means the procedure by which a
lienholder

or third Person acquires title to a Mortgaged Property in a foreclosure sale, by acceptance of a deed in lieu of foreclosure, or pursuant to any other comparable procedure allowed under Applicable Requirements, when a Mortgage Loan is in default, and includes, to the extent applicable, a Mortgage Loan secured in whole or in part by a manufactured home or other personal property.

168.210. Fidelity "Insurance Documents" means insurance policies

and related documents, including any endorsements affecting coverage.

169.211. Fidelity "Insurer" means the FHA, VA or any private mortgage insurer that insures or guarantees any of the Mortgage Loans, and providers of hazard, title or other insurance with respect to any Mortgage Loan or Mortgaged Property.

170.212. Local Counsel" means the nationwide network of natural Persons, law firms, Foreclosure trustees, professional organizations and third Persons that have executed a Fidelity Network Agreement, and that, after consultation with **DEUTSCHE BANK NATIONAL TRUST COMPANY AS TRUSTEE**, are selected and retained by Fidelity to handle Foreclosures or otherwise provide legal services in accordance with

the terms and conditions of this Agreement.

~~474-213.~~ Fidelity "MIS" means the management Information systems, including, but not limited to, those systems accessed or used to perform the Services, to prepare reports required under this Agreement and facilitate communications between the Parties, and the software and hardware used in connection therewith.

~~472-214.~~ Mortgage" means a first or junior lien mortgage, deed of trust, security instrument, financing statement or other such security instrument executed by a Mortgagor pledging the Mortgaged Property as security for repayment of a Mortgage Note.

~~473-215.~~ Mortgage Documents" means, with respect to any Mortgage loan, the Mortgage Note, Mortgage, custodial documents, servicing documents, escrow documents, and all other documents, records, and data necessary to document and provide the Services in accordance with Applicable Requirements; whether on hard copy, microfiche or its equivalent, or in electronic format.

~~474-216.~~ Mortgage file" means a. file relating to a Mortgage Loan and containing such documents and/or information that are necessary or required by Applicable Requirements to perform a Foreclosure, Bankruptcy

action or related matter in connection with such Mortgage Loan.

~~475.217.~~ 475.217. "Mortgage Loan" means a first or junior lien residential

purchase-money mortgage loan, residential mortgage loan refinancing fi g, open-end home equity line of credit and closed-end home equity loan: (a) that is serviced or subserviced by **DEUTSCHE BANK NATIONAL TRUST COMPANY AS TRUSTEE**; and (b) for which Fidelity provides the Services_

~~476.218.~~ 476.218. "Mortgage Note" means the written promise of a Borrower

to pay a sum of money in United States' dollars at a stated interest rate over a specified term, and that is secured by a Mortgage.

~~477.219.~~ 477.219. "Mortgaged Property" means the real property, together

with the one-to-four family dwelling and any other improvements situated on the real property that has been pledged by Mortgagors under a mortgage as collateral to secure the obligation under the related Mortgage Note.

~~478.220.~~ 478.220. "Mortgagor" means each Person who executes a Mortgage Note and/or Mortgage. "parties" means **DEUTSCHE BANK NATIONAL TRUST COMPANY AS TRUSTEE**, and Fidelity.

~~479.221.~~ Party" means **DEUTSCHE BANK NATIONAL TRUST**

COMPANY AS TRUSTEE, Fidelity.as context shall require

~~480.222.~~ Person" means an individual, corporation, limited liability

company, partnership, joint venture, bank, savings association, trust or unincorporated organization, or a federal, state, city, municipal or foreign government or an agency or political subdivision thereof.

~~484.223.~~ PMI" means private mortgage insurance.

Fidelity's (LPS) Secret Default Kick-Back with Mortgage Companies and Law Firms

~~482.224.~~ on information and belief, Lawyers Title merged into Fidelity in 2010, and Fidelity assumed all rights, assets, and liabilities of Lawyers Title. For each transaction, Lawyer's Title issued a title insurance policy and a CPL. The issuing agent was Metro-West. A title insurance policy protects against defects and Default in title. "Comparatively, the closing protection letter contains the underwriter's promise to reimburse the addressee if loss results from an agent's failure to follow closing instructions to apply settlement funds in an honest fashion." **JP Morgan Chase Bank**, 795 F. Supp. 2d at 629. Specifically, the CPLs provided:

[Lawyers Title], subject to the Conditions and Exclusions set forth below, hereby agrees to reimburse [WaMu] for

actual loss incurred by [WaMu] in connection with said closing when conducted by [Metro-West] and when such loss arises out of:

* * *

(2) Fraud or dishonesty of [Metro-West] in handling [Wa-Mu's] funds or documents in connection with said closing.

~~483.225.~~ See dishonestly or fraudulently handled WaMu's funds or

documents, thus triggering Fidelity's liability under the CPLs. See Bank of America v. Fidelity Nat. Title Ins. Co., __ N.W. 2d __, 2016 WL 3430535 (Mich. App. 2016) ("FNTIC") (coverage under CPL triggered when closing agent "had knowledge and participated in the fraudulent scheme").

Consumer Fraud: Force Placed Insurance Scams

~~484.226.~~ Numerous banks and mortgage lenders are under fire for the terms of their so-called "force placed insurance policies," with some even facing legal and regulatory actions related to purchase of these policies. Banks and mortgage companies under investigation include American Security, Assurant, Bank of America, Chase Bank, Citigroup, CitiMortgage, JP Morgan Chase, SunTrust, Wells Fargo, Safeco Insurance

Force Placed Insurance Defined

~~485.227.~~ Force placed insurance," also referred to as "creditor placed" or "lender placed" is insurance

that banks/mortgage companies purchase to cover a home when a homeowner lapse on mandated insurance coverage

~~486.228.~~ This practice, while legal, has been linked to other

unethical, deceitful, and illegal tactics aimed to benefit lenders and insurance providers at the homeowner's expense

Lender Placed Insurance Tactics Exposed

- Lenders have been known to take advantage of force placed insurance Policies by utilizing a number of unscrupulous business tactics, including:
- Placing forced insurance policies on homes already covered by insurance.
- Keeping the force placed coverage even after receiving evidence that a borrower has recovered their own insurance.
- Purchasing a force placed plan at a rate substantially higher than the current market rate.
- Charging homeowners for more than the actual cost of the force placed insurance policy.
- Failing to inform the homeowner that their insurance lapsed and setting up force placed coverage without homeowner's knowledge.
- Purchasing the force placed coverage from the bank's own insurance subsidiary.
- Taking commission payment or other incentive from insurance provider for their service.

~~487.229.~~ "Portfolio Acquisition Loan" means an active Mortgage

Loan that is purchased by or transferred to **DEUTSCHE BANK NATIONAL TRUST COMPANY AS TRUSTEE**, after the Effective Date through a Mortgage Loan or Servicing acquisition or otherwise.

~~488-230.~~ Receiving Party" means a Party that receives
Confidential

Information from the other Party.

~~489-231.~~ Representative" means any investment banker, financial advisor, attorney, accountant, consultant or another Representative of a Person.

~~490-232.~~ Services" means the default related administrative support services provided by Fidelity to **DEUTSCHE BANK NATIONAL TRUST COMPANY AS TRUSTEE**, hereunder, including, but not limited to, Foreclosure, Bankruptcy, management and technology support services and products, all as specified in this Agreement. The "Services" provided for under this Agreement do not include debt collection services_ Fidelity is not a debt collector, nor does it provide i debt collection services_ The "Services" provided by Fidelity under this Agreement also do not include legal services. Fidelity is not a law firm and does not provide its client with legal advice or services.

~~494-233.~~ (b) DEUTSCHE BANK NATIONAL TRUST COMPANY

AS TRUSTEE, acknowledges that the Services to be provided by Fidelity under this Agreement are all inclusive from both a business and pricing perspective. **DEUTSCHE BANK NATIONAL TRUST COMPANY AS TRUSTEE**, agrees that it will not perform or provide any portion of the Services, nor engage any third party to perform or provide any portion of the Services for files sent to Fidelity for processing as outlined in this agreement in the event **DEUTSCHE BANK NATIONAL TRUST COMPANY AS TRUSTEE**, performs or provides any portion of the Services, or engages a third party to perform, or provide any portion of the services, Fidelity shall be entitled to immediately terminate this agreement notwithstanding the provisions of Article-.1_ below. This-paragraph is-not untended-to state-that Fidelity will be an exclusive---. provider of foreclosure and/or bankruptcy services for **DEUTSCHE BANK NATIONAL TRUST COMPANY AS TRUSTEE**,

~~492,234.~~____ Executing Documents as Officers of **DEUTSCHE BANK**

NATIONAL TRUST COMPANY AS TRUSTEE, _ Fidelity shall designate certain of its employees to execute documents on **DEUTSCHE BANK NATIONAL TRUST COMPANY AS TRUSTEE**, behalf as authorized corporate officers of **DEUTSCHE BANK NATIONAL TRUST COMPANY**

AS TRUSTEE, as described in DEUTSCHE BANK NATIONAL TRUST COMPANY AS TRUSTEE, Unanimous Consent of its Board of Directors, or similar instrument provided by DEUTSCHE BANK NATIONAL TRUST COMPANY AS TRUSTEE, _ Fidelity shall forward to DEUTSCHE BANK NATIONAL TRUST COMPANY AS TRUSTEE, all documents that cannot be so executed.

193.235. Name in which Foreclosures or Bankruptcies are Brought or Handled. Fidelity shall instruct Local Counsel to bring all actions for all Mortgage Loans in the name of the Person identified by DEUTSCHE BANK NATIONAL TRUST COMPANY AS TRUSTEE, at the time of referral. DEUTSCHE BANK NATIONAL TRUST COMPANY AS TRUSTEE, shall provide Fidelity with the name in which title to the Mortgaged Property shall be taken following a Foreclosure sale. DEUTSCHE BANK NATIONAL TRUST COMPANY AS TRUSTEE, acknowledges that Fidelity shall rely upon DEUTSCHE BANK NATIONAL TRUST COMPANY AS TRUSTEE, to provide such information in order For Fidelity and Local Counsel to perform the Services identified in this Section 2.9

194.236. Local Counsel, Vendors and Other Subcontractors.
(a) 1-

n-Gencra17— Fidelity-shall manage Local-Counsel- Fidelity shall: #- i ensure-that-Local - - - Counsel and all Vendors comply with-it all provisions hereof, (H) be solely response for Material - breach by Fidelity of any of Fidelity's obligations, covenants, duties, representations or warranties hereunder, and (iii) pay the Vendors, if applicable. **DEUTSCHE BANK NATIONAL TRUST COMPANY AS TRUSTEE**, shall not be a party to any subcontracting agreement entered into by Fidelity with a Vendor_ **DEUTSCHE BANK NATIONAL TRUST COMPANY AS TRUSTEE**, shall not unreasonably withhold its approval to any such subcontracting arrangement; provided however, that **DEUTSCHE BANK NATIONAL TRUST COMPANY AS TRUSTEE**, may, in its sole discretion, withhold approval of any subcontracting arrangement or agreement that involves offshore or foreign Vendors_

~~195.237.~~ Vendor" means any Person retained by Fidelity or Local

Counsel as a vendor or subcontractor to provide ancillary Services hereunder, including, but not limited to, title services, personnel support, valuation products, loss mitigation services, service of process, publication and/or posting services, property inspection and field services, of process publication and/or posting servicing, hereunder. vendor does not mean Persons employed or otherwise directed-by a governmental entity that _.

... must be utilized for the enforcement or prosecution of a Foreclosure, Bankruptcy action, or other related matters pursuant to Applicable Requirements

~~196.238.~~ Fidelity shall provide the Services to **DEUTSCHE BANK**

NATIONAL TRUST COMPANY AS TRUSTEE, on a non-exclusive basis during the Term hereof with respect to: (a) Mortgage Loans serviced or subserviced by **DEUTSCHE BANK NATIONAL TRUST COMPANY AS TRUSTEE**, as of the Effective Date; and (b) Mortgage Loans or Servicing Rights acquired by **DEUTSCHE BANK NATIONAL TRUST COMPANY AS TRUSTEE**, on after the Effective date in the ordinary course of business.

Fidelity, shall, not ...provide Services- with respect to. Any Mortgage Loans or Servicing Rights acquired or owned by **DEUTSCHE BANK NATIONAL TRUST COMPANY AS TRUSTEE**, for which another Person has any right to provide services similar to the Services hereunder. All Mortgage Files shall be processed through Local Counsel, subject to Fannie Mae's and Freddie Mac's Guides and requirements and/or similar involuntary programs, as applicable.

~~197.239.~~ Insurance. s (a) Maintenance of Insurance. Fidelity shall

procure and maintain the insurance set forth below for the duration of this

Agreement in the manner set forth in this Section 2.13_

198.240. (b) Minimum Insurance. Fidelity shall maintain insurance

coverage limits no less than: General Liability: \$1,000,000 per occurrence

for bodily injury, personal injury and property damage. If Commercial

General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project or the general aggregate limit shall be twice the ... t required occurrence limit.

199.241. (Si) Worker Compensation: Statutory. (iii) Employer's

Liability. \$1,000,000 per accident for bodily injury or disease.

200.242. (iv) Errors and Omissions/Professional Liability:

\$1,000,000 per Claim. (v) Fidelity Bond or blanket crime insurance

\$1,000,000 per Claim.

201.243. (c) Required Insurance Provisions. The insurance

coverage required under this Section 213 shall not be suspended, voided, canceled, reduced in coverage or in limits absent thirty (30) days prior written notice thereof to **DEUTSCHE BANK NATIONAL TRUST COMPANY AS TRUSTEE**, prior to any such action.

202.244. General. Fidelity shall provide Disaster recovery and

Backup capabilities and facilities, and shall maintain a written Disaster recovery plan by which Fidelity shall perform its obligations under this Agreement with minimal disruption or delays

203.245. (b) Performance of Services. Fidelity shall ensure that its

employees and its Vendors and their respective employees: (i) possess the requisite skill, ability and knowledge to perform the Services contemplated under this Agreement; (ii) have no conflicting engagements, duties or conflicts of interest of any kind relevant to the performance of – any Services contemplated herein and holds no interest adverse to **DEUTSCHE BANK NATIONAL TRUST COMPANY AS TRUSTEE**, or that would affect Fidelity's performance of its obligations, duties, covenants, representations or warranties under this Agreement; and (iii) performs all Services in a professional, competent and timely manner and in compliance with all Applicable Requirements and the terms and conditions of this Agreement

204.246. payment of Fees. (a) In General, **DEUTSCHE BANK**

NATIONAL TRUST COMPANY AS TRUSTEE, shall pay all Fees due to Local Counsel under this Article 6 within thirty (30) days of its receipt of

the Invoice relating thereto, provided that the Invoice is not the subject of a good faith Dispute. (b) Disputes. If **DEUTSCHE BANK NATIONAL TRUST COMPANY AS TRUSTEE**, Disputes any such invoice, **DEUTSCHE BANK NATIONAL TRUST COMPANY AS TRUSTEE**, shall: (i) pay the undisputed items in such invoice; and (ii) negotiate in good faith with Local Counsel with respect to any items in Dispute_

205.247. (h) Statutes of Limitation. Subject to the approval of

a

Party's Insurance carrier, if a Third Person Claim is brought against a Party with respect to which either Party may have a Claim against the other, the Parties shall execute a statute of limitation tolling agreement as to such Claims until the Third Person Claim is resolved

206.248. FIDELITY DEFAULT SOLUTIONS Refer to Local Counsel upon electronic data referral to NewTrak s Forward necessary foreclosure documents to Local Counsel via NewImage, Eatpress and NewTrak.

207.249. Execute standard documents on **DEUTSCHE BANK**

NATIONAL TRUST COMPANY AS TRUSTEE, behalf within scope of signing authority provided (i.e., Limited Power of Attorney, Corporate Resolution). + Order and review title.

208.250. Mortgagees C1T's issued by **DEUTSCHE BANK NATIONAL TRUST COMPANY AS TRUSTEE**, will be worked to completion within timelines agreed to from time to time by the parties. Order BPO's and Appraisals through Mortgage PH D.

209.251. Monitor referrals in accordance with FNMA, **DEUTSCHE BANK NATIONAL TRUST COMPANY AS TRUSTEE**, and/or other investor standards.

240.252. Update Mortgagees with status of referred files via NewTrak interface.

244.253. Preserve the right to pursue deficiencies_ + Prepare and

242.254. transmit bids to Local Counsel. Acquire approval of bids as necessary.

