

<p style="text-align: right;">Page 1</p> <p>1 UNITED STATES DISTRICT COURT 2 WESTERN DISTRICT OF WASHINGTON 3 AT SEATTLE</p> <hr/> <p>4 5 Kristin Bain, 6 Plaintiff, 7 vs. Case No. 09-CV-00149-JCC 8 Metropolitan Mortgage Group, 9 Inc.; IndyMac Bank, FSB; Mortgage 10 Electronic Registration Systems; 11 Regional Trustee Service; 12 Lenders Processing Service, Inc., 13 inclusive, 14 Defendants.</p> <hr/> <p>15 16 DEPOSITION OF CHRISTIAN S. HYMER 17 30(b)(6) 18 Taken January 13, 2010</p> <p>19 20 21 22 23 CINDY L. SCHULTZ, RMR, CRR, CLR 24 PARADIGM REPORTING & CAPTIONING INC. 25 612.339.0545 * 1.800.545.9668 * Fax 612.337.5575</p>	<p style="text-align: right;">Page 3</p> <p>1 APPEARANCES (Continued): 2 3 ON BEHALF OF DEFENDANT LENDER PROCESSING SERVICES: 4 Richard E. Spoonemore, Esq. 5 SIRIANNI YOUTZ MEIER & SPOONEMORE 6 1100 Millennium Tower 7 719 Second Avenue 8 Seattle, Washington 98104 9 206.223.0303 10 rspoonemore@sylaw.com 11 and 12 Ross Gloudeman, Esq. 13 LENDER PROCESSING SERVICES 14 Suite 200 15 1270 Northland Drive 16 Mendota Heights, Minnesota 55120 17 651.234.3662 18 ross.gloudeman@lpsdefaultsolutions.com 19 20 21 22 23 NOTE: The original transcript will be filed 24 with the firm of Law Offices of Melissa A. Huelsman 25 pursuant to the applicable Rules of Civil Procedure.</p>
<p style="text-align: right;">Page 2</p> <p>1 The deposition of CHRISTIAN S. HYMER, 2 30(b)(6), taken on January 13, 2010, commencing at 9:18 3 a.m., taken at 1400 Rand Tower, 527 Marquette Avenue, 4 South, Minneapolis, Minnesota, before Cindy L. Schultz, 5 Registered Merit Reporter, Certified Realtime Reporter, 6 Certified LiveNote Reporter, and Notary Public of and 7 for the State of Minnesota.</p> <p>8 A P P E A R A N C E S 9 ON BEHALF OF PLAINTIFF KRISTIN BAIN: 10 Melissa A. Huelsman, Esq. 11 LAW OFFICES OF MELISSA A. HUELSMAN, P.S. 12 Suite 1050 13 705 Second Avenue 14 Seattle, Washington 98104 15 206.447.0103</p> <p>16 17 TELEPHONICALLY ON BEHALF OF DEUTSCHE BANK NATIONAL 18 TRUST COMPANY AND JPMORGAN CHASE BANK (Wood v. 19 Deutsche Bank National Trust Company, et al.): 20 Josh Rataezky, Esq. 21 DAVIS WRIGHT TREMAINE LLP 22 Suite 2200 23 1201 Third Avenue 24 Seattle, Washington 98101 25 206.622.3150</p>	<p style="text-align: right;">Page 4</p> <p>1 I N D E X 2 3 WITNESS: CHRISTIAN S. HYMER 4 5 EXAMINATION BY PAGE 6 Ms. Huelsman. 7 7 8 INSTRUCTIONS NOT TO ANSWER 9 None 10 11 DOCUMENT REQUESTS 12 None 13 14 PLAINTIFF EXHIBITS MARKED/REFERRED TO 15 No. 1: Agreement for Signing Authority. . . 79, 86 16 LPS-BAIN 0005 - 0013 17 No. 2: 8/26/08 Appointment of Successor Trustee. 82 18 LPS-BAIN 0003 - 0004 19 No. 3: 9/3/08 Assignment of Deed of Trust. . . 82 20 LPS-BAIN 0001 - 0002 21 No. 4: Desktop Valuation I - Hansen Quality. . 108 22 LPS WOOD 0463 - 0469 23 No. 5: Foreclosure Sale Bidding Instructions. . 111 24 LPS WOOD 0458 25</p>

<p style="text-align: right;">Page 5</p> <p>1 EXHIBITS (Continued):</p> <p>2 PAGE</p> <p>3 No. 6: 8/3/07 Outlook e-mail, Roberson to</p> <p>4 BK WamuEscrow@fnfs.net; Subject: 156/0697071314</p> <p>5 FMIN. 115</p> <p>6 No. 7: Correspondent Purchase Statement. . . .118</p> <p>7 LPS WOOD 0549</p> <p>8 No. 8: Assignment of Deed of Trust, Lost</p> <p>9 Assignment, Affidavit by Beneficiary, Lost</p> <p>10 Assignment Affidavit, Affidavit in Support of</p> <p>11 Motion for Relief From Stay. 118</p> <p>12 No. 9: 6/28/07 letter between Northwest Trustee</p> <p>13 Services and First American re Northwest Trustee</p> <p>14 Services foreclosing Washington Mutual Bank Deed</p> <p>15 of Trust. 120</p> <p>16 LPS WOOD 0161</p> <p>17 No. 10: 5/23/03 Appointment of Successor</p> <p>18 Trustee. 123</p> <p>19 No. 11: 7/25/07 Lost Assignment Affidavit By</p> <p>20 Beneficiary. 124</p> <p>21 No. 12: Affidavit in Support of Motion for Relief</p> <p>22 From Stay by Deutsche Bank National Trust</p> <p>23 Company. 125</p> <p>24 No. 13: Amended Proof of Claim, signed by</p> <p>25 Moss Codilis. 125</p>	<p style="text-align: right;">Page 7</p> <p>1 CHRISTIAN S. HYMER,</p> <p>2 being first duly sworn, was examined and testified as</p> <p>3 follows:</p> <p>4 EXAMINATION</p> <p>5 BY MS. HUELSMAN:</p> <p>6 Q. Can you please state your name for the</p> <p>7 record?</p> <p>8 A. Sure. My name is Christian Scott Hymer.</p> <p>9 Q. Can you spell your last name, please.</p> <p>10 A. H-Y-M-E-R.</p> <p>11 Q. And can you give me your business address,</p> <p>12 please.</p> <p>13 A. Business address is 1270 Northland, one</p> <p>14 word -- Northland Drive, Suite 200, Mendota Heights,</p> <p>15 Minnesota, 55120.</p> <p>16 Q. Okay. Have you ever had your deposition</p> <p>17 taken before?</p> <p>18 A. No.</p> <p>19 Q. Okay. So I'm assuming Mr. Spoonmore has</p> <p>20 gone over all the rules with you, but I'm just going to</p> <p>21 review a few things this morning, and that is that we</p> <p>22 both need to wait until the other finishes speaking,</p> <p>23 because this nice lady has to take down every word that</p> <p>24 we say. And it will, in fact, occur that we talk over</p> <p>25 each other, because that's the way people talk, but</p>
<p style="text-align: right;">Page 6</p> <p>1 EXHIBITS (Continued):</p> <p>2 PAGE</p> <p>3 No. 14: Proof of Claim, signed by Moss Codilis. .127</p> <p>4 No. 15: First American Title Insurance Policy. .128</p> <p>5 LPS WOOD 0162 - 0202</p> <p>6 No. 16: 5/23/06 Limited Authority Officer</p> <p>7 Designations by Chief Executive Officer for</p> <p>8 Fidelity National Foreclosure and Bankruptcy</p> <p>9 Solutions. 131</p> <p>10 LPS-BELL 0013 - 0014</p> <p>11 No. 17: First Addendum to Default Services</p> <p>12 Agreement. 135</p> <p>13 LPS WOOD 0823 - 0827</p> <p>14 No. 18: 6/4/07 Limited Authority Officer</p> <p>15 Designations by Chief Executive Officer for</p> <p>16 Fidelity National Foreclosure and Bankruptcy</p> <p>17 Solutions. 141</p> <p>18 No. 19: Notes within Process Management</p> <p>19 documenting every action taken in the system. . 146</p> <p>20 LPS WOOD 0001 - 0005</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p> <p>25</p>	<p style="text-align: right;">Page 8</p> <p>1 we're going to do our best not to do that or minimize</p> <p>2 it, and probably other attorneys will give us clues if</p> <p>3 we're doing that too frequently. So just try and be</p> <p>4 very careful with that.</p> <p>5 The second thing is you have to give audible</p> <p>6 answers. That means no um-hmm or un-unh, because those</p> <p>7 are vague and ambiguous and difficult to discern later</p> <p>8 when you're looking at a deposition transcript what it</p> <p>9 is you meant. So be sure and speak clearly and say yes</p> <p>10 or no.</p> <p>11 I do not want you to guess. I can, however,</p> <p>12 ask you to give me your best estimate of something. So</p> <p>13 in the event that you do not know the answer to a</p> <p>14 question, I don't want you to guess, because what</p> <p>15 you're saying here today is under oath, and if you</p> <p>16 change that testimony, later I can use it to go to the</p> <p>17 credibility of your answer. So if you don't know,</p> <p>18 saying "I don't know" is a perfectly acceptable answer.</p> <p>19 But, again, if you can make an estimate or something</p> <p>20 like that, I can ask you to make your best estimate,</p> <p>21 which is different than a guess. Okay?</p> <p>22 A. I understand.</p> <p>23 Q. Okay. Now, you understand you're here today</p> <p>24 testifying on behalf of LPS; is that correct?</p> <p>25 A. I understand.</p>