243.255. Obtain and provide fees and costs to facilitate payoff requests.

244.256. Obtain and provide fees and costs to prepare reinstatements.

245.257. Obtain and monitor deed recording information.

~~246.258.~~ Prepare and forward foreclosure sales results within one

day, and follow up for third party • funds_

~~247.259.~~ Provide data as defined by **DEUTSCHE BANK**

NATIONAL TRUST COMPANY AS TRUSTEE, to accurately update FHLMC and FNMA sales results.

~~248.260.~~ Coordinate the preparation and transmittal to Local

Counsel of re-demand Letters for loans coming out of bankruptcy. +

Provide centralized billing (i.e., NewVoice and Invoice Verification) for services rendered.

~~249.261.~~ Provide standard month end reporting package (Month

End Management Summary)

~~220.262.~~ Provide NewTrak and Mortgage SERV system interface.

\ Maintain electronic foreclosure files in NewImage Express. + Facilitate

equity analysis within NewTrak per **DEUTSCHE BANK NATIONAL**

TRUST COMPANY AS TRUSTEE, business rules upon receipt of

FNFS receipt of title and GPO's.

~~224.263.~~ Timely process reconciliation between NewTrak and

MortgageSery

232-274. Provide notification of loans that have paid off.

233-275. Research payment disputes.

234-276. Respond to customer complaints.

235-277. Respond to borrower related calls.

236-278. Prepare escrow analysis and audits.

237-279. Manage all loss mitigation efforts.

238-280. Calculate and provide payoffs.

239-281. Manage all property protection and preservation

240-282. Provide notification of loans being service released
as

soon as available. Fidelity would - - prefer a fifteen-day notification to

ensure files are properly closed and **DEUTSCHE BANK NATIONAL**

TRUST COMPANY AS TRUSTEE, invoicing instructions can be
completed timely.

241-283. Verify import occupancy status of subject
properties.

242-284. Pursue subsequent, deficiency recovery efforts.

243-285. Complete investor or insurer reporting
requirements.

244-286. Manage "litigation" matters outside the normal
scope of

~~245-287.~~ standard proceedings. Litigation is defined as a contested

file. E

~~246-288.~~ Repossess other collateral.

~~247-289.~~ Provide senior lien monitoring for junior lien foreclosure

referrals. • Conduct all post sale accounting activity.

~~248-290.~~ Final app, oval and payment of all vendor invoices submitted via NewInvoice.

~~249-291.~~ II FIDELITY; BANKRUPTCY:

122. Upon receipt of electronic file from **DEUTSCHE BANK**

NATIONAL TRUST COMPANY AS TRUSTEE, properly coded with

referral information (i.e., Proof of Claim, Motion for Relief, Agreed

Order Default), refer to Local Counsel via NewTrak

~~250-292.~~ Support Local Counsel in the preparation and submission

of Proofs of Claim to court for filing, including amended Claims.

~~251-293.~~ MortgageSery CIT's issues by **DEUTSCHE BANK NATIONAL TRUST COMPANY AS TRUSTEE**, will be worked to completion within timelines agreed to from time to time by the parties. --

~~252-294.~~ Support-Local Counsel review...and..objection to bankruptcy plans. Within. Parameters defined by **DEUTSCHE BANK**

NATIONAL TRUST COMPANY AS TRUSTEE.

253-295. Support Local Counsel in the preparation of
Reaffirmation

Agreements on Chapter 7 filings, as defined by **DEUTSCHE BANK**

NATIONAL TRUST COMPANY AS TRUSTEE.

254-296. Forward necessary documents to Local Counsel
via

NewImage Express and NewTrak.

255-297. Execute standard documents on **DEUTSCHE
BANK**

NATIONAL TRUST COMPANY AS TRUSTEE, behalf will in scope of

Signing authority provided (i.e., Limited Power of Attorney, Corporate
resolution).

256-298. Order BPO's and Appraisals through Mortgage
PHD/New

Order. + Monitor referrals in accordance with FNMA, **DEUTSCHE BANK**

NATIONAL TRUST COMPANY AS TRUSTEE, and/or other investor
standards.

257-299. Update MortgageSery with status of referred files
via

NewTrak interface.

258-300. Support Local Counsel in the negotiation of Agreed

Orders/Stipulations in accordance with **DEUTSCHE BANK NATIONAL TRUST COMPANY AS TRUSTEE**, guidelines.

~~259.301.~~ Support Local Counsel with motion for relief process

~~260.302.~~ Obtain and provide fees and costs to facilitate payoff

requests. ®

~~264.303.~~ Obtain and provide fees and costs to facilitate and prepare reinstatements.

~~262.304.~~ Provide NewTrak and MortgageSery system interface,

~~263.305.~~ Provide centralized billing (i.e. NewInvoice and Invoice

Verification) for services rendered.

~~264.306.~~ Provide standard month end reporting package (Month

End Management Summary)

~~265.307.~~ Maintain electronic bankruptcy files in NewImage

Express.

~~266.308.~~ Timely process reconciliation between NewTrak and

MortgageSery

~~267.309.~~ Provide Banko status monitoring (or any new vendor)

~~268.310.~~ Provide National Data Center 60 day no pay report

~~269.311.~~ Analysis of nonrecoverable vs. recoverable
corporate

advance at discharge to determine if _ fees can be charged to borrower

~~270.312.~~ Provide access to FNFS website and NewTrak
reports,

including APR, CPR, and canned 1 performance and exception reports

~~274.313.~~ **DEUTSCHE BANK NATIONAL TRUST COMPANY
AS**

TRUSTEE, provide Fidelity with electronic file containing bankruptcy
referral information (i.e., Proof of Claim, Motion for Relief, Agreed Order
default).

~~272.314.~~ Provide Fidelity with all necessary imaged
documents as

requested by Fidelity and required for bankruptcy action.

~~273.315.~~ Provide notification of loans being service released
as

soon as available. Fidelity would prefer a fifteen-day notification to ensnare
files are properly closed and Saxon invoicing instructions can be completed
timely.

~~274.316.~~ Provide all requisite financial information in data file.

~~275.317.~~ Prepare escrow analysis and audits_

~~276.318.~~ Manage tax, insurance, and property loss matters.

~~277-319.~~ Track and apply payments.

~~278-320.~~ Provide notification of payments made during
Motion for

Relief.

~~279-321.~~ Forward to Fidelity dismissal, discharge or
conversion

notices if received by **DEUTSCHE BANK NATIONAL TRUST COMPANY**

AS TRUSTEE.

~~280-322.~~ Complete audit of Ch. 13's approaching discharge

~~281-323.~~ Return borrower/debtor funds, as appropriate.

~~282-324.~~ Provide notification of loans that have paid off.

~~283-325.~~ Research payment disputes.

~~284-326.~~ Respond to customer complaints.

~~285-327.~~ Respond to debtor calls.

~~286-328.~~ Calculate-and.-provide-. payoffs. • Manage all loss

mitigation efforts.

~~287-329.~~ Manage all property protection and preservation.

~~288-330.~~ Complete investor or insurer reporting
requirements.

~~289-331.~~ Manage "Litigation" matters outside the normal
scope of

standard proceedings.

~~290-332.~~ Final approval and payment of all vendor invoices submitted via Newinvoice.

~~291-333.~~ III. Additional Fees Paid to Law Firms

~~292-334.~~ Missing Document Procurement \$35.00 plus costs (Attorney)

~~293-335.~~ Assignment of Rent/Rent Receivership \$ [quoted on a case-by-case basis]

~~294-336.~~ Demand Letters-Fidelity Network \$35 per letter with **DEUTSCHE BANK NATIONAL TRUST COMPANY AS TRUSTEE.** approval ' (Attorney)

~~295-337.~~ Title Claim. Demand \$125.00 Flat Fee (Attorney)

~~296-338.~~ Lost Note Affidavits \$35 preparation plus costs (Attorney)

~~297-339.~~ Additional Hourly Fees \$150.00 per hour (or higher if approved by **DEUTSCHE BANK NATIONAL TRUST COMPANY AS TRUSTEE.**

~~298-340.~~ IV. Pricing for Vendor Products and Services

~~299-341.~~ BPO's from LSI \$85.00 per order. Includes photos, order via New Order, data updated into MortgageSery as directed by

DEUTSCHE BANK NATIONAL TRUST COMPANY AS

TRUSTEE, copy of BPO in Newlnmge Express, web-site access, and
invoiced through New Invoice by LS1.

~~300-342.~~ Appraisers from LS1.

~~301-343.~~ \$325.00 1004 URAR...-- properties up to \$1 million
in

value

~~302-344.~~ V. ADDITIONAL ITEMS:

~~303-345.~~ Obtaining, and/or enforcing deficiency judgments
shall be

quoted on a case-by-case basis as mutually agreed to between the
parties.

~~304-346.~~ Electronic bankruptcy status cost incurred by
Fidelity will

be billed on a pass-through basis to **DEUTSCHE BANK NATIONAL
TRUST COMPANY AS TRUSTEE**, (\$2.0071Hit).

~~305-347.~~ Costs for obtaining bankruptcy plans will not be
billed on

a. pass through basis to **DEUTSCHE BANK NATIONAL TRUST
COMPANY AS TRUSTEE**, they are included within the \$150.00 plan
review fee. Pacer service charges will also be billed on a pass-through
basis.

~~306-348.~~ All MortgageSery charges will be billed on a pro-rata pass

through basis to **DEUTSCHE BANK NATIONAL TRUST COMPANY**

AS TRUSTEE;

~~307-349.~~ Fidelity National Foreclosure Solutions Foreclosure
Pro

Rata Fee Model

~~308-350.~~ Reinstatement, Payoff, Bankruptcy Filing and Client
Hold

Fee Model NONJUDICIAL

~~309-351.~~ File in, up to and including title ordered/received
30%

~~310-352.~~ Action completed 60%

~~311-353.~~ Up to and including publication started 90%

~~312-354.~~ Sale completed/sale scheduled 100%

~~313-355.~~ JUDICIAL

~~314-356.~~ File in, up to and including title ordered/received
30%

~~315-357.~~ Up to and including complaint drafted/sent/filed 50%

~~316-358.~~ Up to and including service started/completed 70%

~~317-359.~~ Up to and including judgment sent. /entered 90%

~~318-360.~~ Sale completed/sale scheduled 100%

361. Demands strict proof thereof. at Jury Trial

~~349.~~362. While Plaintiffs attempted to minimize the scope of the

issue, these admissions demonstrate Plaintiffs' knowledge of the illicit practices associated with DocX during the Fraudulent foreclosure Period.

~~320.~~363. **Plaintiffs Knew of the Company's Illicit Practices from the Constant Media Scrutiny, Investigations, and Litigation During the Fraudulent foreclosure Period**

~~321.~~364. Moreover, Plaintiffs knew or should have known of the

Company's illicit practices from the constant media scrutiny, various government investigations, and litigation that addressed these practices throughout the Fraudulent foreclosure Period. Indeed, the impropriety of LPS' practices have also been the subject of various lawsuits that Plaintiffs have defended since 2008. For example, in *In re Taylor*, No. 07-15385 (Bankr. E.D. Pa. Sept. 16, 2007), the United States Trustee (a component of the United States Department of Justice) used the case as a "vehicle of its scrutiny of LPS/Fidelity" in connection with a national investigation of LPS' conduct in bankruptcy cases. See Exhibit D. Indeed, on August 25, 2008, the United States Trustee filed a motion for examination of LPS, stating that questions had arisen regarding LPS' conduct in the *Taylor* bankruptcy proceeding, including LPS' document preparation and

"interference with communications between counsel and clients." See *Taylor*, Dkt. No. 77. As detailed above, the presiding Judge in this case – Judge Sigmund –undertook a review of the LPS system and found numerous ethical concerns with the barriers to the attorney-client relationship raised by LPS' business model. Likewise, in *Wilson*, the United States Trustee participated in the case and filed a motion for sanctions against LPS because it had submitted a false and misleading affidavit regarding the debtors' supposed failure to pay monthly installments on the mortgage note and on grounds that the testimony of the LPS employee who executed this affidavit was materially misleading. See Exhibit E. On April 6, 2011, the court ruled in favor of the motion, calling the affidavit a "sham" and granting sanctions against LPS for "fraud perpetrated against the Court, Debtors and trustee."¹¹⁴ Similarly, Plaintiffs also defended against the following litigation during the Fraudulent foreclosure

Period:

- ***Harris v. Fidelity Nat'l Info. Servs., Inc. d/b/a FIS Foreclosure Solutions, Inc.* (Bankr. S.D. Tex Jan. 16, 2008)** - This class action case was filed on January 16, 2008 in the U.S. Bankruptcy Court for the Southern District of Texas. The case alleged that LPS engaged in unlawful attorney fee-splitting practices in its default management business.

- ***Wood v. Option One Mortg. Corp., Fidelity Nat'l Foreclosure & Bankruptcy Solutions, et al.*, No. 08-1477 (N.D. Ala. Aug. 15, 2008)** -This complaint was filed in the Circuit Court of DeKalb County, Alabama on August 15, 2008. The complaint alleged an illegal fee-splitting scheme between LPS and certain foreclosure attorneys.
- ***Schneider v. Lender Processing Servs., Inc., et al.*, (S.D. Fla. Feb. 17, 2010)** - This class action case was filed in the United States District Court for the Southern District of Florida on February 17, 2010. The case alleged that LPS engaged in unlawful practices with respect to the creation and execution of mortgage assignments.
- ***Krochman v. T.D. Serv. Co., Kondaur Capital Corp., Lender Processing Servs., Inc., et al.*, No. 10-01250 (Bankr. C.D. Cal. June 14, 2010)** - The amended complaint in this case was filed in the U.S. Bankruptcy Court for the Central District of California on June 14, 2010. The complaint alleged that LPS created a defective mortgage assignment and substitution of trustee pursuant to an illegal document production and backdating scheme.

322-365. In addition, as detailed throughout the Complaint, the

Company was subject to inquiries, probes, or investigations from the

following regulatory bodies and government entities throughout the

Fraudulent foreclosure Period:

- a. The Department of Justice
- b. The Clerk of Court of Fulton County, Georgia
- c. The United States Attorney General
- d. Attorneys General of Connecticut and Florida
- e. The Board of Governors of the Federal Reserve System, the Office of the Comptroller of the Currency, the Federal Deposit Insurance Corporation, and the Office of Thrift Supervision Fraudulent foreclosure

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366. In addition to the duties of full disclosure imposed on

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Plaintiffs as a result of their

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making affirmative statements and reports, or

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participating in the making of

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affirmative statements and reports to the

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investing public, they each had a duty to

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promptly disseminate truthful

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information that would be material to investors in

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compliance with the

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integrated disclosure provisions of the SEC as embodied in

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SEC

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Regulation S-X (17 C.F.R. §210.01, et seq.) and S-K (17 C.F.R. §229.10, et

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Et seq.) and other SEC regulations, including accurate and truthful

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information with

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respect to the Company's operations, sales, product

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marketing and promotion,

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financial condition, and operational performance

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so that the market prices of the

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Company's publicly traded securities would

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be based on truthful, complete, and

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accurate information.

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367. >LPS and the Individual Plaintiffs, individually and in

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concert, directly and

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indirectly, by the use, means, or instrumentalities of

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interstate commerce and/or of

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the mails, engaged and participated in a

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continuous course of conduct to conceal

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adverse material information

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about the business, business practices, sales

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performance, product

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marketing and promotion, operations, and future prospects of

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LPS as

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specified herein.

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368. >These Plaintiffs each employed devices, schemes, and

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artifices to defraud, while in possession of material adverse non-public

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information and engaged in acts, practices, and a course of conduct as

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alleged herein in an effort to assure investors of LPS' value and

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performance and continued substantial sales, financial and operational

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growth, which included the making of, or the participation in the making of,

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untrue statements of material facts and omitting to state material facts

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necessary in order to make the statements made about LPS and its
business operations and future prospects in light of the circumstances
under which they were made, not misleading, as set forth more particularly
herein, and engaged in transactions, practices, and a course of business
which operated as a fraud and deceit upon the purchasers of LPS'
securities during the Fraudulent foreclosure -Period.

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369. This Court is without Subject matter jurisdiction over the
counterclaims asserted by virtue of diversity of citizenship and, in some
cases, federal question.

370. Venue is Improper in the Richland Common Pleas due to
The nature of the action. Subject matter jurisdiction

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371. Defendant denies the allegations Contained in
paragraphs 1, and of plaintiff's complaint. Demands strict proof thereof.
Defendant denies having knowledge or information sufficient thereof to
forma belief as to the truth of the allegations in paragraphs 2,3, and 4,5, 6,
7,8,9,11, 12,13,15,16, 17, 18, 20, 21, of plaintiff's complaint and
respectfully refers all questions of law to the Trial Court.

FIRST AFFIRMATIVE DEFENSE

323,372. That the Court lacks personal jurisdiction over the

defendant due to Improper service of the summons and complaint.

SECOND AFFIRMATIVE DEFENSE

324-373. That plaintiff lacks
legal standing to bring this frivolous

lawsuit action.

THIRD AFFIRMATIVE DEFENSE

325-374. Deutsche Bank National Trust Company, not in its individual capacity, but solely as a duly authorized agent of the Registrant pursuant to the Pooling and Servicing Agreement, dated **was terminated** as of March 1, 2003.

FOURTH AFFIRMATIVE DEFENSE

326-375. The FDIC sold IndyMac in 2009 to group of private
equity

firms and hedge funds, including Dune Capital Management and J.C.

Flowers & Co, IndyMac was founded in 1985 by David Loeb and Angelo

Mozilo, Demands strict proof thereof. at Jury Trial

FIFTH AFFIRMATIVE DEFENSE

327-376. That HUD States that the HOA Is not Authorized by
its

Governing Documents to Foreclose, Federal Foreclosure Bar implicitly demonstrated a clear intent to preempt South Carolina super priority lien law by expressly prohibiting foreclosures on Agency property without consent. Because the federal and state statutes impliedly conflicted, the Federal Foreclosure Bar superseded the South Carolina super priority lien

provision

SIXTH AFFIRMATIVE DEFENSE
("Unclean Hands")

~~328-377.~~ Each and every allegation contained in the foregoing

paragraph is repeated as if fully alleged herein to the extent consistent with this defense

~~329-378.~~ Plaintiff's complaint is barred by the doctrine of unclean

Hands

~~330-379.~~ FIDELITY/LPS, HUTCHENS LAW FIRM LLP, DEUTSCHE BANK

NATIONAL TRUST COMPANY AS TRUSTEE FIDELITY NATIONAL TITLE INSURANCE COMPANY LPS, claims are wholly and forever barred Due to FIDELITY/LPS, HUTCHENS LAW FIRM LLP, DEUTSCHE BANK NATIONAL TRUST COMPANY AS TRUSTEE FIDELITY NATIONAL TITLE INSURANCE COMPANY LPS, unclean hands.

~~331-380.~~ "The doctrine of unclean hands precludes a plaintiff from

Recovering In equity if he acted unfairly in a matter that is the subject of the litigation to the prejudice of the defendant." First Union Nat'l Bank of S.C. v. Soden, 511 S.E.2d 372, 379 (S.C. Ct. App. 1998).

~~332-381.~~ The doctrine likewise bars actions at law. Wachovia Bank,

N.A. v. Coffey, 698 S.E.2d 244, 248 (S.C. 2010).

~~333-382.~~____ LPS, HUTCHENS LAW FIRM LLP conduct in this matter has

been so Abusive, underhanded, and inappropriate that if ever there were a case to Apply the doctrine of unclean hands, it is this one.

~~334-383.~~____ One element of the unclean hands defense is HUTCHENS.

LAW FIRM LLP and LPS Unauthorized practice of law.

~~335-384.~~____ HUTCHENS LAW FIRM LLP is the Middleman for LPS, In

South Carolina State and federal Bankruptcy court. Because LPS is not licensed to do business in the state of South Carolina

~~336-385.~~____ HUTCHENS LAW FIRM LLP, is a law firm in disguise, practicing law on behalf of LPS and its Clients. In South Carolina State and federal Bankruptcy court.

~~337-386.~~____ HUTCHENS LAW FIRM LLP sole business consists of filing

lawsuits on Behalf of LPS and its clients. Any business entity who's sole business is filing lawsuits on behalf of LPS is definitionally a law firm.

~~338-387.~~____ LPS, status as a non-law-firm business entity is a sham.

Attempt. To Avoid. the ethical duties and practice restrictions of a law firm And the Lawyers within it, duties which would prevent LPS from operating as it does.

~~339-388.~~____ Upon information and belief **SOUTH CAROLINA LAW**

PROHIBITS THE KICKBACK FEE AGREEMENT, Because of the FIDELITY/LPS responsibility to serve the public interest, South Carolina law places a strict limitation on the use of private, outside counsel by the FIDELITY/LPS: Sharing Legal fees with-Lawyers is illegal, and FIDELITY / LPS is not a Law Firm.

~~340-389.~~ Upon information and belief, **Section 2. Referrals.**
The

Firm Acknowledges that Fidelity has the right to enter info Network Agreement. With other law firms at any time, Fidelity may decide which default matters. Are to be *referred* to the Firm ("Referral") and is not obligated to make a Minimum number of Referrals to the Firm. By accepting Referrals, the Firm Agrees to the terms of this Agreement and waives any right to assert. Attorney liens are similar charging liens for payment of services or Otherwise against such files. However, the Firm shall be entitled to invoice. For the services rendered to date on the file(s) and costs. if Fidelity and /or The Clients subsequently terminates an individual referral, the transfer. Provisions of Section 15 below Shall, That Defendant demands strict proof. thereof. **At Jury Trial.**

~~341-390.~~ Upon information and belief, Section 15, **Section 3. Attorneys Network Agreement Fees.** (a) The fees for Services performed are set Forth in Exhibit B, Exhibit C, and Exhibit D (the Fees"). These Fees are Based upon Governmental, agency-or contractual

guidelines as of September 1, 2001, the parties may mutually agree in writing to amend. Exhibits B, C and D. Except as specifically provided in Exhibits B, C and D, All Services shall be performed for flat Fees. If F'NMA, FHWC, FHA, and /or the VA revise their fee guidelines, or a contract is revised, the revised. Fee guidelines shall become "fees" for purposes of this Agreement and Shall apply to all Referrals on or after the effective date of the revised fee. Guidelines. (b) If Exhibits B, C, or D provide for the conversion to any hourly fee, with the exception Noted in 3(c) below, such conversion may. occur only after Fidelity or the client has given prior written approval. (c) The Firm may convert to an hourly fee when, in its discretion, it determines that there is a strong likelihood that Fidelity and/or the Client. 'will suffer in irreversible loss if immediate action is not taken. If the Firm Makes such a determination, it shall seek Fidelity's approval for the conversion within one business day. If fidelity does not respond in a timely manner, the Firm may contact the client. If Fidelity denies approval, the Firm is nevertheless entitled to bill the emergency work completed to that. point on an hourly fee basis. (d) The Firm recognizes that interest and Expenses accrue daily on each Referral Any reasonable penalties. Assessed by the Client pursuant to governmental penalties for delays. Resulting solely from the Firm's actions or inaction will be paid by the Firm. Without limiting any other provisions of the Agreement of this provision,

Together with Section 15 below, shall survive termination of the Agreement by either Party, That Defendant demands strict proof. Thereof.

At Jury Trial.

~~342-391.~~ Upon information and belief, **Section 4. Attorneys Network Agreement . Expenses.** The Firm agrees to advance all fees necessary. To meet the costs and expenses required in handling the matters assigned. The Firm Agrees that expenses for telephone calls, express or certified. Mail, postage, Copying, *faxing*, *courier* charges, *electronic research (lexis, Westlaw, etc.)*, PACER and/or Bank charges, travel time and related Expense. and mileage are Reimbursable unless required by law, case law. Or approved by Client. If any of These, charges are required by statute, the Firm shall **so, indicate**. That Defendant demands strict proof. Thereof. **At Jury Trial.**

~~343-392.~~ Upon information and belief, **Section 5. SEE Attorneys Network Agreement . payment for Services.** All invoices for services Around costs are to be submitted electronically by the Firm via the NewInvoice Invoice processing system, or such other electronic invoice processing System Required by **Client**: The Firm will be paid on its invoices directly by the Client. In no event shall Fidelity be deemed to be a guarantor of, or otherwise responsible for, any obligation of the

Client. Within the thirty (30) days following each Referral, The Firm will be. Invoiced. separately by Fidelity for the administrative fees set forth. in Exhibits B, C and D. Said invoices shall be due and *payable with in thirty. (30) clays of receipt* by the Firm In the event the **Client** does not pay an invoice generated by rho Firth due to a *negligence* or an error of 'Fidelity, the Firm: shall not be required to pay Fidelity on its invoice on that referral, That Defendant demands strict proof. Thereof. **At Jury Trial.**

344.393. Upon information and belief, **Section 6.SEE:**
Attorneys

Network Agreement Insurance. The Firm agrees to maintain in full force and effect. a professional Liability Policy. The minimum amount of Coverage shall not be less than one Million Dollars (\$1,000.000.000); per Occurrence. The Firm shall provide proof of Insurance to Fidelity on an Annual basics and at Such other times as may reasonably be requested. The Firm shall Immediately notify Fidelity in writing of any changes in coverage, or Impending termination, expiration, or lapse of insurance, That Defendant Demands strict proof. Thereof. **At Jury Trial.**

345.394. Upon information and belief, **Section 7. SEE:**
Attorneys

Network Agreement Representation of Client. For purposes of this

Agreement, Fidelity's *servicer's/investor clients (the "Client") shall be. considered the mutual Clients of both fidelity and the Firm. Fidelity shall be. Considered the agent of each Servicer's/investor Client!* The Firm, will never be prohibited from directly contacting any Client were, *in the* professional opinion of the Firm, such contact is necessary, whenever possible, the Firm shall order title. {from Fidelity National Title Chicago Title Alamo 'Title/TicorTitle Security Union Title John B. Kelchner (S.C. Bar No.13589, Esquire Senior Counsel for HUTCHENS LAW FIRM LLP and Sarah O. Leonard (S.C. Bar No.80165,

346.395. Upon information and belief, **SEE Section (a) Attorneys Network Agreement outside Counsel.** The Firm area all responsibility for the acts and omissions of any outside counsel or "of counsel" retained by the Firm (for example. counsel. retained to assist in litigation or counsel retained to Make a Court appearances in remote counties). The Firm assumes all responsibility for any. Subcontractor or independent contractor engaged directly by the Firm, That. Defendant Demands strict proof. Thereof. **At Jury Trial.**

347.396. Upon information and belief, **SEE Section 11 Attorneys Network Agreement Confidentiality.** Privileged information supplied To the Firm. By Fidelity shall be kept confidential in accordance: with

applicable rules of professional conduct. Notwithstanding anything in this Agreement to the contrary, the Firm shall comply with all privacy and data protection laws, rules, and regulations which are, or which may in the future, be applicable to the Services. The Firm agrees that it will keep confidential and will not use nor disclose to any other party any nonpublic personal information which it receives from or on behalf of the Client in connection with providing Services under this Agreement, except to perform Services under this Agreement. The term "nonpublic personal information" shall have the meanings set forth in Section 509 of the Gramm-Leach Bliley Act (P.L. 106-102, 15 U.S.C. Section 6809) and implementing Regulations thereof. These obligations shall survive termination of this Agreement. That Defendant Demands strict proof. Thereof. **At Jury Trial.**

~~348-397.~~ The DOCX Service Fee will be invoiced upon receipt of the work orders. That Defendant Demands strict proof. Thereof. **At Jury Trial.**

~~349-398.~~ That LPS, HUTCHENS LAW FIRM, DEUTSCHE BANK NATIONAL TRUST COMPANY setup blatantly violates the Rules of Professional Conduct. Puts this case on all fours with Wachovia Bank cited above, where an Action to enforce a mortgage was barred due to the unauthorized practice of law by the bank.

~~350-399.~~ That "LPS managed the communications between HUTCHENS. LAW FIRM LLP and its Local counsel Sarah O. Leonard (S.C. Bar No.80165, And John B. Kelchner (S.C. Bar No.13589,

~~351-400.~~ Further, at least one employee of HUTCHENS.LAW FIRM LLP who Has worked on the JOHN C. NELUMS AND DELMARSHI H NELUMS Case Is engaged in the unauthorized practice of law.

~~352-401.~~ Accordingly, Sarah O. Leonard is engaged in the Unauthorized Practice of law in South Carolina.

~~353-402.~~ Accordingly, John B. Kelchner is engaged in the Unauthorized Practice of law in South Carolina

~~354-403.~~ Upon information and belief, Sarah O. Leonard does so
With LPS HUTCHENS.LAW FIRM LLP knowledge and approval

~~355-404.~~ Upon information and belief, John B. Kelchner does so
With LPS HUTCHENS.LAW FIRM LLP knowledge and approval

~~356-405.~~ Sarah O. Leonard is an employee of HUTCHENS.LAW FIRM LLP always Acting in the course and scope of his employment relevant to this matter.

~~357-406.~~ John B. Kelchner is an employee of HUTCHENS.LAW FIRM LLP always Acting in the course and scope of his employment relevant to this matter.

358-407. LPS, HUTCHENS.LAW FIRM LLP is therefore itself engaged

in the Unauthorized practice of law and assists Sarah O. Leonard in her unauthorized practice of law.

359-408. LPS, HUTCHENS.LAW FIRM LLP is therefore itself engaged

in the Unauthorized practice of law and assists John B. Kelchner in her unauthorized practice of law

360-409. LPS, HUTCHENS.LAW FIRM LLP conduct generally and in

Prosecution of these lawsuits further signals unclean hands.

361-410. LPS, HUTCHENS.LAW FIRM LLP setup involves fee-splitting

with Non-lawyers.

362-411. LPS, HUTCHENS.LAW FIRM LLP files frivolous lawsuits and

Frequently fails to thoroughly investigate them, including this one.

363-412. LPS, HUTCHENS.LAW FIRM LLP misleads unrepresented

Defendants.

364-413. LPS, HUTCHENS.LAW FIRM LLP has engaged in sham structuring. Of its Employees—treating employees as outside counsel—to inflate. Attorneys' Fee awards and gain leverage over its victims.

365-414. Defendant JOHN C. NELUMS AND DELMARSHI H NELUMS

submits That it is no coincidence that just as LPS, HUTCHENS.LAW FIRM LLP realized it would likely be barred from attorney's fee awards due to all its lawyers. being in house counsel, LPS began focusing on outside counsel to prosecute matters for Referral fees.

366-415. Upon information and belief, LPS has Referral fees retained Formatted Table filed in

DEUTSCHE BANK NATIONAL TRUST COMPANY AS TRUSTEE FOR RESIDENTIAL, ASSET SECURITIZATION TRUST CERTIFICATES SERIES
AND DELMARSHI H NELUMS/ WOODLAKE HOMEOWNER 'S ASSOCIATION, Inc

368-416. HUTCHENS.LAW FIRM LLP, setup involves fee-splitting with non-lawyers.

LPS is not a law firm.

368-417. LPS, HUTCHENS.LAW FIRM LLP, has engaged in sham structuring of its Employees—treating employees as outside counsel—to inflate attorneys' fee awards.
And gain leverage over its victims.

369-418. Upon information and belief, this exact tactic was the basis for retaining.
HUTCHENS.LAW FIRM LLP first counsel in this action, John B. Kelchner and second
counsel in this action Sarah O. Leonard and the HUTCHENS.LAW FIRM LLP.

370-419. Upon information and belief, HUTCHENS.LAW FIRM LLP was hired as
outside counsel for this matter sometime before or after March 1, 2021, the date the
HUTCHENS.LAW FIRM LLP applied for a NON-JURY MORTGAGE FORECLOSURE

CASE AGAINST, DEFENDANTS JOHN C. NELUMS AND DELMARSHI NELUMS
IN STATE OF SOUTH CAROLINA, IN THE COURT OF COMMON PLEAS, COUNTY
OF RICHLAND CASE # 2021-CP-4000895.

371-420. Upon information and belief, HUTCHENS.LAW FIRM LLP, John B. Kelchner
And Sarah O. Leonard Shareholders Fail to Disclose to This Court that on June 24,
2008. FIS's shareholders collectively received 100% of the Common Stock of the
Registrant, which is now a stand-alone public company trading under the symbol.
"LPS" making them. 100% owners of LPS.

372-421. Upon information and belief, Frivolous Civil Processing may be subject to
Sanctions pursuant to SCRCP, Rule 11, and the South Carolina Frivolous Civil
Processing Sanctions Acts SC Code Ann & 15-36-10et, seq **SEE: WELLS FARGO**
BANK, N.A. v MARCHIONE

373-422. Looking at the facts and circumstances surrounding HUTCHENS.LAW FIRM
LLP just before LPS retention, the circumstantial evidence strongly suggests a
sinister intent behind why HUTCHENS.LAW FIRM LLP retained new outside counsel.
instead of using employees for all the legal work, or at least the bulk of it,
as had been HUTCHENS.LAW FIRM LLP prior practice. HUTCHENS.LAW FIRM LLP uses
a demand for attorney's fees, found in each HUTCHENS.LAW FIRM LLP lawsuit, to

leverage settlements.