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1 Q. Okay. So what that means is when I am asking
 2 a question and I say "you," most of the time I'm going
 3 to mean LPS, because that's who you're giving me
 4 testimony on behalf of. However, right when we get
 5 started, I am going to ask questions about you
 6 personally to get some background information about you
 7 to ascertain how it is that you're able to provide me
 8 with the answers that you have and to just to get some
 9 background information on you.
 10 So right now I'm going to be asking you
 11 questions about you personally, and so when I use
 12 "you," I mean you personally. When we switch to
 13 questions about LPS, if I say "you," it means LPS.
 14 Okay?
 15 **A. I understand.**
 16 Q. If at any time any of my questions are
 17 confusing or you don't understand, just let me know. I
 18 will rephrase it. We want to get your best testimony
 19 here today, and my questions are not designed to trick
 20 you, they're designed to elicit testimony, and that's
 21 all I really want. Okay?
 22 **A. I understand.**
 23 Q. Okay. Why don't you give me your educational
 24 background.
 25 **A. My educational background is a --**

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1 Q. Starting from high school, I should clarify.
 2 **A. Okay.**
 3 Q. I don't need to know your middle school.
 4 **A. I went to high school at Palm Beach Gardens**
 5 **High School in South Florida, got my associate of arts**
 6 **degree from the University of Florida.**
 7 Q. Just so you know, you should look at me
 8 because you're talking to me. She's going to take down
 9 what you say.
 10 **A. Okay.**
 11 MR. SPOONEMORE: That's okay for him to
 12 speak to the court reporter.
 13 MS. HUELSMAN: I know, but it's hard for
 14 me to get a read on him when he's looking at the court
 15 reporter.
 16 Q. So do whatever you want. You don't have to
 17 look at her.
 18 **A. Okay. I just want to make sure I'm clear**
 19 **when she's typing, so. . .**
 20 **My associate of art degree was from the**
 21 **University of Florida in Gainesville, Florida. I**
 22 **received a bachelor of science degree from the**
 23 **Embry-Riddle Aeronautical University, where I majored**
 24 **in aeronautical science, with a minor in aviation**
 25 **business administration. That's it.**

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1 Q. When did you get your degrees, your
 2 bachelor's and your associate's?
 3 **A. I -- Associate's degree would have been 19--**
 4 **excuse me, 1989. I believe it's '88 or '89; I can't**
 5 **recall. And my bachelor's degree would have been 1994.**
 6 **I switched majors.**
 7 Q. But ultimately the degree was in aeronautics,
 8 you said?
 9 **A. It was in aeronautical science.**
 10 Q. Okay.
 11 (Attorney Rataezyk joins telephonically.)
 12 (A discussion was had off the record.)
 13 BY MS. HUELSMAN:
 14 Q. So can you give me your employment history,
 15 starting with where you were employed after you got
 16 your bachelor's degree?
 17 **A. After my bachelor's degree, I worked for an**
 18 **aircraft manufacturer for approximately five years by**
 19 **the name of Fairchild/Dornier Aerospace. I was a**
 20 **professional pilot. I then worked for a national**
 21 **airline called Vanguard Airlines out of Kansas City,**
 22 **Missouri. And I then worked for Northwest Airlines as**
 23 **a pilot starting in 2001.**
 24 **My -- I was furloughed after 9/11, along with**
 25 **a lot of other junior pilots, and I moved then to**

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1 **Jacksonville, Florida, where I taught comprehensive**
 2 **science to middle school kids, eighth grade; genetics,**
 3 **chemistry, physics, astronomy, et cetera. That was**
 4 **kind of my public service gig after 9/11.**
 5 **I started employment with, at the time,**
 6 **Fidelity National Foreclosure Solutions in 2003, I**
 7 **believe it was October. When they moved -- Fidelity**
 8 **moved from California to Jacksonville, and I was**
 9 **offered a position to join the company at that point in**
 10 **time.**
 11 Q. Okay. So that was in 2003?
 12 **A. 2003, correct.**
 13 Q. Okay. And what was your position when you
 14 started with Fidelity?
 15 **A. I was an assistant vice president for**
 16 **Fidelity National Foreclosure Solutions for customer**
 17 **relations.**
 18 Q. And Fidelity National Foreclosure Solutions,
 19 is that a separate corporation?
 20 **A. It is a separate company. It's under the --**
 21 **at the time it was under the Fidelity National**
 22 **Financial umbrella of companies. It has since -- and**
 23 **I'm not sure how familiar you are with the evolution of**
 24 **LPS. Fidelity National Financial spun off its**
 25 **technology side essentially into a company called**

<p style="text-align: right;">Page 13</p> <p>1 Fidelity Information Systems, and I don't know the 2 exact date, it was approximately two and a half, three 3 years ago, and then about a year ago they spun off the 4 centralized technology piece into a company called LPS, 5 which is now a separate company from Fidelity National 6 Financial. And now our company went with that. I work 7 for LPS. 8 Q. Okay. So -- and, I'm sorry, what did you -- 9 how did you describe LPS when it was spun off? 10 A. It's a technology company. 11 Q. Okay. 12 So when you were first with the previous 13 corporate entity, we'll call it Fidelity -- Fidelity 14 National Foreclosure Solutions, you were assistant VP 15 of -- I'm sorry, can you tell me what again? 16 A. Customer relations. 17 Q. Customer relations. 18 Can you explain to me what your job duties 19 entailed? 20 A. Sure. When I came into the company, we 21 didn't actually have a customer relations department. 22 I was asked to observe our meetings with customers and 23 understand kind of our framework by which we related 24 with them and develop a structure by which we would 25 track agenda items, issues, et cetera, and pursue those</p>	<p style="text-align: right;">Page 15</p> <p>1 refer to them, so. . . I want to make sure we're 2 communicating effectively. 3 And what is it that Fidelity did for its 4 customers when you were in this position in 2003? 5 A. We did the same thing in 2003 we do today. 6 Q. Perfect. Describe it to me, please. 7 A. LPS, formerly known as Fidelity National 8 Foreclosure Solutions, today it's LPS Default 9 Solutions, we -- we serve -- we monitor a technology 10 system called LPS Desktop and monitor the keystone, or 11 milestone actions in a legal process and report the 12 information back to the servicer. We also service a 13 liaison and facilitate communication between the law 14 firm selected by the servicer to manage their legal 15 action. We service the liaison between them as far as 16 communication and assisting with resolution of certain 17 problems of a non-servicing nature that come up during 18 the course of the legal action. 19 Q. Okay. So let me make sure I understand you. 20 What you're saying is LPS's role is to be the middleman 21 between the servicer and the attorneys? 22 A. That's a -- a good description. We are not a 23 servicer and we're not a law firm. We don't practice 24 servicing. We don't do servicing activities involving 25 collecting payments from debtors. We have no</p>
<p style="text-align: right;">Page 14</p> <p>1 to resolution. So I developed the department, 2 developed the structure for that, and approximately two 3 years later I was asked to move to Minnesota and take 4 on a different role with the business unit itself. 5 Q. Okay. So who were Fidelity's customers at 6 the time that you were observing and developing 7 protocols for? 8 A. Our customers are typically twofold. They 9 are banks, in other words, mortgage companies or 10 lenders, and then they are attorneys. 11 Q. And is it also mortgage servicing companies? 12 A. You can refer to it that way. I would glom 13 them all together as banks and mortgage servicing 14 companies, servicers, lenders. 15 Q. Okay. For purposes of this deposition I want 16 to keep them separate, because they are, in essence, 17 separate. So, in other words, banks are banks, a 18 mortgage loan servicing company is a mortgage loan 19 servicing company, a lender is a lender that doesn't -- 20 it isn't a bank, it's a lender. Okay? 21 A. Fair enough. 22 Q. Okay. I just want -- I just want to make 23 sure we're clear. 24 A. We typically refer to them as servicers. 25 Q. Okay. Okay. Perfect. That's how I would</p>	<p style="text-align: right;">Page 16</p> <p>1 interaction with debtors at all. We also do not 2 practice law. We merely serve as a liaison, as you 3 said, between the law firm who was selected to receive 4 that legal action and the servicer to ensure that the 5 milestone steps are updated appropriately and the 6 servicer understands the status of their legal action. 7 Q. Okay. And so the attorneys that you're 8 referring to, the tasks that they're typically 9 performing are foreclosures and/or Motions for Relief 10 from Stay and the like in bankruptcy court; is that 11 correct? 12 A. Typically foreclosures, bankruptcies, Motions 13 for Relief, agreed orders, Proofs of Claim, and 14 occasionally evictions, some -- some firms do that -- 15 some servicers refer work for that as well. 16 Q. Okay. And the attorneys with whom LPS 17 communicates, they are members, essentially, of LPS; is 18 that correct? 19 A. I don't know if I would characterize them as 20 members of LPS. They are a part of our LPS Default 21 Solutions attorney network, which is essentially an 22 open network that any law firm selected by a servicer 23 is entitled to join, and as part of that network they 24 would be eligible to receive referrals directed to them 25 by the servicer.</p>