SEVENTH AFFIRMATIVE DEFENSE
("In Pari Delicto")

374.423. Each allegation contained in the foregoing paragraph is repeated as if fully alleged herein to the extent consistent with this defense

375.424. Plaintiff's claim is barred, in whole or in part, by the doctrine of ("in pari Delicto"); which provide that a Plaintiff's who has participated in wrongdoing may not recover damage resulting from the wrongdoing

EIGHTH AFFIRMATIVE DEFENSE
("Illegality")

376.425. Each allegation contained in the foregoing paragraph is repeated As if fully alleged herein to the extent consistent with this defense

377.426. The assignment upon which Plaintiff's based some of all its cause of action are illegal and/ or unenforceable under South Carolina law and public policy

NINTH AFFIRMATIVE DEFENSE

378.427. That plaintiff does not own the alleged debt.

TENTH AFFIRMATIVE DEFENSE

379.428. That plaintiff is not legally authorized to bring this action

ELEVENTH AFFIRMATIVE DEFENSE

~~380.429.~~ That plaintiff is not in possession and/or control of the documents
And/or witnesses necessary to prove its alleged claim against defendant

TWELFTH AFFIRMATIVE DEFENSE

~~384.430.~~ That plaintiff does not own or possess the right(s) to receive all
Payments Or amounts allegedly due or owed pursuant the alleged Mortgage
agreement

THIRTEENTH AFFIRMATIVE DEFENSE

~~382.431.~~ That plaintiff did not pay fair and adequate consideration for the
alleged debt and plaintiff would be unjustly enriched if plaintiff were to receive the
relief Requested

FOURTEENTH AFFIRMATIVE DEFENSE

~~383.432.~~ That documents allegedly transferring ownership of the alleged
debt to plaintiff were executed after the commencement of this action.

FIFTEENTH AFFIRMATIVE DEFENSE

~~384.433.~~ That the amount plaintiff claims to be due is incorrect. The default
Insurance payoff by lender Default Insurance, Defendant Demands strict proof.
Thereof. At Jury Trial.

SIXTEENTH AFFIRMATIVE DEFENSE

~~385.434.~~ The complaint fails to state a claim upon which relief can be granted

SEVENTEENTH AFFIRMATIVE DEFENSE

~~386.435.~~ Plaintiff's claim is barred, in whole or in part, by the applicable
principles of Waiver, ratification, latches and/ or estoppel

EIGHTEENTH AFFIRMATIVE DEFENSE

387-436. Plaintiff lacks standing to bring this action because it has no Business Relationship with defendant.

NINETEENTH AFFIRMATIVE DEFENSE

388-437. Plaintiff is not the real party in interest.

TWENTIETH AFFIRMATIVE DEFENSE
("FAILURE TO JOIN AN INDISPENSIBLE PARTY")

389-438. FIDELITY/LPS, HUTCHENS LAW FIRM LLP, DEUTSCHE BANK NATIONAL TRUST COMPANY AS TRUSTEE FIDELITY NATIONAL TITLE INSURANCE COMPANY LPS, claims are barred due to FIDELITY/LPS, HUTCHENS LAW FIRM LLP, DEUTSCHE BANK NATIONAL TRUST COMPANY AS TRUSTEE FIDELITY NATIONAL TITLE INSURANCE COMPANY LPS, failure to join an indispensable party.

390-439. Under Rule 12(b)(7), Fed.R.Civ.P., the failure to join an indispensable. Party must result in dismissal with prejudice or joinder. FIDELITY/LPS, HUTCHENS LAW FIRM LLP, FIDELITY NATIONAL TITLE INSURANCE COMPANY

391-440. INDYMAC BANK F.S.B. original LENDER is the true Owner, but was shut down, and the only party withstanding to seek its enforcement.

392-441. LPS, HUTCHENS.LAW FIRM LLP did not name LPS, HUTCHENS.LAW FIRM LLP as a party to this action for strategic reasons.

393.442. The Defendant respectfully requests the Court recognize

to LPS, HUTCHENS.LAW FIRM LLP. as an indispensable party to this action and Either dismiss with prejudice. or Amended Complaint or join FIDELITY/LPS, HUTCHENS LAW FIRM LLP, DEUTSCHE BANK NATIONAL TRUST COMPANY AS TRUSTEE FIDELITY NATIONAL TITLE INSURANCE COMPANY LPS, as a party.

SIXTH AFFIRMATIVE DEFENSE
FAILURE TO PROSECUTE LAWSUIT IN THE
NAME OF THE REAL PARTY IN INTEREST

394.443. LPS, HUTCHENS.LAW FIRM LLP claims are wholly and Forever Barred due to LPS, HUTCHENS.LAW FIRM LLP failure to prosecute this lawsuit.in the name of the real party in interest.

395.444. Rule 17(a)(1), Fed.R.Civ.P. requires that actions be prosecuted in the name of the real party in interest.

396.445. LPS, HUTCHENS.LAW FIRM LLP is the true owner of the Default loan. In this Foreclosure Case, And the only party withstanding to Seek its Enforcement.

397.446. Accordingly, the partnership between LPS, HUTCHENS.LAW FIRM LLP is the Real party in interest in this litigation.

398.447. The Defendant respectfully requests the Court recognize

that. The Defendant respectfully requests the Court recognize that this lawsuit is not being prosecuted in the name of the real party in interest and accordingly dismiss with prejudice or Amended Complaint., joinder.

TWENTY-FIRST AFFIRMATIVE DEFENSE

("BARRATRY")

399.448. LPS, HUTCHENS.LAW FIRM LLP, claims are wholly
and

forever barred due to LPS, HUTCHENS.LAW FIRM LLP barratry

400.449. In Osprey, Inc. v. Cabana Ltd. Partnership, 340 S.C.
367,

532 S.E.2d 269 (2000), the South Carolina Supreme Court, while
abolishing champerty as a general defense, discussed ways a party faced
with a champertous lawsuit could still defend themselves.

401.450. However, the Osprey Court mentioned that South
Carolina's criminal barratry statute was available for use by a party targeted
by barratry.

402.451. LPS, HUTCHENS.LAW FIRM LLP, business model
exclusively

consists of (1) LPS' Desktop system is a web-based, "middleware
enterprise workflow management application designed to streamline and
automate business processes." held by its clients; The Desktop system has
three components: process management, document management, and
invoice management, and is utilized primarily by many servicers to manage

the default side of their businesses. The Company provides the hardware for these applications as well as personnel to help keep these systems running. (2) The Company's Loan Transaction Services segment includes its default management services and its loan facilitation services. *Id.* In particular, the Company's loan facilitation services consist of origination and real estate-related services, such as settlement services, title agency and closing services, traditional appraisals and appraisal management services, for its clients; and (3) filing lawsuits. Accordingly, the only compensation of any type that LPS Default Solutions receives is this administrative support fee **from attorneys**. *Id.* at 156:3-9. According to Newland, these fees fund all of LPS Default Solutions' activities, pay all of its overhead, and comprise all of its profits (4) LPS Desktop software to track loans through foreclosure on behalf of LPS' servicer clients like HUTCHENS LAW FIRM LLP, DEUTSCHE BANK NATIONAL TRUST COMPANY AS TRUSTEE, were known within LPS as "legacy clients" and had "blanket contracts" Lender-Place Default Mortgage insurance (5) LPS referred business to attorneys based on a client request for action, and then the attorney paid LPS for the referral. CW 1 also confirmed that LPS was paid based on each referral it made from a client to an attorney or law firm in LPS

~~403.452.~~ DEUTSCHE BANK NATIONAL TRUST COMPANY AS
TRUSTEE,

does not have any interest in the purportedly assigned Property

because FDIC sold IndyMac in 2009 to group of private equity firms and hedge funds, including Dune Capital Management and J.C. Flowers & Co.

The purpose of the transaction is not to give FIDELITY/LPS, HUTCHENS LAW FIRM LLP, DEUTSCHE BANK NATIONAL TRUST COMPANY AS TRUSTEE, FIDELITY NATIONAL TITLE INSURANCE COMPANY intellectual property rights but to give it a fraudulent veneer of legitimate ownership in the

404.453. Defendants Property upon which is bases a lawsuit. FIDELITY/LPS, HUTCHENS LAW FIRM LLP, DEUTSCHE BANK NATIONAL TRUST COMPANY AS TRUSTEE business model, utilized in this case and all others, constitutes barratry in violation of S.C. Code § 16-17-10(2)(a).

405.454. Section 16-17-10(2)(a) states: "Any person who shall [w]ilfully bring, prosecute or maintain an action, at law or in equity, in any court having jurisdiction within this State and has no direct or substantial interest in the relief thereby sought [s]hall be guilty of the crime of barratry."

406.455. FIDELITY/LPS, HUTCHENS LAW FIRM LLP, DEUTSCHE BANK NATIONAL TRUST COMPANY AS TRUSTEE has no direct or substantial interest in the relief it seeks in its lawsuits, because it has no legal right to profit from being paid by the Lender Place Default Insurance that is guaranteed once Defendant's default is non- payment on the Loan;

407.456. Therefore, FIDELITY/LPS, HUTCHENS LAW FIRM LLP, DEUTSCHE BANK NATIONAL TRUST COMPANY AS TRUSTEE conduct directly violates Section 16-17-10(2)(a).

~~408.457.~~ Section 16-17-10(2)(d) states: "Any person who shall

[w]ilfully bring, prosecute or maintain an action, at law or in equity, in any court having jurisdiction within this State and directly or indirectly receives any money or other thing of value to induce the bringing of such action [s]hall be guilty of the crime of barratry."

~~409.458.~~ FIDELITY/LPS, HUTCHENS LAW FIRM LLP, DEUTSCHE BANK

NATIONAL TRUST COMPANY AS TRUSTEE is a business that has received money from investors to induce it to file the actions it files.

~~410.459.~~ Therefore, FIDELITY/LPS, HUTCHENS LAW FIRM LLP,

DEUTSCHE BANK NATIONAL TRUST COMPANY AS TRUSTEE conduct also constitutes barratry in violation of S.C. Code § 16-17-10(2)(d).

~~411.460.~~ The Defendants respectfully requests the Court Recognize FIDELITY/LPS, HUTCHENS LAW FIRM LLP, DEUTSCHE BANK NATIONAL TRUST COMPANY AS TRUSTEE conduct as violating the South Carolina barratry statutes and accordingly dismiss with prejudice.

TWENTY-SECOND AFFIRMATIVE DEFENSE
RULE OF PROFESSIONAL CONDUCT PROHIBIT ACTION

~~412.461.~~ FIDELITY/LPS, HUTCHENS LAW FIRM LLP, DEUTSCHE BANK

NATIONAL TRUST COMPANY AS TRUSTEE claims are wholly and forever barred because the South Carolina Rules of Professional Conduct prohibit

the action.

~~443.462.~~ In Osprey, Inc. v. Cabana Ltd. Partnership, 340 S.C.
367,

532 S.E.2d 269 (2000), the South Carolina Supreme Court, while
Abolishing champerty as a general defense, discussed ways a party faced
with a champertous lawsuit could still defend themselves.

~~444.463.~~ The Osprey court did indicate that a lawyer may not
acquire a proprietary interest in the subject matter of litigation the lawyer is
conducting for a client. Such impropriety is not only an ethical issue but,
under Osprey and the previously cited Wachovia Bank, N.A. v. Coffey, is
likely an equitable defense.

~~445.464.~~ There is no dispute that the FIDELITY/LPS
HUTCHENS LAW

FIRM LLP, DEUTSCHE BANK NATIONAL TRUST COMPANY AS TRUSTEE

business model involves lawyers, from FIDELITY/LPS, HUTCHENS LAW FIRM

LLP, DEUTSCHE BANK NATIONAL TRUST COMPANY AS TRUSTEE and

Attorneys John B. Kelchiner (S.C Bar No. 13589) Sarah o. Leonard (S.C
Bar No. 80165) shareholders of FIS's received one-half share of the
Common Stock for every share of FIS common stock held as of the close
of business in June 24, 2008. FIS's shareholders collectively received
100% of the Common Stock of the Registrant, on down, purportedly
acquiring proprietary interests (though through sham means) in the subject
matter of litigation conducted for FIDELITY/LPS, HUTCHENS LAW FIRM LLP

DEUTSCHE BANK NATIONAL TRUST COMPANY AS TRUSTEE clients. This

Directly violates the law as expressed in Osprey.

416-465. Alternatively, FIDELITY/LPS, HUTCHENS LAW FIRM
LLP

DEUTSCHE BANK NATIONAL TRUST COMPANY AS TRUSTEE conduct involves lawyers acting as financiers in cases where the real party in interest is not the lawyer's client. On these facts, the South Carolina Supreme Court would be almost certain to find this arrangement against public policy.

417-466. The Defendant respectfully requests the Court recognize

FIDELITY/LPS, HUTCHENS LAW FIRM LLP, DEUTSCHE BANK NATIONAL TRUST
COMPANY AS TRUSTEE claims barred as involving violations of legal ethics of a nature and type that bar relief and accordingly dismiss with prejudice.

TWENTY-THIRD AFFIRMATIVE DEFENSE
PUBLIC POLICY VIOLATIONS

418-467. FIDELITY/LPS, HUTCHENS LAW FIRM LLP, DEUTSCHE
BANK

NATIONAL TRUST COMPANY AS TRUSTEE claims are wholly and forever barred due to FIDELITY/LPS, HUTCHENS LAW FIRM LLP, DEUTSCHE BANK
NATIONAL TRUST COMPANY AS TRUSTEE public policy violations.

419-468. Agreements against public policy are unenforceable, and

parties cannot enlist the courts to aid them in enforcing their rights under such agreements.

~~420.469.~~ Practically everything about FIDELITY/LPS,
HUTCHENS LAW

FIRM LLP, DEUTSCHE BANK NATIONAL TRUST COMPANY AS TRUSTEE setup
violates public policy in a variety of ways as described herein.

~~421.470.~~ The Defendant respectfully requests the Court
recognize

the FIDELITY/LPS, HUTCHENS LAW FIRM LLP, DEUTSCHE BANK NATIONAL
TRUST COMPANY AS TRUSTEE scheme as violating public policy and
accordingly dismiss with prejudice.

TWENTY-FOURTH AFFIRMATIVE DEFENSE

SOUTH CAROLINA UNFAIR TRADE PRACTICE ACT

~~422.471.~~ Defendant JOHN C. NELUMS AND DELMARSHI H NELUMS,

asserts a cause of action for violations of the South Carolina Unfair Trade
Practices Act by way of counterclaim against Plaintiff FIDELITY/LPS,
HUTCHENS LAW FIRM LLP, DEUTSCHE BANK NATIONAL TRUST COMPANY AS
TRUSTEE.

~~423.472.~~ The material within this cause of action is also pled
as a

setoff defense, recoupment defense, and reduction defense.

~~424.473.~~ The South Carolina Unfair Trade Practices Act
("UTPA")

declares "unfair or deceptive acts or practices in the conduct of any trade or

commerce . . . unlawful." S.C. Code § 39-5-20(a).

~~425-474.~~ The terms "trade" and "commerce" "include the advertising, offering for sale, sale or distribution of any services and any property, tangible or intangible, real, personal or mixed, and any other article, commodity or thing of value wherever situate, and include any trade or commerce directly or indirectly affecting the people of this State." S.C. Code § 39-5-10(b).

~~426-475.~~ "An unfair trade practice has been defined as a practice which is offensive to public policy or which is immoral, unethical, or oppressive." Wogan v. Kunze, 623 S.E.2d 107, 120 (S.C. Ct. App. 2005).

~~427-476.~~ To recover in an action under UTPA, the plaintiff must show: (1) the defendant engaged in an unfair or deceptive act in the conduct of trade or commerce; (2) the unfair or deceptive act affected public interest; and (3) the plaintiff suffered monetary or property loss as a result of the defendant's unfair or deceptive acts. S.C. Code §§ 39-5-10 to -560.

~~428-477.~~ LPS, HUTCHENS.LAW FIRM LLP, is a business presently operating in South Carolina.

~~429-478.~~ LPS, HUTCHENS.LAW FIRM LLP, business model exclusively consists of (1) LPS' Desktop system is a web-based, "middleware

enterprise workflow management application designed to streamline and automate business processes." held by its clients; The Desktop system has three components: process management, document management, and invoice management, and is utilized primarily by many servicers to manage the default side of their businesses. The Company provides the hardware for these applications as well as personnel to help keep these systems running. (2) The Company's Loan Transaction Services segment includes its default management services and its loan facilitation services. *Id.* In particular, the Company's loan facilitation services consist of origination and real estate-related services, such as settlement services, title agency and closing services, traditional appraisals and appraisal management services. for its clients; and (3) filing lawsuits, Accordingly, the only compensation of any type that LPS Default Solutions receives is this administrative support fee **from attorneys**. *Id.* at 156:3-9. According to Newland, these fees fund all of LPS Default Solutions' activities, pay all of its overhead, and comprise all of its profits (4) LPS Desktop software to track loans through foreclosure on behalf of LPS' servicer clients like HUTCHENS LAW FIRM LLP, DEUTSCHE BANK NATIONAL TRUST COMPANY AS TRUSTEE, were known within LPS as "legacy clients" and had "blanket contracts" Lender-Place Default Mortgage insurance (5) LPS referred business to attorneys based on a client request for action, and then the attorney paid LPS for the referral. CW 1 also confirmed that LPS was paid based on each referral it made from a client to an attorney or law firm in

LPS

TWENTY-FIFTH AFFIRMATIVE DEFENSE
SHAM TRANSACTION DOCTRINE

430-479. FIDELITY/LPS, HUTCHENS LAW FIRM LLP, DEUTSCHE
BANK

NATIONAL TRUST COMPANY AS TRUSTEE. claims are wholly and forever
barred due to the sham transaction doctrine.

431-480. The sham transaction doctrine is a defense typically
found

in tax cases. There is no great mystery to it: where a transaction is found to
be a sham, a court disregard it.

432-481. This concept is by no means unknown in other
areas of

law, and has been understood at least since the adoption of the Statute of
Elizabeth in England in 1571

433-482. Whatever it happens to be called in the area of law
under

consideration, the point is that courts do not tolerate litigants who engage in
sham transactions for the purpose of prejudicing others.

434-483. The Defendant's respectfully requests the Court
recognize the sham nature of the Fraudulent assignments from
FIDELITY/LPS, HUTCHENS LAW FIRM LLP, DEUTSCHE BANK NATIONAL TRUST

COMPANY AS TRUSTEE and accordingly dismiss with prejudice.

TWENTY- SIXTH AFFIRMATIVE DEFENSE
CIVIL CONSPIRACY

~~435.484.~~ Defendant's asserts a cause of action for civil conspiracy

by way of counterclaim against Plaintiff FIDELITY/LPS, HUTCHENS LAW FIRM LLP, DEUTSCHE BANK NATIONAL TRUST COMPANY AS TRUSTEE

~~436.485.~~ The material within this cause of action is also pled as a

setoff defense, recoupment defense, and reduction defense.

~~437.486.~~ A civil conspiracy is a combination of two or more parties

joined for the purpose of injuring the plaintiff and thus causing special damage. Peoples Fed. Sav. and Loan Ass'n of South Carolina v. Res. Planning Corp., 596 S.E.2d 51, 56-57 (S.C. 2004).

~~438.487.~~ A conspiracy may be inferred from the very nature of the

acts done, the relationship of the parties, the interests of the alleged conspirators, and other circumstances. *Id.*

~~439.488.~~ Importantly, a civil conspiracy is an act, which is by its

very nature covert and clandestine and usually not susceptible of proof by direct evidence. *Id.*

~~440.489.~~ As a unique feature of the tort of civil conspiracy, "an

action for civil conspiracy will not lie if a plaintiff has obtained relief through other avenues." Kuznik v. Bees Ferry Assocs., 538 S.E.3d 15, 31 (S.C. Ct. App. 2000), cert. dismissed (January 1, 2004).

~~441-490.~~ "Where the particular acts charged as a conspiracy are

the same as those relied on as the tortious act or actionable wrong, plaintiff cannot recover damages for such act or wrong, and recover likewise on the conspiracy to do the act or wrong." Todd v. South Carolina Farm Bureau Mut. Ins. Co., 278 S.E.2d 607, 611 (S.C. 1981) (quoting 15A C.J.S. Conspiracy § 33, at 718).

~~442-491.~~ However, a plaintiff may join as alternate claims as many

claims, legal or equitable, as he has against the opposing party, even if the claims are inconsistent. Harper v. Ethridge, 348 S.E.2d 374, 377 (S.C. Ct. App. 1986); See Rule 8(e)(2), SCRPC ("A party may set forth two or more statements of a cause of action or defense alternatively or hypothetically.. regardless of consistency and whether based on legal or on equitable grounds or on both.").

~~443-492.~~ FIDELITY/LPS, HUTCHENS LAW FIRM LLP, DEUTSCHE BANK NATIONAL TRUST COMPANY AS TRUSTEE joined with others, for the purpose of injuring the Defendant and all other FIDELITY/LPS, HUTCHENS LAW FIRM LLP, DEUTSCHE BANK NATIONAL TRUST COMPANY AS TRUSTEE victims.

~~444-493.~~ The purpose of this combination was to extract monies

from Defendant and others in settlement of frivolous and fraudulent claims.

~~445-494.~~ The various bad acts done in furtherance of this conspiracy is complained of throughout this pleading.

~~446-495.~~ FIDELITY/LPS, HUTCHENS LAW FIRM LLP, DEUTSCHE BANK

NATIONAL TRUST COMPANY AS TRUSTEE conduct, in all cases, occurs with one or more conspirators

~~447-496.~~ Defendants has suffered special harm actually and proximately caused by FIDELITY/LPS, HUTCHENS LAW FIRM LLP, DEUTSCHE BANK NATIONAL TRUST COMPANY AS TRUSTEE conduct as described herein.

~~448-497.~~ In the event Defendant is unable to obtain all the relief sought on every claim herein, Defendant respectfully requests the Court grant such relief as is available through the tort of civil conspiracy.

TWENTY-SEVENTH AFFIRMATIVE DEFENSE
FRAUD

~~449-498.~~ Defendants asserts a cause of action for fraud by way of

counterclaim against Plaintiff FIDELITY/LPS, HUTCHENS LAW FIRM LLP, DEUTSCHE BANK NATIONAL TRUST COMPANY AS TRUSTEE

~~450-499.~~ The material within this cause of action is also pled as a

setoff defense, recoupment defense, and reduction defense.

Defendants asserts a cause of action for fraud by way of counterclaim
Against Plaintiff FIDELITY/LPS, HUTCHENS LAW FIRM LLP, DEUTSCHE BANK
NATIONAL TRUST COMPANY AS TRUSTEE.

~~451.500.~~_____ The material within this cause of action is also pled
as a

setoff defense, recoupment defense, and reduction defense.

~~452.501.~~_____ Fraud is not presumed, but must be shown by clear,
cogent, and convincing evidence. In order to prove fraud, the following
elements must be shown: (1) a representation; (2) its falsity; (3) its
materiality; (4) either knowledge of its falsity or a reckless disregard of its
truth or falsity; (5) intent that the representation be acted upon; (6) the
hearer's ignorance of its falsity; (7) the hearer's reliance on its truth; (8) the
hearer's right to rely thereon; and (9) the hearer's consequent and
proximate injury. Ardis v. Cox, 431 S.E.2d 267, 269 (S.C. Ct. App. 1993).

~~453.502.~~_____ A second species of fraud exists, fraudulent
concealment.

~~454.503.~~_____ As the South Carolina Supreme Court explained:
In the case of Holly Hill Lumber Co. v. McCoy, 201 S.C. 427, 23 S.E.2d
372, we held that where either party to a transaction conceals some
material fact within his own knowledge, which it is his duty to disclose, he
is guilty of actual fraud. Non-disclosure becomes fraudulent concealment
only when it is the duty of the party having knowledge of the facts to
make them known to the other party to the transaction.

Lawson v. Citizens & S. Nat. Bank of S.C., 193 S.E.2d 124, 126 (S.C. 1972).

455.504. Nondisclosure is fraudulent when there is a duty to speak.

Non-disclosure becomes fraudulent concealment only when it is the duty of the party having knowledge of the facts to make them known to the other party to the transaction. Pitts v. Jackson Nat. Life Inc. Co., 574 S.E.2d 502, 510002) (citations and quotations omitted).

456.505. The duty to disclose may be reduced to three distinct

classes as follows:

457.506. First, a duty to disclose is present where it arises from a

preexisting definite fiduciary relation between the parties. *Id.*

458.507. Second, the duty exists where one party expressly reposes a trust and confidence in the other with reference to the particular transaction in question, or else from the circumstances of the case, the nature of their dealings, or their position towards each other, such a trust and confidence in the particular case is necessarily implied. *Id.*

459.508. Finally, the duty to disclose is found where the very contract or transaction itself, in its essential nature, is intrinsically fiduciary and necessarily calls for perfect good faith and full disclosure without regard to any particular intention of the parties. *Id.*

460.509. FIDELITY/LPS made representations to its customers

indicating that they the Company operates through two reporting segments: (1) Technology, Data and Analytics; and (2) Loan Transaction Services

464-510. _____ includes the Company's technology solutions, such as its

mortgage servicing platform ("MSP") and its Desktop system. Id. MSP automates all areas of loan servicing, from loan setup and ongoing processing to customer service, accounting and reporting. Id. LPS' Desktop system is a web-based, "middleware enterprise workflow management application designed to streamline and automate business processes." Id. The Desktop system has three components: process management, document management, and invoice management, and is utilized primarily by many servicers to manage the default side of their businesses. The Company provides the hardware for these applications as well as personnel to help keep these systems running, and website without penalty so long as the use was noncommercial and, arguably, so long as attribution was given.

462-511. _____ This representation was false, as there certainly was a

penalty— FIDELITY/LPS, HUTCHENS LAW FIRM LLP, DEUTSCHE BANK NATIONAL TRUST COMPANY AS TRUSTEE. then procured a third party to sue the Defendants.

463-512. _____ This representation was material to the Defendants.

conduct in sharing the Defendant Foreclosure Files.

464-513. *FIDELITY/LPS, HUTCHENS LAW FIRM LLP, DEUTSCHE NATIONAL TRUST COMPANY AS TRUSTEE*, knew that its representations were false.

465-514. *FIDELITY/LPS, HUTCHENS LAW FIRM LLP, DEUTSCHE NATIONAL TRUST COMPANY AS TRUSTEE*, intended for its representations to be acted upon.

466-515. In fact, *FIDELITY/LPS, HUTCHENS LAW FIRM LLP, DEUTSCHE NATIONAL TRUST COMPANY AS TRUSTEE*, had specialized software operating on its website to facilitate sharing of content which an agent of the *HUTCHENS LAW FIRM LLP* used to share in Defendants Foreclosure Files.

467-516. *HUTCHENS LAW FIRM LLP* was totally ignorant of the fact that *FIDELITY/LPS* exhortations to share its content were false.

468-517. *HUTCHENS LAW FIRM LLP*, relied on those representations

469-518. As a customer of *FIDELITY/LPS*, with no notice of the deception, the *HUTCHENS LAW FIRM LLP* had every right to so rely.

470-519. After sharing the Defendants Foreclosure Files for a noncommercial purpose as encouraged by *FIDELITY/LPS*, *FIDELITY/LPS* procured (or vice versa) to file a lawsuit against the Defendants, resulting in consequent and proximate injury.

471-520. Further, *FIDELITY/LPS, HUTCHENS LAW FIRM LLP, DEUTSCHE NATIONAL TRUST COMPANY AS TRUSTEE* had a duty to disclose to its customers that its exhortations to share content noncommercially were bogus.

472-521. From the circumstances of this case, the nature of the dealings between a *FIDELITY/LPS, HUTCHENS LAW FIRM LLP, DEUTSCHE NATIONAL TRUST COMPANY AS TRUSTEE*, and its Defendants, and their position towards each other, such a trust and confidence in this particular case is necessarily implied, as follows:

473-522. The *FIDELITY/LPS, HUTCHENS LAW FIRM LLP, DEUTSCHE NATIONAL TRUST COMPANY AS TRUSTEE*, is well aware that most of its Defendants are not aware of the company Concealment included the fabrication of Mortgage documents, "robo-signing," the forging of documents, improper notarization, violation of security protocols

474-523. The *FIDELITY/LPS, HUTCHENS LAW FIRM LLP, DEUTSCHE NATIONAL TRUST COMPANY AS TRUSTEE* is well aware that the Defendants likely have broad misconceptions as to the dictates of All communications went through LPS' Desktop system.

475-524. In particular, The *FIDELITY/LPS, HUTCHENS LAW FIRM LLP, DEUTSCHE NATIONAL TRUST COMPANY AS TRUSTEE*, is well aware that most

LPS network, attorneys had to execute a "Network Agreement" with LPS. This agreement imposed significant limitations on attorneys and set forth an improper fee arrangement between LPS and network attorneys.

476-525. *FIDELITY/LPS, HUTCHENS LAW FIRM LLP, DEUTSCHE NATIONAL TRUST COMPANY AS TRUSTEE*, in fact furthers this misconception by using software through this system, LPS automatically control of the communications between its network attorneys and them clients are evidenced by information in material from LPS Desktop.

477-526. While its customers have misconceptions, *FIDELITY/LPS, HUTCHENS LAW FIRM LLP, DEUTSCHE NATIONAL TRUST COMPANY AS TRUSTEE*, can be expected to be extremely familiar with LPS Desktop. property issues given the nature of its industry.

478-527. Clients like PHH Mortgage Services, IndyMac Mortgage service, Ocwen Loan Servicing, LLC, Deutsche National Trust Company, Bank of America, One West Bank, FSB, that is part of the Defendants Mortgage, go to LPS' Desktop system is a web-based, "middleware enterprise workflow

management application designed to streamline and automate business processes." its website and find exhortations to share content with only a single restriction: the shared content must be used noncommercially

479-528. In this situation, *FIDELITY/LPS, HUTCHENS LAW FIRM LLP, DEUTSCHE NATIONAL TRUST COMPANY AS TRUSTEE*, has led

unsophisticated (and even sophisticated) Clients to believe they can do something that *FIDELITY/LPS, HUTCHENS LAW FIRM LLP, DEUTSCHE NATIONAL TRUST COMPANY AS TRUSTEE*, utilized a seemingly fool-proof business model.

480-529. Under the facts and circumstances of this case, *FIDELITY/LPS, HUTCHENS LAW FIRM LLP, DEUTSCHE NATIONAL TRUST COMPANY AS TRUSTEE*, has a duty not to conceal the fact that it would procure a lawsuit over noncommercial sharing even though its website actively encourages it.

481-530. *FIDELITY/LPS, HUTCHENS LAW FIRM LLP, DEUTSCHE NATIONAL TRUST COMPANY AS TRUSTEE*, Client's trust and rely on it when it encourages them to share its content noncommercially.

482-531. Instead of rectifying the situation with a clarification of some sort prior, *FIDELITY/LPS, HUTCHENS LAW FIRM LLP, DEUTSCHE NATIONAL TRUST COMPANY AS TRUSTEE*, instead arranges to have its customers served with no-warning lawsuits when they do exactly what they thought *FIDELITY/LPS, HUTCHENS LAW FIRM LLP, DEUTSCHE NATIONAL TRUST COMPANY AS TRUSTEE*, had authorized.

483-532. Because of the relationship between *HUTCHENS LAW FIRM LLP* and *FIDELITY/LPS / DEUTSCHE NATIONAL TRUST COMPANY AS TRUSTEE*, it is vicariously liable on this claim.

~~484.533.~~ Defendant respectfully requests the Court grant such

relief as is available through the tort of fraud.

**TWENTY-EIGHTH AFFIRMATIVE DEFENSE
CONSTRUCTIVE FRAUD**

~~485.534.~~ Defendants asserts a cause of action for constructive

fraud by way of counterclaim against Plaintiffs *FIDELITY/LPS, HUTCHENS LAW FIRM LLP, DEUTSCHE NATIONAL TRUST COMPANY AS TRUSTEE,*

~~486.535.~~ The material within this cause of action is also pled as a

setoff defense, recoupment defense, and reduction defense.

~~487.536.~~ The elements of constructive fraud are the same as those

for fraud sans intent: Pitts v. Jackson Nat. Life Ins. Co., 574 S.E.2d 502, 509 (S.C. 2002).

~~488.537.~~ This cause of action is asserted in the event Defendants

is unable to meet Their burden of proof on the intent element of the fraud cause of action.

~~489.538.~~ Defendant respectfully requests the Court grant such

relief as is available through the tort of constructive fraud.

**TWENTY-NINTH AFFIRMATIVE DEFENSE
ABUSE OF PROCESS**

~~490.539.~~ Defendants asserts a cause of action for abuse of

process by way of counterclaim against Plaintiff *FIDELITY/LPS, HUTCHENS LAW FIRM LLP, DEUTSCHE NATIONAL TRUST COMPANY AS TRUSTEE*.

~~491.540.~~_____ The material within this cause of action is also pled
as a

setoff defense, recoupment defense, and reduction defense.

~~492.541.~~_____ The essential elements of abuse of process are an
ulterior purpose and a willful act in the use of the process not proper in the
conduct of the proceeding. *Huggins v. Winn-Dixie Greenville, Inc.*, 153
S.E.2d 693 (1967).