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1 **They basically sign a -- what we call a**
2 **network agreement with LPS Default Solutions, which**
3 **contains, you know, information about what their**
4 **expectations are. They would agree to the client's**
5 **specific procedures and fee structure, and they would**
6 **sign a technology agreement with the LPS Desktop, which**
7 **is a separate agreement, again, which is privacy**
8 **protection, et cetera.**
9 Q. Okay. So I think I understand you, I just
10 want to make it clear. So attorneys don't just -- a
11 law firm wouldn't just randomly call up LPS and say,
12 "Hi, I want to be part of your attorney network?"
13 **A. It happens every day.**
14 Q. Okay. What happens when they do that?
15 **A. We refer them to our legal department. They**
16 **send a contract to them. They are welcome to join the**
17 **network. Whether or not they get work depends on the**
18 **servicer, if the servicer chooses to send them work.**
19 Q. Okay.
20 **A. So they would typically market to the**
21 **servicer to try to get that legal work --**
22 Q. Okay.
23 **A. -- and the servicer would select them, put**
24 **them on a matrix and send them work through us.**
25 Q. Okay. I'm sorry, I thought you had said that

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1 the servicer sent you the attorneys. So I'm glad you
2 clarified.
3 **A. It works both ways.**
4 Q. Okay.
5 **A. We bring on a new client, they have firms**
6 **that haven't worked with us before, the servicer tells**
7 **us which firms they'd like us to extend contracts to,**
8 **and we would do so. And in other cases we have law**
9 **firms that approach us and ask if they can join the**
10 **network.**
11 Q. Great. Okay.
12 And when these attorneys sign the network
13 agreement, who are the parties to those network
14 agreements?
15 **A. I believe the parties would be LPS Default**
16 **Solutions and the attorney itself -- attorney firm.**
17 Q. Okay. So the agreement is between LPS and
18 the attorney firm, correct?
19 **A. Correct.**
20 Q. Okay. And the technology agreement, who are
21 the parties to that agreement?
22 **A. LPS Desktop and the law firm.**
23 Q. Okay. And so is LPS part of any -- excuse
24 me.
25 Describe to me the contracts -- actually, you

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1 know what, I'm going to return to that. Sorry.
2 **A. That's okay.**
3 Q. I'm going to stay focused on the attorneys
4 for a moment. Okay.
5 And do you know if the network agreement that
6 -- with the parties in the Bain case has been provided
7 to me?
8 **A. I don't know the answer to that.**
9 Q. And that actually begs a question that I
10 forgot to ask you when we got started when I was going
11 through the rules, so let me go off track for one
12 second. Did you read any documents to prepare for
13 today's deposition?
14 **A. I read, I guess you'd call it, the Complaint**
15 **filed in this case by -- by you.**
16 Q. Okay.
17 **A. I read it yesterday, the first opportunity to**
18 **-- to see that. And outside of that, that's all I've**
19 **really read.**
20 Q. Okay. And just for a point of clarity, you
21 are here today in the Bain case, and I'm taking your
22 deposition testimony about that. But I'm getting
23 general information about LPS that's going to be used
24 in three cases that we have ongoing. So -- so allow me
25 to ask you a lot of very just general questions, and

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1 then we'll turn specifically to the Bain case. Okay?
2 **A. I'd be happy to answer those. There's a lot**
3 **of misconceptions out there, and hopefully we can clear**
4 **some of those up.**
5 Q. And how is LPS paid by the attorneys?
6 **A. You may need to rephrase that question. Are**
7 **you asking how they're invoiced, is that the question**
8 **you're asking?**
9 Q. Sure. In other words, what services does LPS
10 provide to the attorneys --
11 **A. Okay --**
12 Q. -- for which they are paid?
13 **A. -- that's an easy question for me to answer.**
14 **LPS provides ancillary support services to the law**
15 **firm, services related to assisting them to resolve**
16 **problems that happen during the legal action that are**
17 **non-legal in nature.**
18 Q. What does that mean?
19 **A. Perhaps an example would help.**
20 Q. Sure.
21 **A. The law firm in the course of a legal action**
22 **is required to -- to draft a Complaint, a document of**
23 **some sort. They would draft the document. They would**
24 **submit it through our technology, and we would provide**
25 **a support service to print that document, review the**

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1 document to ensure that it was within the bounds of our
 2 signing authority.
 3 If within the bounds of our signing
 4 authority, we would be permitted to execute that
 5 document. If any verbiage within it or content or the
 6 document itself is a type that we were not permitted to
 7 sign, we would forward that document to the client or,
 8 in some cases, to the investor for signature, and we
 9 would use our technology and steps within the process
 10 to track that document throughout the life cycle from
 11 the time it was uploaded until the time it was
 12 returned.
 13 We have extensive reporting that helps us
 14 understand turn time, know where documents are. We do
 15 that across the board in the variety of support
 16 services that we offer.
 17 Q. Okay. And how is LPS paid? Are they paid by
 18 the attorney? Are they paid by the servicer who's
 19 asked the attorney to perform that service?
 20 A. It depends on the service. For many
 21 services, they are -- the model that we operate under
 22 is a vendor supportive model, "vendor" meaning the
 23 attorney office would pay for that service. There are
 24 some support services that the servicer pays for
 25 directly.

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1 Q. So in your scenario that you just gave me a
 2 few minutes ago, a law firm drafts a document, and it's
 3 sent on to LPS to see whether or not it's appropriate
 4 for LPS to sign the document. The law firm then pays
 5 LPS for that service? That's considered a support
 6 service?
 7 A. That's -- that's part of the -- Yeah.
 8 Correct. That would be one of the support services it
 9 would provide, and part of what the fee they would pay
 10 would include that activity.
 11 Q. Okay. And are there also payments made for
 12 using the software and the platform?
 13 A. There are payments made. That's part of the
 14 technology agreement. There is a technology fee
 15 assessed for each, we call it a referral, but it,
 16 essentially, would be a legal action of some sort or an
 17 action. It's not always a legal action. But for every
 18 referral type there is a fee, and that fee ranges
 19 between \$5 and \$75, depending on the activity to be
 20 performed and the technology in play or processes in
 21 play to track it.
 22 Q. Okay. So, for example, is LPS paid when a
 23 servicer makes a referral to a law firm within the
 24 network to do -- perform some service?
 25 A. Yes. LPS is paid upon referral.