~~493.542.~~_____ Some definite act or threat not authorized by the
process

or aimed at an object not legitimate in the use of the process is required.

~~494.543.~~_____ There is no liability where the defendant has done
nothing

more than carry out the process to its authorized conclusion, even
though with good intentions. *Id.*

~~495.544.~~_____ The improper purpose usually takes the form of
coercion

to obtain a collateral advantage, not properly involved in the proceeding
itself. *Id.*

~~496.545.~~_____ The improper purpose usually takes the form of
coercion

to obtain a collateral advantage, not properly involved in the proceeding
itself, such as the surrender of property or the payment of money, by the
use of the process as a threat or club. *Id.*

497-546. FIDELITY/LPS, HUTCHENS LAW FIRM LLP, DEUTSCHE NATIONAL TRUST COMPANY AS TRUSTEE, lawsuits are sham proceedings. FIDELITY/LPS, HUTCHENS LAW FIRM LLP, DEUTSCHE NATIONAL TRUST COMPANY AS TRUSTEE does not have the right to sue over any copyrights, and yet it does

498-547. FIDELITY/LPS, HUTCHENS LAW FIRM LLP, DEUTSCHE NATIONAL TRUST COMPANY AS TRUSTEE, does not file lawsuits with the intent of seeking the just resolution of legitimate or arguably legitimate claims before a court.

499-548. FIDELITY/LPS, HUTCHENS LAW FIRM LLP, DEUTSCHE NATIONAL TRUST COMPANY AS TRUSTEE, purpose, instead, is to scare victims with legal process into paying settlements FIDELITY/LPS, HUTCHENS LAW FIRM LLP, DEUTSCHE NATIONAL TRUST COMPANY AS TRUSTEE, is not entitled to.

500-549. FIDELITY/LPS, HUTCHENS LAW FIRM LLP, DEUTSCHE NATIONAL TRUST COMPANY AS TRUSTEE, ulterior purpose, therefore, is to gain funds through settlements of claims it has no right to compromise nor had any right to file suit over in the first place.

501-550. Further, FIDELITY/LPS, HUTCHENS LAW FIRM LLP, DEUTSCHE NATIONAL TRUST COMPANY AS TRUSTEE, makes a threat not authorized by the process of even a frivolous Wrongful Foreclosure action, a threat that its victim will be ordered by a court transfer its Property over to Further, FIDELITY/LPS, HUTCHENS LAW FIRM LLP, DEUTSCHE NATIONAL

TRUST COMPANY AS TRUSTEE.

502.551. *The Fraudulent and Wrongful Foreclosure transfer demand is not granted to a party who is not the real party of interest of a Foreclosure lawsuit.*

503.552. *FIDELITY/LPS, HUTCHENS LAW FIRM LLP, DEUTSCHE NATIONAL TRUST COMPANY AS TRUSTEE a frivolous Wrongful foreclosure action lawsuit, transfer demand and all, are archetypal examples of abusive process: they involve the use of process as a threat or club to obtain the payment of money to which FIDELITY/LPS, HUTCHENS LAW FIRM LLP, DEUTSCHE NATIONAL TRUST COMPANY AS TRUSTEE, is absolutely not even arguably entitled.*

504.553. *Defendant respectfully requests the Court grant such relief as is available through the tort of abuse of process.*

TWENTY-NINTH AFFIRMATIVE DEFENSE
CIVIL RICO

505.554. *Defendants asserts a cause of action for relief under the Racketeer Influenced and Corrupt Organizations Act by way of Counterclaim against Plaintiff FIDELITY/LPS, HUTCHENS LAW FIRM LLP, DEUTSCHE NATIONAL TRUST COMPANY AS TRUSTEE,*

506.555. *The material within this cause of action is also pled as a setoff defense, recoupment defense, and reduction defense*

~~507-556.~~ The Racketeer Influenced and Corrupt Organizations Act,

codified at 18 U.S.C. § 1962(c), allows suit against members of a criminal enterprise when certain designated predicate acts have occurred within a ten-year time period.

~~508-557.~~ Defendant submits those connected with the FIDELITY/LPS, HUTCHENS LAW FIRM LLP, DEUTSCHE NATIONAL TRUST COMPANY AS TRUSTEE scheme formed an Enterprise, which was at all relevant times engaged in interstate commerce

~~509-558.~~ Defendant FIDELITY/LPS was obviously associated with

the HUTCHENS LAW FIRM LLP, DEUTSCHE NATIONAL TRUST COMPANY AS TRUSTEE scheme and conducted a pattern of racketeering activity

~~510-559.~~ The racketeering activity consisted of extortion, mail fraud, and wire fraud in violation of 18 U.S.C. §§ 1951, 1341, and 1343

~~511-560.~~ Specifically, FIDELITY/LPS was obviously associated with

the HUTCHENS LAW FIRM LLP, DEUTSCHE NATIONAL TRUST COMPANY AS TRUSTEE engaged in an intentional scheme to extort and defraud its targets and to obtain money or property from them through false or fraudulent pretenses, representations, threats, and promises

~~512-561.~~ FIDELITY/LPS, HUTCHENS LAW FIRM LLP, DEUTSCHE NATIONAL TRUST COMPANY AS TRUSTEE used the mails and wires to further and execute the scheme by communicating with its targets and

others in furtherance of the scheme.

513.562. The extortion tactics and fraudulent conduct detailed in

this Complaint each constitute a predicate act under RICO of (1) extortion, because such communication was threats intended to obtain money or property premised upon legal action that was a complete sham; and (2) fraud, because each mailing, phone call, and email furthered and executed the scheme to defraud FIDELITY/LPS, HUTCHENS LAW FIRM LLP, DEUTSCHE NATIONAL TRUST COMPANY AS TRUSTEE, targets

514.563. FIDELITY/LPS, HUTCHENS LAW FIRM LLP, DEUTSCHE NATIONAL TRUST COMPANY AS TRUSTEE has a knowing, willful, and specific intent to defraud its targets into entering into settlement agreements under the threat of fraudulent claims.

515.564. The predicate acts establish a pattern of racketeering

activity, which damaged practically all of FIDELITY/LPS, HUTCHENS LAW FIRM LLP, DEUTSCHE NATIONAL TRUST COMPANY AS TRUSTEE targets by Forcing them, at a minimum, to pay underserved settlements, retain Lawyers unnecessarily, or both

516.565. Defendant respectfully requests the Court grant such

relief as is available for violations of the Racketeer Influenced and Corrupt Organizations Act

COUNTERCLAIM:

FRIVOLOUS PROCEEDING

~~517-566.~~ MOTION FOR ATTORNEY FEES FOR ABUSE OF
PROCESS

AND FRIVOLOUS ACTION, PURSUANT TO SCRCF, RULE 11, AND SOUTH
CAROLINA SANCTIONS ACTS SC CODE Ann & 15-36-10et, Seq, SEE: WELLS
FARGO BANK, N.A. v MARCHIONE

~~518-567.~~ *FIDELITY/LPS, HUTCHENS LAW FIRM LLP, DEUTSCHE*
NATIONAL TRUST COMPANY AS TRUSTEE, claims are wholly and forever
barred due to the fact that this proceeding is a frivolous action. Frivolous
suits are barred under Rule 11, Fed.R.Civ.P. and other law, including
the fundamental, inherent authority of a court to require good faith of those
who appear before it.

~~519-568.~~ The Courts of the United States maintain broad
equitable
powers to sanction litigants for misconduct in litigation.

~~520-569.~~ Defendants submits that not only has *FIDELITY/LPS,*
HUTCHENS LAW FIRM LLP, DEUTSCHE NATIONAL TRUST COMPANY AS
TRUSTEE engaged in blatant litigation misconduct in this case,
FIDELITY/LPS, HUTCHENS LAW FIRM LLP, DEUTSCHE NATIONAL TRUST
COMPANY AS TRUSTEE has done so as a pattern and practice before the
Courts of the United States.

~~521-570.~~ Defendants respectfully requests that the Court
fashion
such remedy as is appropriate, not only with regard to the action

against them but to protect others who may be victims of the *FIDELITY
LPS, HUTCHENS LAW FIRM LLP, DEUTSCHE NATIONAL TRUST COMPANY*

522.571. Defendants respectfully requests the Court grant
Equitable indemnification to Defendants to extinguish Plaintiff's for
damages in setoff and to order Plaintiff to pay all of Defendant's expenses
associated with defending this action

DAMAGES

523.572. Defendants JOHN C. NELUMS AND DELMARSHI
H.

NELUMS has suffered a variety of damages as a result of FIDELITY/LPS,
HUTCHENS LAW FIRM LLP, PHH Mortgage Servicing, Deutsche National
Trust Company, IndyMac Mortgage, FSB, Bank of America, Ocwen Loan
Servicing, One West Bank conducts.

524.573. Defendants JOHN C. NELUMS AND DELMARSHI
H.

NELUMS has suffered damage by FIDELITY/LPS, HUTCHENS LAW FIRM
LLP, manufacturing and Fabricating Missing fraudulent mortgage
Assignments to Foreclose on Defendants Home in this Case;

525.574. Defendants JOHN C. NELUMS AND DELMARSHI
H.

NELUMS has suffered damage by FIDELITY/LPS, HUTCHENS LAW FIRM
LLP, Blanket contractual liability insurance is **liability insurance that
provides coverage for all contracts in which the insured is assuming**

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liability. Blanket contractual liability insurance is most commonly used in situations in which a business is working with a third party, especially if that third party is using the business' property.

526-575. Defendants JOHN C. NELUMS AND DELMARSHI
H.

NELUMS has suffered damage by ("M") "**Mortgage Insurance**" Means Insurance protecting Lender against Nonpayment of. Or default. On the loan.

527-576. Defendants JOHN C. NELUMS AND DELMARSHI
H.

NELUMS has suffered damage by FIDELITY NATIONAL TITLE
INSURANCE COMPANY, HUTCHENS LAW FIRM LLP, knowingly

Concealed that IndyMac Mortgage, FSB the Servicer agrees to maintain in full force and effect. A professional Liability Policy. The minimum amount of Coverage shall not be less than one Million Dollars (\$1,000.000.000).

Invoice settlement services for payment concealment of (\$270,900.00),

Kickback to IndyMac Mortgage, FSB,

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528-577. Defendants JOHN C. NELUMS AND DELMARSHI
H.

NELUMS has suffered damage by FIDELITY NATIONAL TITLE
INSURANCE COMPANY, HUTCHENS LAW FIRM LLP, knowingly

Concealed that PHH Mortgage Servicing the Servicer agrees to maintain in full force and effect. A professional Liability Policy. The minimum amount of Coverage shall not be less than one Million Dollars (\$1,000.000.000).

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Invoice settlement services for payment concealment of (\$272,897.53),

Kickback to PHH Mortgage Servicing, Loan # 7191963268 was paid in full

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And that the Defendants did not get the Mortgage Release from PHH

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Mortgage Servicing stating that the Defendants Mortgage Released. See:

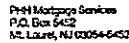
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Next p. Id at.158 Monthly Mortgage Statement Date 2 18, 2020, See:

EXHIBITS-B stating that the Defendants Nonpayment of. Or defaulted.

EXHIBITS-B

PHH MORTGAGE FRAUDULENT LENDER



To obtain information about your account:
Visit: www.MortgageQuestions.com
Call toll free: 1-877-744-2500
Email us: CustomerCare@mortgagequestions.com
Fax: 1-855-417-6300

Loan number: 7191963268
Payment Due Date: 3/1/2020
Amount Due: \$3,008.49
If payment is received after 3/1/2020, a \$63.38 late fee will be charged.

Account Information	
Property Address	315 BENTWOOD LN COLUMBIA, SC 29220 5901
Outstanding Principal Balance (net pay off amount)	\$272,859.52
Current Interest Rate	8.7500%
Prepayment Penalty	No
Escrow Balance	\$84,682
Expense Balance	\$0.00

Principal	\$3.15
Interest	\$1,207.53
Escrow (for Taxes and Insurance)	\$405.57
Optional Products/Other	\$2.00
Regular Monthly Payment	\$1,354.21
Total New Fees and Charges	\$2.00
Outstanding Unpaid Late Charges, Returned Item Charges, Shortages and Other Fees	\$55.38
Assessed Expenses	\$0.00
Past Due Payment(s)	\$1,569.80
Total Amount Due	\$3,008.43

	Paid Last Month	Paid Year to Date
Principal	\$0.00	\$0.14
Interest	\$0.00	\$1,307.64
Escrow (Taxes and/or Insurance)	\$0.00	\$291.02
Fees	\$0.00	\$7.50
Optional Products	\$0.00	\$0.00
Partial Payment (Unapplied)*	\$0.00	\$0.00
Totals	\$0.00	\$1,696.30

***Partial Payments:** Any partial payments that you make are not applied to your mortgage, but instead are held in separate suspense account. If you pay the balance of a partial payment, the funds will then be applied to your mortgage.

Paid: Received: Difference	Principal (\$)	Interest (\$)	License (\$)	Like Charities, Shareholders & Fees (\$)	Business & Other (\$)	Options Products (\$)	Total (\$)
Date: Creditors Date:							
No items. Some have accounts open since last audit. No return	\$2.00	\$1.50	\$2.10	\$2.50	\$1.00	\$3.00	\$14.10

This communication is from a debt collector attempting to collect a debt; any information obtained will be used for that purpose. However, if the debt is in active bankruptcy or has been discharged through bankruptcy, this communication is provided purely for informational purposes only with regard to our secured lien on the above referenced property. It is not intended as an attempt to collect a debt from you personally. As may be required by state law, you are hereby notified that a negative credit report reflecting on an account holder's credit record may be submitted to a credit reporting agency if credit obligation terms are not fulfilled.

Page 1 of 2

Payment Due Date	3/1/2020
Regular Monthly Payment	\$1,334.31

H.

NELUMS has suffered damage by FIDELITY NATIONAL TITLE INSURANCE COMPANY, HUTCHENS LAW FIRM LLP, knowingly

Concealed that the Servicer One West Bank agrees to maintain in full force and effect. A professional Liability Policy. The minimum amount of Coverage shall not be less than one Million Dollars (\$1,000,000.000). Invoice settlement services for payment concealment of (\$270,900.00), Kickback to One West Bank.

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~~530.579.~~ Defendants JOHN C. NELUMS AND DELMARSHI
H.

NELUMS has suffered damage by FIDELITY NATIONAL TITLE INSURANCE COMPANY, HUTCHENS LAW FIRM LLP, knowingly

Concealed that Ocwen Loan servicing agrees to maintain in full force and effect. A professional Liability Policy. The minimum amount of Coverage shall not be less than one Million Dollars (\$1,000,000.000). Invoice settlement services for payment concealment of (\$270,900.00), Kickback to Ocwen Loan servicing.

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~~534.580.~~ Defendants JOHN C. NELUMS AND DELMARSHI
H.

NELUMS has suffered damage by FIDELITY NATIONAL TITLE INSURANCE COMPANY, HUTCHENS LAW FIRM LLP, knowingly

Concealed that Bank of America servicing agrees to maintain in full force and effect. A professional Liability Policy. The minimum amount of Coverage shall not be less than one Million Dollars (\$1,000,000.000). Invoice settlement services for payment concealment of (\$270,900.00), Kickback to Bank of America.

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~~532.581.~~ Defendants JOHN C. NELUMS AND DELMARSHI
H.

NELUMS has suffered damage by FIDELITY NATIONAL TITLE
INSURANCE COMPANY, HUTCHENS LAW FIRM LLP, knowingly
Concealed that Deutsche National Trust Company Servicer agrees to
maintain in full force and effect. A professional Liability Policy. The
minimum amount of Coverage shall not be less than one Million Dollars
(\$1,000,000.000). Invoice settlement services for payment concealment of
(\$270,900.00), Kickback to Deutsche National Trust Company.

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~~533.582.~~ Defendants JOHN C. NELUMS AND DELMARSHI
H.

NELUMS has suffered damage by FIDELITY NATIONAL TITLE
INSURANCE COMPANY, HUTCHENS LAW FIRM LLP, knowingly
Concealed that HUTCHENS LAW FIRM LLP agrees to maintain in full force
and effect. A professional Liability Policy. The minimum amount of
Coverage shall not be less than one Million Dollars (\$1,000,000.000).
Invoice settlement services for payment concealment of (\$270,900.00),
Kickback to HUTCHENS LAW FIRM LLP.

~~534.583.~~ Defendants JOHN C. NELUMS AND DELMARSHI
H.

NELUMS has suffered damage by \$1,625,400, by each of the Plaintiffs for
Concealment of Default Insurance Payment that was paid out from the
Defendants Property and using Defendants Names to secure Insurance
Payments from a fraudulent Insurance Kickback-scheme.