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1 Q. Okay. So, essentially, for, actually, a
 2 referral of business, correct?
 3 A. We're paid for our support services up front
 4 at the time of referral. By that, it -- The reason why
 5 we do that is because we -- regardless of the life of
 6 that legal action, we're going to continue to provide
 7 support services. We have no interest in seeing, for
 8 example, that a foreclosure were to go to foreclosure
 9 sale. In fact, that would probably argue it's -- it's
 10 counter to that, that, actually, we would prefer that
 11 it reaches successful resolution with the borrower
 12 prior to sale, because we have to manage it for less
 13 time.
 14 Q. But don't you get paid more for managing it
 15 for longer periods of time?
 16 A. No.
 17 Q. Okay. You have a flat fee?
 18 A. Flat fee right up front.
 19 Q. Sorry. I thought you were going to say
 20 something else. Sorry. All right.
 21 Why don't you tell me what the agreements are
 22 between servicers, banks and lenders in that -- on that
 23 side of the -- with LPS. What are those agreements
 24 called?
 25 A. The agreements between LPS and our servicing

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1 customers are typically called a default servicing
 2 agreement, and they consist of basically a legal
 3 contract for -- that includes the contractual
 4 relationship between the servicer and LPS. Typically
 5 it includes a schedule of services and provisions for
 6 confidentiality, identification for error, and the
 7 typical contract pieces.
 8 Q. And, I'm sorry, I forgot to ask you one thing
 9 about attorneys. Back on the attorney relationships
 10 solely. Does LPS keep track of the time in which an
 11 attorney or law firms perform the services?
 12 A. The time that we perform services?
 13 Q. The attorneys perform the service.
 14 A. Okay. We -- The technology system itself is
 15 a data aggregator, it collects data. We utilize that
 16 data to create a variety of reports on the loans that
 17 we monitor for our customers, and our customers being
 18 either, again, the servicer or the law firm.
 19 We can use that data on what we consider,
 20 let's say, a stage in the process to determine a
 21 timeline for completion of that process, whether it
 22 be -- for example, a fee and cost request, if a loss
 23 mitigator at a servicer is on the phone with a debtor
 24 and trying to get a payoff or reinstatement quote, we
 25 -- that activity takes place in our technology system

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1 to ask all attorneys who may have an action pending or
 2 an action that they just completed for a fee and cost
 3 quote and return that information back.
 4 We track the time from the time that quote
 5 was requested to the time it gets back, and we use that
 6 information to help provide both the servicers, as well
 7 as the attorneys' understanding of what their peers are
 8 doing and what their network firms are doing. That
 9 helps them from a coaching aspect and a consulting
 10 aspect.
 11 So it's kind of an exciting use of that.
 12 We've seen that turn time go from four hours to under
 13 15 minutes nationwide, which has real benefit, I think,
 14 to loss mitigators on the phone trying to get a
 15 workout, or a deal done.
 16 Q. Doesn't LPS also rank the law firms on their
 17 timeliness?
 18 A. We don't rank them. What we do is we
 19 display -- In one version of our reporting, for
 20 example, we might display their timeline for completion
 21 of certain stages. And what we're doing is saying
 22 there's no subjective measurements. It just says from
 23 the time that this stage started to the time this stage
 24 ended, how much time elapsed during that period of
 25 time, allowing carve-outs for certain activities such

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1 as a bankruptcy filing or other activity.
 2 So we wouldn't rank them, but we would
 3 display where they -- where they sit. We would then
 4 group them by color code as being, essentially, above
 5 average, average, or below average performance as far
 6 as a timeline performance.
 7 And service activities, like I had mentioned,
 8 like fees and costs turn time, stop/hold turn time, how
 9 fast you can acknowledge or you respond to a request
 10 for a service or to stop a foreclosure, put a
 11 foreclosure on hold, those are also things we measure.
 12 They're important to understand responsiveness of the
 13 vendors selected by the servicer.
 14 Q. Aren't there also deadlines for things like
 15 filing Motions for Relief from Stay or starting
 16 foreclosures?
 17 A. There are no deadlines. We don't institute
 18 any deadlines, any timelines upon the law firms. All
 19 we do is measure what's possible in the legal
 20 environment today. And maybe I'll clarify that for
 21 you.
 22 We don't establish a time frame where you
 23 have to get, for example, your Complaint filed. We
 24 merely measure the time from when it was referred until
 25 the actual Complaint was filed. So we don't establish

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1 the time frame.
 2 There are some, for example, GSEs, investors
 3 that say, We expect the foreclosure to last this long.
 4 Obviously, the regulatory and legal environment
 5 changes, and therefore our model and our scorecard
 6 changes with that. It's simply measuring what's
 7 possible at this point in time.
 8 Q. So to be clear, your testimony is LPS sets no
 9 deadlines for performing certain functions in -- in
 10 specific time periods?
 11 A. You are correct, we do not set deadlines. We
 12 monitor how -- when the attorneys are performing the
 13 work, if they have exceeded, let's say, the state
 14 average for completion of what we call a stage, we
 15 would typically, as part of our role, be a contact and
 16 ask them, "It looks like you exceeded the time frame
 17 that's typically being done for this. Is there
 18 something you need? Is there some help we can offer?
 19 Can we get some help for you from the client on
 20 something? Are you missing something?" That's our
 21 role.
 22 Q. Do servicers set timelines? Servicers, banks
 23 and lenders, I should say --
 24 A. I'm not aware --
 25 Q. -- for when the task is supposed to be

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1 performed? I'd like to ask a better question, but go
 2 ahead.
 3 A. Sure. I'm not privy to any internal
 4 timelines they might set or expectations they have of
 5 their law firms. The law firms, from our perspective,
 6 and the data we gather, that information is in
 7 templates in the Desktop system. Those templates are
 8 established by the servicer. And the due date for the
 9 -- those steps is determined by the servicer, not by
 10 LPS.
 11 If the attorney cannot complete a step of the
 12 process, a milestone step, they would request a
 13 re-projection or an extension for that step and explain
 14 the reason why they couldn't complete the step at that
 15 time. We would have responsibility to review that and
 16 either approve it, deny it, in which case the step just
 17 remains due in the system.
 18 Q. Okay. And so is LPS the only facilitator of
 19 communications between the attorneys and the servicers?
 20 In other words, do they communicate directly as well?
 21 A. That's a good question. We are absolutely
 22 not the only communication link between the law firm
 23 and the servicer. The law firm always has a direct
 24 relationship and direct connection with the servicer.
 25 They are both encouraged and provided with contacts by

<p style="text-align: right;">Page 29</p> <p>1 LPS and by the servicer for service or contacts. But 2 there should be an understanding, there are certain 3 non-servicing functions, like I described earlier, that 4 the servicer has asked LPS to assist with on their 5 behalf. 6 So typically the law firms would go to us 7 first before they would contact a servicer, if those 8 are things we're participating in, to see if we can 9 help them first. 10 Q. Okay. And so to understand, the source of 11 your information, do you know for certain that lenders 12 and servicers -- excuse me, attorneys always speak to 13 lenders, servicers, banks, or are you just -- that's 14 your general understanding, that they also 15 communicate -- 16 A. I know for certain -- 17 Q. -- separately from LPS? 18 A. Sorry for talking over you. 19 Q. That's okay. 20 A. I know for certain we -- I am completely 21 familiar with our practice of sending contacts out for 22 servicers. I have personally had involvement in 23 iterating to law firms and reminding them that they 24 always have that direct line of communication. And I 25 know in our network agreement it also clearly states</p>	<p style="text-align: right;">Page 31</p> <p>1 the larger law firm entity, correct? 2 A. Correct. If the -- if they have 3 subcontracted legal work in some case to another law 4 firm that's not part of our network, we would have no 5 interaction, nor would that subcontracted firm be 6 authorized to access our technology systems and input 7 information. 8 Q. Right. So they have to have a direct 9 relationship with you in order to get into your 10 technology and platform, correct? 11 A. It's a secure system -- 12 Q. Right. 13 A. -- so they have to have passwords and a 14 contract with us. And it's -- it's a violation of our 15 technology agreement, I believe, for them to provide 16 access to that technology to employees that are not 17 employees of their firm. 18 Q. Okay. All right. 19 So -- I'm sorry to go back and forth a little 20 bit. I sometimes skim over my own notes. 21 All right, so when we were talking about the 22 lenders, servicers and banks, those are the entities 23 that have the default servicing agreement with LPS, 24 correct? 25 A. You are correct.</p>
<p style="text-align: right;">Page 30</p> <p>1 that they have a direct relationship in communication, 2 an attorney-client privilege, with the servicer 3 themselves. 4 Q. And that's true even when you have the large 5 law firm relationships where you have, you know, like 6 the Shapiro law firms, who have then other -- they hire 7 other local attorneys? So are you speaking only about 8 law firms with which you have a direct contract 9 relationship with, or are you also speaking about those 10 kind of -- the larger networks, the Reimer McCulloughs, 11 you know, the big law firms that then farm out business 12 to other small entities at local courts? 13 A. I do understand what you're asking. I am not 14 privy to the back office relationships that any law 15 firm has with another party. Our network agreement is 16 between us and the law firm who receives the referral 17 work. If they outsource that work that they were 18 assigned to do to another firm or to another vendor of 19 some sort for a portion of that, they are still 20 responsible, per our network agreement, as far as we're 21 concerned, for communicating directly to the client, so 22 -- and to us. We would not be going to their back 23 office support; we would be going to personnel that 24 worked for that law office. 25 Q. Okay. So your communication would be with</p>	<p style="text-align: right;">Page 32</p> <p>1 Q. Anybody else that I'm missing? 2 A. No. 3 Q. Okay. So what services does LPS provide 4 under the default servicing agreement? You said that 5 there's a schedule of services that's included. What 6 are those services? 7 A. The -- the services vary customer by 8 customer, so it would be hard for me to give you a 9 laundry list across the board, but I can give you some 10 examples of the typical services we would perform on 11 behalf of a servicer. One service would be to monitor 12 bankruptcy filings on loans within a customer's 13 portfolio. We use technology systems such as Acer or 14 reporting from the client through technology systems 15 like Banco to give notification of a new bankruptcy 16 filing. 17 We would then validate that bankruptcy by 18 accessing the court docket and ensuring that it 19 affected the servicer's loan and it is their debtor. 20 And then we would typically suspend the foreclosure 21 workstation in the client's servicing system and 22 activate the bankruptcy workstation per the client- 23 directed procedure. That would be an example of a 24 support service that we provide to a servicer. 25 Q. Anything else? I mean, I can't imagine that</p>

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1 they all differ that much. I mean, each sender --
 2 servicer, lender or bank is generally doing the same
 3 thing --
 4 **A. You'd be surprised.**
 5 Q. -- in a foreclosure bankruptcy setting?
 6 **A. You'd be surprised how much they differ, and**
 7 **the reason -- reasons are varied.**
 8 **LPS Desktop is a technology system. You**
 9 **could call it an overlay, but it's -- it's not truly an**
 10 **overlay over their system of record. The servicer**
 11 **maintains a system of record. There are several large**
 12 **systems of record out there that are in use.**
 13 Q. And -- and can you clarify for me what you
 14 mean by "system of record" before you continue with
 15 that answer?
 16 **A. I'd be happy to. It's the system in which**
 17 **they keep all of the information on the loans that they**
 18 **are servicing.**
 19 Q. So it's separate software or --
 20 **A. It is --**
 21 Q. -- a separate platform?
 22 **A. -- separate software to LPS Desktop.**
 23 Q. But does it link with LPS Desktop?
 24 **A. We do map information from LPS Desktop to the**
 25 **client system, and in some cases vice versa, in order**

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1 **to transfer data and information about the status of a**
 2 **-- of an individual process or loan between the**
 3 **systems. However, the actual system of record, the**
 4 **system is that is considered the master system, would**
 5 **be the client's servicing system.**
 6 Q. But LPS's software and platform can talk to
 7 you through the systems?
 8 **A. That's a good way to look at it. They do**
 9 **talk to each other. There are essentially several**
 10 **ways, I think, from a technology standpoint, and I'm**
 11 **not a technology expert, but --**
 12 Q. And I'm not, either. I just trying -- That's
 13 why I'm using a layperson --
 14 **A. They do talk to each other, and the -- the**
 15 **attorneys typically use case management software of**
 16 **their own to monitor the legal cases they've been**
 17 **referred. And there's a variety of case management**
 18 **softwares out there that are in use today. There are**
 19 **some homegrown ones, and there's some that are, you**
 20 **know, marketed out to law firms.**
 21 **We built the LPS Desktop to serve as a portal**
 22 **in order for that law firm to be able to electronically**
 23 **transfer information directly from their case**
 24 **management system into the LPS Desktop, and then**
 25 **certain types of steps and completions are then**

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1 **transmitted to the client's system. So it serves -- In**
 2 **that way, it's kind of a uni-directional flow of**
 3 **information from the law firm so their employees can**
 4 **work in their own system and not have to access**
 5 **multiple systems to report back-status of the legal**
 6 **action.**
 7 Q. So, in a way, it's kind of just another step
 8 or another piece of the role as being the middleman --
 9 LPS's role as a middleman to facilitate those software
 10 and electronic communications --
 11 **A. That's our role. Our job is, you know, the**
 12 **technology company that helps figure out how to bring**
 13 **all the parties together and make sure the information**
 14 **is transmitted.**
 15 Q. Okay. So when you described to me typical
 16 services, you were focusing on bankruptcies. What are
 17 other typical services that LPS would perform for
 18 the --
 19 **A. Servicers.**
 20 Q. -- servicers/lenders category under the
 21 default servicing agreement?
 22 **A. I'll give you an example related to a**
 23 **referral, since that's a topic we are discussing.**
 24 Q. Okay.
 25 **A. LPS doesn't initiate a referral for a**

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1 **foreclosure or a bankruptcy. We don't -- we don't have**
 2 **any decision-making power as to -- or knowledge whether**
 3 **or not or how a servicer decides to foreclose on a**
 4 **loan. They trigger the referral from their system**
 5 **directly to us, and then that data, that -- that**
 6 **referral, or that -- the data associated with the loan,**
 7 **along with images of documents that they store in their**
 8 **system pertaining to the loan, would then transmit**
 9 **electronically to us. We consider that an initiation**
 10 **of a referral.**
 11 Q. So it's a servicer saying, "Hi. Here's this
 12 loan, and we want to foreclosure on it"?
 13 **A. They wouldn't -- they probably wouldn't say**
 14 **"hi" when they do --**
 15 Q. Well --
 16 **A. -- it, but, yes, they would flag their system**
 17 **typically by inserting some code or something else that**
 18 **we would then pick up in a data file that comes to us.**
 19 Q. And that's what puts you on notice that an
 20 action needs to be taken as regards to this particular
 21 loan?
 22 **A. Yes, that's what puts us on notice. And a**
 23 **support source we would provide would be if for some**
 24 **reason that referral failed to load in our system,**
 25 **typically it's because there's a missing piece of data,**

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1 for example, an investor code was not available in the
 2 client's system in the data file, that loan would not
 3 be able to actually refer to their vendor.
 4 Our job would be to review the loans where a
 5 piece of missing -- critical data was missing, and we
 6 would then try to either contact the client or look in
 7 their servicing system to determine what's missing and
 8 fix that so that the referral could then go to counsel.
 9 Q. Okay. So when a servicer is initiating this
 10 process, are they at the same time choosing the vendor
 11 that they want to use or the law firm that they want to
 12 use in that communication?
 13 A. It's a good question, and it actually happens
 14 two different ways.
 15 Q. Okay.
 16 A. In some cases the clients designate the
 17 vendor in their system. We consider that a vendor
 18 model of what we call vendor -- vendor selection. So
 19 they actually put a code in their system that says,
 20 this is the firm that this referral should go to.
 21 In other cases they've told us ahead of time,
 22 here are all the firms I want my work referred to and
 23 the business rules and process rules by which each gets
 24 work, and they trigger the referral. And we have a
 25 system called New Refs which reviews that, what we call