~~535,584.~~ Defendant JOHN C. NELUMS AND DELMARSHI H. NELUMS has suffered extreme mental anguish.

~~536,585.~~ Defendant JOHN C. NELUMS AND DELMARSHI H. NELUMS has suffered damage to their good name and reputation.

~~537,586.~~ Defendant JOHN C. NELUMS AND DELMARSHI H. NELUMS seeks all available recoveries and relief, in the maximum amount possible, that are available under the causes of action asserted in this action and recoverable for a successful defense of FIDELITY/LPS, HUTCHENS LAW FIRM LLP, DEUTSCHE NATIONAL TRUST COMPANY AS TRUSTEE Complaint.

~~538,587.~~ That this action was brought by *FIDELITY/LPS, HUTCHENS LAW FIRM LLP, DEUTSCHE NATIONAL TRUST COMPANY AS TRUSTEE*, without substantial justification, and that the action is frivolous and groundless in fact and that *FIDELITY/LPS, HUTCHENS LAW FIRM LLP, DEUTSCHE NATIONAL TRUST COMPANY AS TRUSTEE*, be found liable for bringing such an action and ordered to pay all costs and fees associated with this suit;

~~539,588.~~ *FIDELITY/LPS, HUTCHENS LAW FIRM LLP, DEUTSCHE NATIONAL TRUST COMPANY AS TRUSTEE*, should be held responsible and pay for all damages suffered by JOHN C. NELUMS AND DELMARSHI H. NELUMS as well as to pay the reasonable expenses and costs associated with defending against JOHN C. NELUMS AND DELMARSHI H. NELUMS allegations and the reasonable expenses and costs associated with this

claims against them;

~~540.589.~~ Award such other, further or different relief to which
JOHN

C. NELUMS AND DELMARSHI H NELUMS may be entitled.

**JOHN C. NELUMS AND DELMARSHI H NELUMS DEMANDS A TRIAL
BY JURY OF ANY AND ALL ISSUES BEFORE THE COURT AND
TRIABLE BY A JURY**

Respectfully submitted on this 30 day of March, 2021


John C. Nelums
Delmarshi Nelums
315 Bentwood Ln

803-513-9903
Columbia, SC 29229-8981

CERTIFICATE OF SERVICES

I HEREBY CERTIFY that a copy of the foregoing **DEFENDANT(S)**
ANSWER TO COMPLAINT AND COUNTERCLAIM FOR FRIVOLOUS
LAWSUIT AND FRAUD ON THE COURT of Plaintiffs ON Tuesday,
March 30, 2021, was served by Certified Registered Letter on March 30,
2021 to the below listed parties:

HUTCHENS LAW FIRM

JOHN B. KELCHNER ATTORNEY

240 Stoneridge Dr

Ste 401,

Columbia, SC 29210

(803) 726-2700

FOR

DEUTSCHE BANK NATIONAL TRUST

COMPANY AS TRUSTEE FOR

RESIDENTIAL ASSET SECURITIZATION

THOUGH CERTIFICATES SERIES 2005-H
OCWEN LOAN SERVICING, LLC
MORTGAGE ELECTRONIC REGISTRATION
SYSTEM, AKA "MERS;"
PHH MORTGAGE SERVICES; JOHN DOES,
1-100,

DEFENDANT (S

Respectfully submitted,

March 30, 2021

A handwritten signature in cursive script that reads "John C. Nelums Delmarshi H Nelums". The signature is written in dark ink and is positioned above the printed contact information.

John C. Nelums
Delmarshi Nelums
315 Bentwood Ln
Ph-803-513-9903
Columbia, SC 29229-8981

Exhibit # 2

John C. Nelums and Delmarshi H Nelums

315 Bentwood Lane

Columbia, SC 29229

MIME-Version:1.0

From:SCDefilingstat@scd.uscourts.gov

To:scd_ecf_nef@localhost.localdomain

Bcc:

--Case Participants: Honorable Joseph F Anderson, Jr (janderson_ecf@scd.uscourts.gov)

--Non Case Participants:

--No Notice Sent:

Message-Id:<10364068@scd.uscourts.gov>

Subject:Activity in Case 3:21-cv-02161-JFA Nelums et al v. Hutchens Law Firm, LLP et al
Transfer of Case Management

Content-Type: text/html

This is an automatic e-mail message generated by the CM/ECF system. Please DO NOT RESPOND to this e-mail because the mail box is unattended.

*****NOTE TO PUBLIC ACCESS USERS***** Judicial Conference of the United States policy permits attorneys of record and parties in a case (including pro se litigants) to receive one free electronic copy of all documents filed electronically, if receipt is required by law or directed by the filer. PACER access fees apply to all other users. To avoid later charges, download a copy of each document during this first viewing. However, if the referenced document is a transcript, the free copy and 30 page limit do not apply.

U.S. District Court

District of South Carolina

Notice of Electronic Filing

The following transaction was entered on 8/31/2021 at 4:26 PM EDT and filed on 8/31/2021

Case Name: Nelums et al v. Hutchens Law Firm, LLP et al

Case Number: 3:21-cv-02161-JFA

Filer:

Document Number: 9(No document attached)

Docket Text:

*****CASE MANAGEMENT TRANSFERRED to civil case manager for Judge Joseph F. Anderson, Jr. Any future filings must be sent to the Clerk's Office at the following address: 901 Richland Street Columbia, SC 29201. (mmcd)**

3:21-cv-02161-JFA Notice has been electronically mailed to:

3:21-cv-02161-JFA Notice will not be electronically mailed to:

Delmarshi H Nelums
315 Bentwood Lane
Columbia, SC 29229

John C. Nelums
315 Bentwood Lane
Columbia, SC 29229

MIME-Version:1.0

From:SCDEfilingstat@scd.uscourts.gov

To:scd_ecf_nef@localhost.localdomain

Bcc:

--Case Participants: Honorable Joseph F Anderson, Jr (janderson_ecf@scd.uscourts.gov),

Magistrate Judge Paige J Gossett (gossett_ecf@scd.uscourts.gov)

--Non Case Participants:

--No Notice Sent:

Message-Id:<10364050@scd.uscourts.gov>

Subject:Activity in Case 3:21-cv-02161-JFA Nelums et al v. Hutchens Law Firm, LLP et al
Report and Recommendation

Content-Type: text/html

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U.S. District Court

District of South Carolina

Notice of Electronic Filing

The following transaction was entered on 8/31/2021 at 4:25 PM EDT and filed on 8/31/2021

Case Name: Nelums et al v. Hutchens Law Firm, LLP et al

Case Number: 3:21-cv-02161-JFA

Filer:

Document Number: 8

Docket Text:

REPORT AND RECOMMENDATION recommending this case be summarily dismissed without prejudice and issuance and service of process. It is further recommended that Plaintiff's motions for [5] in 21-2161 and [4] in 21-2162 temporary restraining order and permanent injunctions be denied as moot. Objections to R&R due by 9/14/2021. Add an additional 3 days only if served by mail or otherwise allowed under Fed. R. Civ. P. 6 or Fed. R. Crim. P. 45. Signed by Magistrate Judge Paige J. Gossett on 8/31/2021. (mmcd)

3:21-cv-02161-JFA Notice has been electronically mailed to:

3:21-cv-02161-JFA Notice will not be electronically mailed to:

Delmarshi H Nelums
315 Bentwood Lane
Columbia, SC 29229

John C. Nelums
315 Bentwood Lane
Columbia, SC 29229

The following document(s) are associated with this transaction:

Document description:Main Document

Original filename:n/a

Electronic document Stamp:

[STAMP dcecfStamp_ID=1091130295 [Date=8/31/2021] [FileNumber=10364049-0] [8605543b190f15ffdd9b315a495f573696e364a471b7d37088d55e60fd5f24778617302d50fa479745993df58b06a1271a54b732fbb5054887d63d14678541a9]]

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF SOUTH CAROLINA
COLUMBIA DIVISION

John C. Nelums; Delmarshi H. Nelums,

Plaintiffs,

v.

Hutchens Law Firm, LLP; John B. Kelchner;
Lender Processing Services, Inc.; LPS Default
Solutions; LPS Default Solutions Network;
Fidelity National Title Insurance Company;
Deutsche Bank National Trust Company;
Ocwen Loan Servicing, LLC; Mortgage
Electronic Registrat System; PHH Mortgage
Services; John Do 1-10,

Defendants.

C/A No. 3:21-2161-JFA-PJG

REPORT AND RECOMMENDATION

Janet Louise Nelums; Chris Nelums,

Plaintiff,

v.

John E. Waites, *United States Bankruptcy
Court, Chief Judge*; Jeffrey M. Tzerman Law
Firm P.A. H. Guyton Murrell, *Scott and
Corley, P.A.H.*; Ms. Louise Myers Johnson;
Eddie L. Lane, P.A.; Robert A. Bernstein,
Bernstein and Bernstein, P.A.; Turner Law,
Co of Columbia Turner Law, LLC;
Specialized Loan Servicing LLC; Deutsche
Bank National Trust Company; Ocwen Loan
Servicing, LLC; Mortgage Electronic
Registrat System,

Defendants.

C/A No. 3:21-2162-MGL-PJG

REPORT AND RECOMMENDATION

The above-named plaintiffs, proceeding *pro se*, filed these related civil actions for damages and injunctive relief for purported violations of the Racketeer Influenced and Corrupt Organizations Act (“RICO”), 18 U.S.C. § 1961, *et seq.* This matter is before the court pursuant to 28 U.S.C. § 636(b) and Local Civil Rule 73.02(B)(2) (D.S.C.). Having reviewed the Complaints in accordance with applicable law, the court concludes the actions are frivolous and that they should be summarily dismissed without prejudice and issuance and service of process.

I. Factual and Procedural Background

Plaintiffs John C. Nelums and Delmarshi H. Nelums previously filed a lawsuit in this court against several of the defendants listed in their Complaints—Deutsche Bank National Trust Company; Ocwen Loan Servicing, LLC; Mortgage Electronic Registrat System; and PHH Mortgage Services. See C/A No. 3:20-2932. Defendants John B. Kelchner and his law firm, Defendant Hutchens Law Firm, LLP, were counsel for those defendants in that case. John and Delmarshi brought allegations of fraud and conspiracy arising out of a note and mortgage on their residential property in Columbia, South Carolina. Generally, John and Delmarshi claimed that the defendants in that case violated federal lending statutes by not properly executing documentation when transferring the rights to John’s and Delmarshi’s mortgage and note. The court granted the defendants’ motion to dismiss, finding that the complaint in that case failed to state a claim upon which relief can be granted. See C/A No. 3:20-2932, ECF No. 43.

John and Delmarshi now file this action against the same defendants and their attorneys, along with other entities, claiming that the defendants are engaged in a conspiracy to launder money through real property transactions in violation of RICO and federal criminal law. Generally, John and Delmarshi allege that the defendants launder money through shell corporations by conducting real property transactions. John and Delmarshi seek damages and

injunctive relief, including investigations by the United States Department of Justice into the defendants' activities and for the court to permanently enjoin the defendants from engaging in these activities.

Janet Louise Nelums and Chris Nelums filed their action contemporaneously with John and Delmarshi's lawsuit. It is not clear what relation, if any, these plaintiffs have with each other. However, the complaints are virtually identical except for the names of most of the parties. Otherwise, the allegations are generally the same—they both allege a conspiracy to launder money through real property transactions—and they seek same relief—federal investigations and injunctions from the court. Notably, both complaints are styled, formatted, and written as if one was copied and pasted from another. Both complaints are over one hundred pages long, typed, and written with purported legal jargon that is not coherent.

II. Discussion

A. Standard of Review

Under established local procedure in this judicial district, a careful review has been made of the *pro se* Complaints. The court possesses the inherent authority to review a *pro se* complaint to ensure that subject matter jurisdiction exists and that a case is not frivolous, even if the complaint is not subject to the prescreening provisions of 28 U.S.C. § 1915. See Mallard v. U.S. Dist. Court, 490 U.S. 296, 307–08 (1989) (“Section 1915(d) . . . authorizes courts to dismiss a ‘frivolous or malicious’ action, but there is little doubt they would have power to do so even in the absence of this statutory provision.”); Ross v. Baron, 493 F. App’x 405, 406 (4th Cir. 2012) (unpublished) (“[F]rivolous complaints are subject to dismissal pursuant to the inherent authority of the court, even when the filing fee has been paid . . . [and] because a court lacks subject matter jurisdiction over an obviously frivolous complaint, dismissal prior to service of process is permitted.”)

(citations omitted),¹ see also Fitzgerald v. First E. Seventh Street Tenants Corp., 221 F.3d 362, 364 (2d Cir. 2000) (“[D]istrict courts may dismiss a frivolous complaint *sua sponte* even when the plaintiff has paid the required filing fee[.]”); Ricketts v. Midwest Nat’l Bank, 874 F.2d 1177, 1181 (7th Cir. 1989) (“[A] district court’s obligation to review its own jurisdiction is a matter that must be raised *sua sponte*, and it exists independent of the ‘defenses’ a party might either make or waive under the Federal Rules.”); Franklin v. State of Or., State Welfare Div., 662 F.2d 1337, 1342 (9th Cir. 1981) (providing a judge may dismiss an action *sua sponte* for lack of subject matter jurisdiction without issuing a summons or following other procedural requirements).

This court is required to liberally construe *pro se* complaints, which are held to a less stringent standard than those drafted by attorneys. Erickson v. Pardus, 551 U.S. 89, 94 (2007); King v. Rubenstein, 825 F.3d 206, 214 (4th Cir. 2016). Nonetheless, the requirement of liberal construction does not mean that the court can ignore a clear failure in the pleading to allege facts which set forth a claim cognizable in a federal district court. See Weller v. Dep’t of Soc. Servs., 901 F.2d 387 (4th Cir. 1990); see also Ashcroft v. Iqbal, 556 U.S. 662, 684 (2009) (outlining pleading requirements under Rule 8 of the Federal Rules of Civil Procedure for “all civil actions”).

B. Analysis

The court concludes that the Complaints in these cases are frivolous for the following reasons. First, the Complaints fail to comply with Federal Rule of Civil Procedure 8. See Fed. R. Civ. P. 8 (requiring that a pleading contain “a short and plain statement of the claim showing that the pleader is entitled to relief”); Ashcroft v. Iqbal, 556 U.S. 662, 678 (2009) (stating Federal Rule of Civil Procedure 8 does not require detailed factual allegations, but it requires more than a plain accusation that the defendant unlawfully harmed the plaintiff, devoid of factual support). The

¹ The plaintiffs paid the filing fees in their cases.

court is not able to determine what causes of action the plaintiffs bring against each defendant, what relief is sought, or how each defendant is involved in the purported conspiracy. See North Carolina v. McGuirt, 114 F. App'x 555, 558 (4th Cir. 2004) (affirming dismissal of a complaint under Rule 8 where “the complaint . . . does not permit the defendants to figure out what legally sufficient claim the plaintiffs are making and against whom they are making it”); see also U.S. ex rel. Garst v. Lockheed-Martin Corp., 328 F.3d 374, 378-79 (7th Cir. 2004) (collecting cases). The Complaints list numerous “relevant federal statutes” but do not explain how each defendant violated the statutes. (See, e.g., C/A No. 3:21-2161, ECF No. 1 at 5-7.) Additionally, the excessive use of purported legal jargon and extraneous facts that do not appear to bear any relation to the plaintiffs or defendants’ specific conduct make it impossible for the court to find the relevant allegations that would support the plaintiffs’ claims. See generally Grimes v. Fremont Gen. Corp., 933 F. Supp. 2d 584, 595 (S.D.N.Y. 2013) (“When a complaint does not comply with Rule 8, by virtue of a plaintiff’s including redundant or unnecessary allegations, the court may dismiss the complaint or strike those portions that are redundant or immaterial.”) (internal quotations marks omitted).

Second, the Complaints do not explain how the plaintiffs have standing to bring this action. See Pye v. United States, 269 F.3d 459, 466 (2001) (“Standing is a threshold jurisdictional question which ensures that a suit is a case or controversy appropriate for the exercise of the courts’ judicial powers under the Constitution of the United States.”) (citing Steel Co. v. Citizens for a Better Environment, 523 U.S. 83, 102 (1998)). The plaintiff bears the burden of establishing the three elements of standing: (1) the plaintiff suffered an injury in fact, (2) that is fairly traceable to the challenged conduct of the defendant, and (3) that is likely to be redressed by a favorable judicial decision. Spokeo, Inc. v. Robins, 136 S. Ct. 1540, 1547 (2016). At the pleading stage, the plaintiff

must clearly allege facts demonstrating each element. Id.; Bishop v. Bartlett, 575 F.3d 419, 424 (4th Cir. 2009) (stating that at the pleading stage, general factual allegations of injury resulting from the defendant's conduct may suffice, but the party invoking the jurisdiction of the court must include the necessary factual allegations in the pleading, or else the case must be dismissed for lack of standing). Here, though the Complaints make vague statements that would indicate that the defendants are involved in the foreclosure of the plaintiffs' properties, the Complaints fail to provide any allegations that explain how the plaintiffs were injured by the defendants' actions or how the relief they seek would remedy any injury that is particular to the plaintiffs.