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1 attorney matrix and the business rules attached
 2 therein, and determines which firm it should go to.
 3 Q. So, in other words, the business rules are
 4 the criteria for each firm to get the business?
 5 A. They are -- Correct. They are preset, in
 6 some cases, where it's loaded into New Refs into, like,
 7 a table. In other cases we just read directly off the
 8 data file and the vendor code the client puts in, and
 9 they make that determination. How they make their
 10 determination who to send it to I am not privy to.
 11 They will share with us their network or who they want
 12 to refer files to. And the reason we keep that is to
 13 make sure that any communications they need to send to
 14 their chosen network are sent to those firms.
 15 So we have to have kind of a general idea of
 16 who they're sending work to. But I'm not privy as to
 17 why, in those cases of a -- a vendor -- of a client who
 18 chooses -- who sets the vendor themselves in their
 19 system, I don't know why they choose which firm.
 20 That's -- that's their. . .
 21 Q. Okay. But just when you were talking,
 22 though, a minute ago, the criteria --
 23 A. Yeah.
 24 Q. -- when they have a list of firms, what
 25 you're saying is that information regarding how it gets

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1 allocated is in the system, but you don't know what
 2 that is; am I understanding you?
 3 A. Well, let me explain it a different way --
 4 Q. Okay.
 5 A. -- and I'll use an attorney matrix. For a
 6 given client they would have a list of attorneys by
 7 every state --
 8 Q. Okay.
 9 A. -- and they would designate based upon, in
 10 some cases it might be a check digit split, certain
 11 loan numbers ending in a certain digit. It might be
 12 based upon a certain investor. For example, maybe all
 13 Fannie Mae loans go to one specific firm in the state,
 14 or they might have other business rules in play related
 15 to other investors in their portfolio or something
 16 else. Maybe an investor wants their work only to go to
 17 this firm in the state.
 18 All that information is loaded, like I said,
 19 into a table. Our system would accept the data from
 20 the client in the model where we would use New Refs as
 21 determining the vendor selection. It would consult
 22 that table to determine where it was supposed to go and
 23 apply the business rules.
 24 And there are some other -- When I say
 25 business rules, there are rules for, for example,

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1 connectivity. If an action is started with one firm
 2 and a subsequent action is later referred years later,
 3 many clients would want that work to go to the same
 4 firm because they already have a file, and it would
 5 keep things moving a little bit smoother. So rules
 6 like that are built in to maintain connectivity, for
 7 example.
 8 Q. Okay.
 9 And so what I was asking you, and I got off
 10 track a little--I wanted to talk about that, but I
 11 wanted those questions answered--you were explaining to
 12 me when a servicer would -- what kind of typical
 13 services would be performed where there's a
 14 foreclosure?
 15 A. So you'd like some more services -- a few
 16 more to be described?
 17 Q. I don't know if that was the totality of it
 18 or not --
 19 A. Oh, no.
 20 Q. -- I just wanted to make sure I had a
 21 complete answer, because you -- we started talking
 22 about -- a little more detailed about the process.
 23 A. Sure. There's -- there's a -- I'll give you
 24 a few more as an example. But, literally, there are
 25 dozens and dozens --

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1 Q. Okay.

2 **A. -- and we would be here for all day going**

3 **through them.**

4 Q. Okay.

5 **A. A couple of other typical ones would be a**

6 **missing document. A referral package is triggered by**

7 **the servicer and sent to their vendor, their attorney,**

8 **or trustee in some cases, in a given state, depending**

9 **on the requirements of that state for the action. And**

10 **if a required document, for example, a note or a**

11 **mortgage or something else that's necessary for the**

12 **action, an assignment is missing, the attorney would**

13 **raise what we call an issue or launch a process, or**

14 **basically flag us in some way, flag our LPS Desktop**

15 **system to alert us that they needed help. So that's a**

16 **support service that we're kind of providing for both**

17 **entities.**

18 **We're going on behalf of that law firm and**

19 **typically accessing the client's servicing system,**

20 **typically their imaging systems, if we have access to**

21 **that, looking for that document. It's possible the**

22 **document exists and it was imaged, but it was indexed**

23 **incorrectly. So we're looking to see, can we find this**

24 **document that they need? If we can't find it, we're**

25 **typically raising a task for the client in that case to**

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1 **notify them to ask their collateral department, for**

2 **example, to try to retrieve that document that's**

3 **necessary. And we track that process of asking for it,**

4 **following up on it, and getting the document back.**

5 **So it's all kind of, again, as you had said,**

6 **middleman to try to facilitate the process and keep**

7 **things running efficiently.**

8 Q. Okay. So do you -- does LPS have access to

9 all of the imaging systems for the servicers and

10 lenders with which it works?

11 **A. No, we don't have access to all of the**

12 **imaging systems. We have access to many of our**

13 **clients' imaging systems, and typically not all their**

14 **imaging service. Servicers typically have more than**

15 **one imaging platform, some have several, and it depends**

16 **on their business model and what they store on each**

17 **platform.**

18 **We would typically have access to systems**

19 **that would store general documents that -- associated**

20 **with the action that they -- that they're trying to**

21 **refer. But it's not an absolute that we would always**

22 **have access.**

23 **In the event we don't have access, then our**

24 **job is to alert the client and, like I said, either**

25 **raise a task or notify them in some manner that this**

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1 **document's missing and we need help from them to -- to**

2 **retrieve that.**

3 Q. Okay. Does LPS, when it's, I guess, acting

4 in its role as between these parties, ever verify or

5 take any action to verify whether or not the servicer

6 has the legal authority to make the request for legal

7 action that it's requesting?

8 **A. No. It's not our -- We wouldn't be privy to**

9 **the contracts or authorizations they have with their**

10 **investors.**

11 Q. Okay. And you've repeatedly referenced a

12 coding section for the investors. Does that mean that

13 whenever LPS is performing its role, it has a specific

14 field requirement in its platform that requires that

15 the investor who actually owns the loop be identified?

16 **A. Yes, within the loan information screen, and**

17 **typically, also, sometimes within process information**

18 **screens, those are kind of back screens to the**

19 **processor loan in question, the investor associated**

20 **with the loan, the name of that investor, the English**

21 **language name, is included on that screen. The code**

22 **would not be included on that general screen.**

23 **Should the investor change--as you know,**

24 **these, you know, loans are bought and sold--an investor**

25 **change process would be launched and would thereby**

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1 **update that information in the LPS Desktop. But we are**

2 **relying upon the client to notify us that there's been**

3 **an investor change. We would not know that otherwise.**

4 Q. But that information -- In other words, there

5 always has to be some information in that -- that blank

6 on that screen, correct?

7 **A. Correct. I -- I would assume it's possible**

8 **that it would be blank.**

9 Q. But that's what's -- something that's

10 expected to be there?

11 **A. I would expect to see something on that**

12 **screen in those cases, yes.**

13 Q. Okay. So that LPS should have the

14 information about who the investor is, which would be

15 the -- you're using that as the owner of the loan; is

16 that correct? Is that what you're referring to when

17 you use "the investor"?

18 **A. I would consider it that way.**

19 Q. Okay. So LPS would know the investor and

20 then the servicer and/or whoever's communicating with

21 it to tell it to take action, correct?

22 **A. Correct.**

23 Q. Which is generally not the investor, but some

24 other entity?

25 **A. We don't receive instructions from the**

<p style="text-align: right;">Page 45</p> <p>1 investor whether or not to foreclose; they come from 2 the servicer. 3 Q. Okay. And that was on the loan information 4 screen, you said? 5 A. You are correct. 6 Q. Okay. 7 MS. HUELSMAN: Josh? Josh? 8 MR. RATAEZYK: I'm here. 9 MS. HUELSMAN: Oh. I just wanted to make 10 sure everything was coming through okay for you. 11 MR. RATAEZYK: Yep, everything is fine. 12 MS. HUELSMAN: Okay. Good. I'm going to 13 take, yeah, one second. We're going to -- He's going 14 to get some coffee, and I'm going to get a glass of 15 water. 16 MR. RATAEZYK: Okay. Great. 17 MS. HUELSMAN: So just literally one 18 minute. 19 MR. RATAEZYK: Okay. 20 (A break was taken.) 21 BY MS. HUELSMAN: 22 Q. So does LPS have any specific policies with 23 regard to foreclosures for each individual state? 24 A. I wouldn't characterize them as policies for 25 foreclosure. We have templates within the technology,</p>	<p style="text-align: right;">Page 47</p> <p>1 A. We would refer a Motion for Relief from Stay 2 based upon the client procedure and the client, again, 3 flagging their system to ask us to refer that Motion 4 for Relief from Stay. 5 Q. Okay. If it's a scenario where the borrower 6 is simply going to do a Chapter 13 plan and, you know, 7 make their payment with arrears over the life of a 8 plan, is LPS involved in that piece of the bankruptcy 9 work as well? 10 A. No. We would never see a performing 11 bankruptcy. It would -- it would not hit our world. 12 We would, for some clients, monitor their bankruptcy 13 portfolio, like I said, through a technology like Acer, 14 looking to make sure there's no bankruptcy filing. 15 And in some cases, like a support service who 16 would handle it, we would monitor the mail they 17 received from the bankruptcy court to see that if any 18 mail item was received that pertained to one of their 19 loans, whether it be a performing loan or a loan 20 that's -- at that point it would probably be a loan 21 where a motion might have been filed, we're flagging 22 that for the clients that someone takes action upon it. 23 Q. So when you have a bankruptcy that's filed 24 and somebody's putting together a Chapter 13 plan, and 25 so it's not being handled by LPS because somebody's put</p>
<p style="text-align: right;">Page 46</p> <p>1 determined by the client, of what milestone steps that 2 they would want to track in the legal action, and they 3 would have subprocesses to track other relevant 4 processes necessary to support the legal action. Those 5 would be in the system. And they would vary typically 6 by state based upon whether you have a state where you 7 have a judicial or non-judicial process, or on the 8 regulatory environment today maybe you have to track 9 certain other notices or other activity like mediation 10 or things like that and the court might have to be 11 required as part of the action. 12 Q. So there's information built into the system 13 to make sure that everybody complies with the 14 particulars of the state laws for each of individual 15 state? 16 A. Typically they -- they track, like I said, 17 the milestone steps to make sure they're all complied 18 with, whether it be filing the Complaint or the service 19 or judgment, just to ensure that each thing is tracked 20 and that the servicer knows when they were completed. 21 Q. Okay. And going back to the bankruptcy piece 22 of LPS's involvement for a minute, I think I'm -- we're 23 clear on the fact that LPS is involved in the 24 bankruptcy Motions for Relief from Stay and that part 25 of the process, correct?</p>	<p style="text-align: right;">Page 48</p> <p>1 together a plan, right, and then the person's making 2 payments, so I guess you said LPS sometimes monitors 3 that, but not always, correct? 4 A. Maybe I should clarify the -- the processes 5 in the Desktop that might be tracked in association 6 with the bankruptcy to help you. 7 Q. Okay. 8 A. In the event that borrower files bankruptcy, 9 they're going to file a plan. There's a plan review 10 involved in that typically, where either the servicer 11 or they may have a vendor reviewing the plan. We would 12 track that referral, if it were going to vendor, within 13 the technology, or the servicer may use steps in the 14 technology, again, to track their review of the plan, 15 whether or not the plan should be objected to or 16 whether it's -- it's good to go. And, also, if they 17 were to refer to a Proof of Claim to a vendor, to file 18 a Proof of Claim on their behalf, I would, again, track 19 that activity. 20 So those would all be, again, performing 21 bankruptcies. But there would not be a Motion for 22 Relief filed unless the borrower, for example, for some 23 reason were delinquent on their plan payments. In that 24 event, the servicer would trigger a Motion for Relief 25 release to us, and we would send it to counsel and</p>

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1 track it there -- therein.
 2 Q. Okay. You answered the question I was going
 3 to ask. Okay.
 4 Do LPS employees ever fill out Proofs of
 5 Claims themselves, or is that solely a referral to a
 6 vendor?
 7 **A. We do not draft or file Proofs of Claim.**
 8 Q. Okay. In connection with either a
 9 foreclosure or a bankruptcy, what documents does LPS
 10 draft?
 11 **A. They don't draft any documents.**
 12 Q. Okay. Who does the drafting of documents
 13 that are executed by LPS employees?
 14 **A. The -- It's kind of a question I would say I**
 15 **don't know exactly. Typically it would be the vendor**
 16 **or the attorney, whether it be an attorney or a trustee**
 17 **shop, for example, in a foreclosure. They are**
 18 **typically asked to draft those by the servicer. In**
 19 **some cases the documents are court-approved documents**
 20 **and there's no real drafting involved, it's just**
 21 **filling out particulars that are required by the court,**
 22 **and the ser-- or the attorneys, the law firms, trustees**
 23 **perform that activity and submit the documents to us.**
 24 **We don't have any interaction with**
 25 **determining what content they put into a document.**

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1 **We're not legal experts in that state or jurisdiction.**
 2 **It's not our role to determine what they should put in**
 3 **the document.**
 4 Q. Okay. So the document gets sent to LPS by
 5 either the attorneys or the servicer/lenders, correct?
 6 **A. It's not typically the servicer in the case**
 7 **of documents that we're being asked to sign, because in**
 8 **that event the servicer can sign it themselves in their**
 9 **shop. They wouldn't need our -- the signing authority**
 10 **they've extended to us to be in play.**
 11 **We typically would operate -- For some --**
 12 **some servicers where we're granted signing authority,**
 13 **it's usually under a power of attorney -- a limited**
 14 **power of attorney or it's under a corporate resolution,**
 15 **and it's, again, a limited scope corporate resolution**
 16 **naming certain individuals at LPS to be officers of the**
 17 **company for the strict purpose of executing specific**
 18 **documents related to the default action. So, again,**
 19 **it's very limited as far as what our -- what our**
 20 **authority as officers of that company would be.**
 21 Q. And you said, though, that most of the time
 22 the request comes from the law firm, not from the
 23 servicer?
 24 **A. I would think it's virtually a hundred**
 25 **percent of the time. I don't know why it would be**

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1 **beneficial for a servicer to submit a document through**
 2 **our technology system to us, because, like I said, it**
 3 **would be far more efficient for them to sign it**
 4 **themselves in-house. They would be drafting it.**
 5 Q. And is that true for things like Assignment
 6 of Mortgages or appointment of trustees, things like
 7 that?
 8 **A. Yes. Most of the assignments of mortgage are**
 9 **drafted, in my experience, by an attorney firm or**
 10 **trustee shop typically upon review of, for example,**
 11 **title to determine, you know, who might have**
 12 **outstanding liens and what the chain of assignments**
 13 **that are out there, whether or not assignment is**
 14 **necessary, and they would draft it and submit it.**
 15 **I know of some servicers that perform the**
 16 **activity perhaps in-house or use vendors other than,**
 17 **for example, a -- the law firm that they're choosing**
 18 **for their default work.**
 19 Q. So in the case like an Assignment of
 20 Mortgage, if the attorney is directing the creation --
 21 or, excuse me, the creation and the signing of the
 22 document, how is it that the attorney knows who the
 23 loan has been assigned to?
 24 **A. They would review the loan documents provided**
 25 **them in the referral package by the servicer. So**

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1 **there, like I said, in that referral there are image**
 2 **documents, including the note, the mortgage**
 3 **assignments, whatever loan documents the servicer**
 4 **specifies should go with that referral. They would be**
 5 **transmitted to the law firm, and the law firm would**
 6 **review those, would review the data coming to them**
 7 **that's presented both from the LPS Desktop and, in some**
 8 **cases, actual images from the servicing system of the**
 9 **servicer to review what information they need. And**
 10 **based upon the state or jurisdictional requirements,**
 11 **they would review and determine whether or not an**
 12 **additional assignment was needed that wasn't present,**
 13 **for example.**
 14 Q. Okay. But the law firm, the servicer or
 15 lender can communicate with each other --
 16 **A. Yeah.**
 17 Q. -- directly, correct?
 18 **A. Absolutely.**
 19 Q. So why can't the law firm just send it to the
 20 actual servicer or lender who actually has control of
 21 the documents for signing?
 22 **A. They can. Typically it's not as efficient a**
 23 **process. And let me explain why I say that.**
 24 **If you were to go back ten years, the typical**
 25 **method of submitting documents might be e-mail, or if**