Third, and relatedly, to the extent the Complaints seek relief in the manner of criminal investigations or the like, the plaintiffs do not have standing or authority to bring criminal charges by filing a civil lawsuit. See Linda R.S. v. Richard D., 410 U.S. 614, 619 (1973) (“[A] private citizen lacks a judicially cognizable interest in the prosecution or nonprosecution of another.”); see also Harris v. Salley, 339 F. App'x 281 (4th Cir. 2009) (“Harris does not have a constitutional right to institute criminal proceedings against Salley or to sue the defendants for failing to use their authority to do so.”).

Fourth, John's and Delmarshi's claims are barred by principles of *res judicata*. John and Delmarshi already sued several of the defendants in this court, bringing conclusory allegations of fraud and conspiracy, and the court granted the defendants' motion to dismiss. Thus, Plaintiffs' claims against those previous defendants would be barred by claim preclusion. See Headwaters Inc. v. U.S. Forest Serv., 399 F.3d 1047, 1054 (9th Cir. 2005) (“As a general matter, a court may, *sua sponte*, dismiss a case on preclusion grounds ‘where the records of that court show that a previous action covering the same subject matter and parties had been dismissed.’ ”) (quoting Evarts v. W. Metal Finishing Co., 253 F.2d 637, 639 n.1 (9th Cir. 1958)); Padmanabhan v. Hulka,

308 F. Supp. 3d 484, 495 (D. Mass. 2018) (*sua sponte* dismissing claims that were duplicative of a previous case resolved on the merits against an unserved party on *res judicata* grounds to avoid judicial waste); see also Trawick v. Med. Univ. of S.C., Case No. 2:16-cv-730-DCN-MGB, 2016 WL 8650132, at *7-8 (D.S.C. June 28, 2016) (recommending dismissal of duplicative claims *sua sponte* on *res judicata* grounds and collecting cases in support).

III. Conclusion

Based on the foregoing, the court concludes that the Complaints in the above-captioned cases are frivolous and should be summarily dismissed without prejudice and issuance and service of process. In light of the court's recommendation, Plaintiffs' motions for temporary restraining orders and permanent injunctions should be denied as moot. C/A No. 21-2161 (ECF No. 5); C/A 21-2162 (ECF No. 4).

August 31, 2021
Columbia, South Carolina


Paige J. Gossett
UNITED STATES MAGISTRATE JUDGE

Plaintiff's attention is directed to the important notice on the next page.

Notice of Right to File Objections to Report and Recommendation

The parties are advised that they may file specific written objections to this Report and Recommendation with the District Judge. Objections must specifically identify the portions of the Report and Recommendation to which objections are made and the basis for such objections. “[I]n the absence of a timely filed objection, a district court need not conduct a de novo review, but instead must ‘only satisfy itself that there is no clear error on the face of the record in order to accept the recommendation.’” Diamond v. Colonial Life & Acc. Ins. Co., 416 F.3d 310 (4th Cir. 2005) (quoting Fed. R. Civ. P. 72 advisory committee’s note).

Specific written objections must be filed within fourteen (14) days of the date of service of this Report and Recommendation. 28 U.S.C. § 636(b)(1); Fed. R. Civ. P. 72(b); see Fed. R. Civ. P. 6(a), (d). Filing by mail pursuant to Federal Rule of Civil Procedure 5 may be accomplished by mailing objections to:

Robin L. Blume, Clerk
United States District Court
901 Richland Street
Columbia, South Carolina 29201

Failure to timely file specific written objections to this Report and Recommendation will result in waiver of the right to appeal from a judgment of the District Court based upon such Recommendation. 28 U.S.C. § 636(b)(1); Thomas v. Arn, 474 U.S. 140 (1985); Wright v. Collins, 766 F.2d 841 (4th Cir. 1985); United States v. Schronce, 727 F.2d 91 (4th Cir. 1984).

Exhibit # 3

John C. Nelums
Delmarshi H Nelums
315 Bentwood Lane
Columbia, SC 29229

IN THE UNITED STATES DISTRICT COURT
DISTRICT OF SOUTH CAROLINA

John C. Nelums; Delmarshi H. Nelums,

Plaintiffs,

C/A No. 3:21-cv-2161-JFA-PJG

vs.

ORDER

Hutchens Law Firm, LLP; John B.
Kelchner; Lender Processing Services, Inc.;
LPS Default Solutions; LPS Default
Solutions Network; Fidelity National Title
Insurance Company; Deutsche Bank
National Trust Company; Ocwen Loan
Servicing, LLC; Mortgage Electronic
Registrat System; PHH Mortgage Services,
John Do 1-10,

Defendants.

I. INTRODUCTION

Plaintiffs John and Delmarshi Nelums, self-represented litigants, filed this action for damages and injunctive relief for purported violations of the Racketeer Influenced and Corrupt Organizations Act ("RICO"), 18 U.S.C. § 1961, *et seq.* Pursuant to 28 U.S.C. § 636(b) and Local Civil Rule 73.02(B)(2) (D.S.C.), this matter was referred to a Magistrate Judge for pre-trial proceedings.

After receiving and reviewing Plaintiffs' initial pleadings, the Magistrate Judge assigned to this action¹ prepared a thorough Report and Recommendation ("Report") and

¹ The Magistrate Judge's review is made in accordance with 28 U.S.C. § 636(b)(1)(B) and Local Civil Rule 73.02(B)(2)(d) (D.S.C.). The Magistrate Judge makes only a recommendation to this Court. The recommendation has no presumptive weight, and the responsibility to make a final determination remains with the Court. *Mathews v. Weber*, 423 U.S. 261 (1976).

opines that this action is frivolous and should therefore be dismissed without prejudice and issuance and service of process. (ECF No. 8)².

The Report sets forth, in detail, the relevant facts and standards of law on this matter, and this Court incorporates those facts and standards without a recitation. Plaintiffs filed objections to the Report on September 16, 2021, to which they later filed additional supplements on September 20, 2021. (ECF Nos. 12 & 14). Thus, this matter is ripe for review.

II. STANDARD OF REVIEW

A district court is only required to conduct a *de novo* review of the specific portions of the Magistrate Judge's Report to which an objection is made. *See* 28 U.S.C. § 636(b); Fed. R. Civ. P. 72(b); *Carniewski v. W. Virginia Bd. of Prob. & Parole*, 974 F.2d 1330 (4th Cir. 1992). In the absence of specific objections to portions of the Magistrate's Report, this Court is not required to give an explanation for adopting the recommendation. *See Camby v. Davis*, 718 F.2d 198, 199 (4th Cir. 1983). Thus, the Court must only review those portions of the Report to which Plaintiff has made a specific written objection. *Diamond v. Colonial Life & Acc. Ins. Co.*, 416 F.3d 310, 316 (4th Cir. 2005).

"An objection is specific if it 'enables the district judge to focus attention on those issues—factual and legal—that are at the heart of the parties' dispute.'" *Dunlap v. TM Trucking of the Carolinas, LLC*, No. 0:15-cv-04009-JMC, 2017 WL 6345402, at *5 n.6

² A copy of this same Report was filed in a separate action brought by different plaintiffs but alleging the identical claims. C/A No. 3:21-2162-MGL-PJG.

(D.S.C. Dec. 12, 2017) (citing *One Parcel of Real Prop. Known as 2121 E. 30th St.*, 73 F.3d 1057, 1059 (10th Cir. 1996)). A specific objection to the Magistrate's Report thus requires more than a reassertion of arguments from the complaint or a mere citation to legal authorities. See *Workman v. Perry*, No. 6:17-cv-00765-RBH, 2017 WL 4791150, at *1 (D.S.C. Oct. 23, 2017). A specific objection must "direct the court to a specific error in the magistrate's proposed findings and recommendations." *Orpiano v. Johnson*, 687 F.2d 44, 47 (4th Cir. 1982).

"Generally stated, nonspecific objections have the same effect as would a failure to object." *Staley v. Norton*, No. 9:07-0288-PMD, 2007 WL 821181, at *1 (D.S.C. Mar. 2, 2007) (citing *Howard v. Secretary of Health and Human Services*, 932 F.2d 505, 509 (6th Cir. 1991)). The Court reviews portions "not objected to—including those portions to which only 'general and conclusory' objections have been made—for *clear error*." *Id.* (citing *Diamond*, 416 F.3d at 315; *Camby*, 718 F.2d at 200; *Orpiano*, 687 F.2d at 47) (emphasis added).

III. DISCUSSION

Although Plaintiffs submitted over 160 pages in response to the Report, they have failed to present arguments that could be considered specific objections to the Report. A large portion of Plaintiffs' filing discusses the Federal Magistrates Act, its legislative history, and various circuit precedent surrounding review of Magistrate Judge's Reports and Recommendations—all of which have no bearing on the legal and factual determinations at issue in this case.

The remaining statements in the objections can only be described as a general displeasure with the various Defendants and Magistrate Judge herself. For instance, the objections state “false statements were made in each Case by Magistrate Judge Paige J. Gossett.” (ECF No. 12, p. 12)(written as it appears in the original). Accordingly, Plaintiffs have failed to put forth any argument that, even when construed liberally, can reasonably be considered a specific objection.

Although Plaintiffs utilize the moniker “objection” throughout these filings, each “objection” is nothing more than a vague statement devoid of any reference to the Report and completely lacking in any support or citation. Much like Plaintiffs’ complaint, these objections are “written with purported legal jargon that is not coherent.” (ECF No. 8, p. 3). Accordingly, Plaintiffs have failed to offer specific objections to the Report.

In summation, the Plaintiffs’ filings fail to offer any specific reference to the Report which would allow the undersigned to focus on any issue, either factual or legal, with which they feel has been reached in error. “Generally stated, nonspecific objections have the same effect as would a failure to object.” *Staley v. Norton*, No. 9:07-0288-PMD, 2007 WL 821181, at *1 (D.S.C. Mar. 2, 2007). Because Plaintiffs have failed to offer any specific objections which would allow for a de novo review, the court is only required to review the Report for clear error and is not required to give an explanation for adopting the recommendation. *See Camby v. Davis*, 718 F.2d 198, 199 (4th Cir. 1983). Consequently, this court has reviewed the Report and finds no error which would warrant any further action or correction.

IV. CONCLUSION

After carefully reviewing the applicable laws, the record in this case, the Report, and the objections thereto, this Court finds the Magistrate Judge's recommendation fairly and accurately summarizes the facts and applies the correct principles of law. Accordingly, this Court adopts the Magistrate Judge's Report and Recommendation and incorporates herein by reference. (ECF No. 8). Consequently, the Court finds this action frivolous and summarily dismisses it without prejudice and issuance and service of process. Moreover, given this dismissal, Plaintiffs' motion for temporary restraining orders and permanent injunctions is denied as moot. (ECF No. 5).

IT IS SO ORDERED.

September 21, 2021
Columbia, South Carolina

A handwritten signature in black ink, reading "Joseph F. Anderson, Jr." in a cursive script.

Joseph F. Anderson, Jr.
United States District Judge

Orders on Motions

3:21-cv-02161-JFA Nelums et al
v. Hutchens Law Firm, LLP et al

JURY,LC 1,PROSE

U.S. District Court

District of South Carolina

Notice of Electronic Filing

The following transaction was entered on 9/21/2021 at 1:18 PM EDT and filed on 9/21/2021

Case Name: Nelums et al v. Hutchens Law Firm, LLP et al

Case Number: 3:21-cv-02161-JFA

Filer:

Document Number: 15

Docket Text:

ORDER adopting [8] Report and Recommendation; denying as moot [5] Motion for TRO; denying as moot [5] Motion for Order to Show Cause; denying as moot [5] Motion for Permanent Injunction. Signed by Honorable Joseph F Anderson, Jr on 9/21/21.(mflo,)

3:21-cv-02161-JFA Notice has been electronically mailed to:

3:21-cv-02161-JFA Notice will not be electronically mailed to:

Delmarshi H Nelums
315 Bentwood Lane
Columbia, SC 29229

John C. Nelums
315 Bentwood Lane
Columbia, SC 29229

The following document(s) are associated with this transaction:

Document description:Main Document

Original filename:n/a

Electronic document Stamp:

[STAMP dcecfStamp_ID=1091130295 [Date=9/21/2021] [FileNumber=10393484-0] [8330805b50be4d3fdeb7fa1dbb19c6b8a43b48c9dac0d3e5b09534191645be30e36ef58613a458ea1d7bdf7b95994d5059f6a47015c7ef9032f8822364b87031]]

AO 450 (Rev. 01/09) Judgment in a Civil Action

UNITED STATES DISTRICT COURT

for the
District of South Carolina

John C. Nelums and Delmarshi H. Nelums,,)

Plaintiff(s))

v.)

Civil Action No. 3:21-2161-JFA-PJG

Hutchens Law Firm, LLP; John B. Kelchner;)

Lender Processing Services, Inc.; LPS Default)

Solutions; LPS Default Solutions Network;)

Fidelity National Title Insurance Company;)

Deutsche Bank National Trust Company; Ocwen)

Loan Servicing, LLC; Mortgage Electronic)

Registrat System; PHH Mortgage Services,)

John Do 1-10)

Defendant(s))

JUDGMENT IN A CIVIL ACTION

The court has ordered that *(check one)*:

☐ the plaintiff *(name)* _____ recover from the
defendant *(name)* _____ the amount of
_____ dollars (\$ _____), which includes prejudgment
interest at the rate of _____ %, plus postjudgment interest at the rate of _____ %, along with costs.

☐ the plaintiff recover nothing, the action be dismissed on the merits, and the defendants *(name)* _____
recover costs from the plaintiff *(name)* _____

☒ other: **IT IS ORDERED AND ADJUDGED** that plaintiffs, John C. Nelums and Delmarshi H. Nelums, take
nothing and this case is summarily dismissed without prejudice and without issuance and service of process.

This action was *(check one)*:

☐ tried by a jury with Judge _____ presiding, and the jury has
rendered a verdict.

☐ tried by Judge _____ without a jury and the above decision
was reached.

☒ Decision by the Honorable Joseph F. Anderson, Jr., United States District Judge, presiding accepting the Report and
Recommendations set forth by the Honorable Paige J. Gossett, United States District Magistrate Judge, which
recommended the case be summarily dismissed.

Date: September 21, 2021

ROBIN L. BLUME, CLERK OF COURT

s//Mary L. Floyd, Deputy Clerk

Signature of Clerk of Deputy Clerk

Other Events

3:21-cv-02161-JFA Nelums et al
v. Hutchens Law Firm, LLP et al

JURY,LC 1,PROSE

U.S. District Court

District of South Carolina

Notice of Electronic Filing

The following transaction was entered on 9/21/2021 at 1:21 PM EDT and filed on 9/21/2021

Case Name: Nelums et al v. Hutchens Law Firm, LLP et al

Case Number: 3:21-cv-02161-JFA

Filer:

WARNING: CASE CLOSED on 09/21/2021

Document Number: 16

Docket Text:

JUDGMENT in favor of Deutsche Bank National Trust Company, Fidelity National Title Insurance Company, Hutchens Law Firm, LLP, LPS Default Solutions, LPS Default Solutions Network, Lender Processing Services, Inc., Mortgage Electronic Registrat System, Ocwen Loan Servicing, LLC, PHH Mortgage Services, John Do 1-10, John B. Kelchner against Delmarshi H Nelums, John C. Nelums and this case is summarily dismissed without prejudice and without issuance and service of process. (mflo,)

3:21-cv-02161-JFA Notice has been electronically mailed to:

3:21-cv-02161-JFA Notice will not be electronically mailed to:

Delmarshi H Nelums
315 Bentwood Lane
Columbia, SC 29229

John C. Nelums
315 Bentwood Lane
Columbia, SC 29229

The following document(s) are associated with this transaction:

Document description:Main Document

Original filename:n/a

Electronic document Stamp:

[STAMP dcecfStamp_ID=1091130295 [Date=9/21/2021] [FileNumber=10393501-0] [4e85fb450e7c1d74bf5f673ff611951dfa2c5b5300b0b9a5719f96db1357f8abe5dafb3d5dcb44cead43f60406a65b9986b7c5aef34803b568039eb6576887f8]]