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1 you go back 15 years, it might be fax. So e-mail is
 2 notoriously difficult for being able to track
 3 documents. It's very easy to lose them, to store them
 4 someplace where you don't know where they are, and you
 5 don't know exactly what's going on with the document.
 6 By using a secure platform, you avoid two
 7 things; number one, privacy issues, such as a
 8 Gramm-Leach-Bliley or other requirements that are out
 9 there in the industry as far as privacy and data
 10 sharing. So you -- When you transmit things through
 11 e-mail, for example, you always run the risk, unless
 12 you have a secure e-mail delivery system, of those --
 13 that information, that data, that -- those images being
 14 accessed by parties that shouldn't. So, again, by
 15 having a secure system, you're able to avoid that.
 16 So can the attorney send a document directly
 17 to the servicer? Yes. And does it happen? Yes.
 18 Typically it might happen with an escalated document
 19 required for a hearing. If there's a hearing tomorrow,
 20 it may be faster, rather than tracking every step of
 21 the process, for someone to pick up the phone and
 22 e-mail the document that's needed to be signed directly
 23 to the servicer and get it done that way. So it does
 24 happen from time to time, but the vast majority of
 25 documents go through the -- the tracking process that I

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1 described earlier.
 2 Q. Okay. And how much is LPS paid for signing a
 3 document doing the process you just described?
 4 A. We're not paid anything on a per-document
 5 basis. It's part of the administrative support fee
 6 that we would -- that I described earlier that the law
 7 firm would pay.
 8 Q. Okay. And how much is that fee in a
 9 foreclosure?
 10 A. The -- the fee, it varies by state.
 11 Typically, because of -- Again, there's been matrix
 12 placed on how long do we have to manage that action --
 13 on a typical action in a given state. So one state in
 14 the typical foreclosure action might take 365 days and
 15 another state it might be 35 days. So typically our
 16 fee would vary state by state.
 17 Q. What's the fee to do a foreclosure in
 18 Washington?
 19 A. I don't know what our fee is in Washington.
 20 I can tell what you a typical fee might be. We talked
 21 about the \$75 technology fee. Typically a firm might
 22 pay 75 or a hundred dollars for administrative support
 23 during the life of that legal action to us, and that's
 24 due to those things that we talked about for document
 25 retrieval and doc execution and trying to, you know,

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1 get answers to them for issues they might have. So
 2 that's what they would be paying for.
 3 Q. Okay. Would that fee be the same for a
 4 bankruptcy in the state of Washington as well?
 5 A. No. It would be different. Motions for
 6 Relief are a different fee. Proofs of Claim are a
 7 different fee. Everything's a -- The bicor x referral
 8 type would be different.
 9 Q. And so how much is the Motion for Relief from
 10 Stay fee?
 11 A. I believe it's \$60, but I'm not positive.
 12 Q. Okay. And you just said there was a fee for
 13 Proofs of Claim, but I thought you just told me that
 14 LPS doesn't do Proofs of Claim?
 15 A. We would refer Proofs of Claim --
 16 Q. Oh.
 17 A. -- to the attorneys. We would ensure that
 18 the -- again, that all the necessary documentation, the
 19 client system information, the images of the documents
 20 were transmitted to that law firm. And then we would
 21 resolve the same kinds of problems that might crop up
 22 on a foreclosure or bankruptcy, missing documents, a
 23 question about something that they see in the records
 24 that they were sent. Those are the kinds of things we
 25 would interface with them and provide support services

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1 for.
 2 Q. Okay. And what is the fee for a Proof of
 3 Claim in Washington?
 4 A. Again, I don't know the exact fee. Typically
 5 it's around -- I believe it's \$55 for the
 6 administrative support piece of that. It might be 60.
 7 Q. Is there a fee schedule for each state?
 8 A. Yes, there's a fee schedule by state. Again,
 9 you're talking LPS fees, not any fees associated that
 10 the attorney might be charging? You're talking about
 11 what --
 12 Q. Right.
 13 A. -- LPS is charging for the services we're
 14 providing?
 15 Q. Yes.
 16 A. There is a schedule by state, like we talked
 17 about earlier, and it's typically a flat fee. One of
 18 the things we're exploring, as well, is kind of a
 19 varied fee, kind an a la carte pricing system as
 20 well. But that's not currently in place today.
 21 Q. So I was asking you about LPS's fee. Do you
 22 have any -- "you" as -- I mean -- and I mean LPS. Does
 23 LPS have any involvement in the fees that the attorney
 24 firm is charging?
 25 A. No. That's determined by the servicer.

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1 Q. Okay. So that's a contractual relationship
 2 between the two of them?
 3 **A. The servicer would specify that in the**
 4 **pricing exhibit that would be sent along with the**
 5 **default -- excuse me, the network agreement when they**
 6 **contract a law firm to receive their work, and the law**
 7 **firm would respond back and -- and either accept that**
 8 **pricing that the client has specified, or I guess they**
 9 **wouldn't work for that client.**
 10 Q. Okay. And what is LPS's relationship --
 11 business relationship with MERS, the Mortgage
 12 Electronic Registration System?
 13 **A. We -- Outside of a signing authority granted**
 14 **by MERS, we have no business or professional**
 15 **relationship with MERS.**
 16 Q. Can you explain to me the signing authority
 17 agreement, please?
 18 **A. The signing authority for MERS is typical of**
 19 **the signing authorities granted to LPS, and that is a**
 20 **limited, I believe, corporate resolution allowing**
 21 **specific personnel, typically management at LPS Default**
 22 **Solutions, to act in a signing capacity only on behalf**
 23 **of MERS as they transfer assignments and loans**
 24 **essentially back to the servicer for the purposes of**
 25 **foreclosure.**

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1 Q. I'm sorry, transferring servicing back to
 2 the --
 3 **A. It's not really servicing. MERS isn't a**
 4 **servicer. MERS I believe essentially holds the note**
 5 **for the servicer, and they would continue to do that**
 6 **until such time that the default action was necessary,**
 7 **and then it would have to transfer that back to the**
 8 **servicer for the purposes of foreclosure.**
 9 Q. Okay. So I'm sorry, you -- you said that
 10 MERS holds the note. Do you -- Does LPS get involved
 11 in getting the note?
 12 **A. Nope. Never touch it. Don't see it. We**
 13 **don't handle any original documents at all.**
 14 Q. Okay.
 15 **A. However, we have a process to track the**
 16 **sending in of those original docs when they're received**
 17 **back. That's our -- that's the only thing we would do.**
 18 Q. Who sends those original documents?
 19 **A. The servicer.**
 20 Q. To whom do they send them?
 21 **A. Or -- or -- or the law firm, for example.**
 22 **They might have to send the law firm original documents**
 23 **for the action necessary to be used in the action in**
 24 **court --**
 25 Q. Okay.

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1 **A. -- and then -- so we would have a process to**
 2 **track that they were sent to the law firm, the law firm**
 3 **received them. And that upon the appropriate time in**
 4 **the legal action, whether -- hopefully that action**
 5 **doesn't go to sale and it stops someplace in between,**
 6 **or if at the completion of, for example, a sale, that**
 7 **those documents are returned back to the servicer for**
 8 **their purposes to go back in their files.**
 9 Q. Okay. So it's just a system where you're
 10 keeping track of when people say that they're sending
 11 them or not sending them, but you're not -- LPS is not
 12 actually involved in the sending?
 13 **A. You are correct.**
 14 Q. Okay.
 15 And does LPS use the MSC -- excuse me, MSP
 16 software platform?
 17 **A. We do.**
 18 Q. And can you explain to me what that software
 19 platform is?
 20 **A. I can. MSP is a servicer system of record.**
 21 **Like I referred to earlier, it is the primary system in**
 22 **which the servicer keeps loan information, information**
 23 **about the servicing activities they're conducting on**
 24 **that loans, for example, payments they've received,**
 25 **insurance proceeds disbursed, for example, and**

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1 **information that's relevant to the loan.**
 2 Q. Okay. Can LPS employees enter information
 3 into the MSP system?
 4 **A. Typically we can enter information.**
 5 **Typically the access that we have to MSP is limited to**
 6 **certain screens, screens in MSP upon which there's some**
 7 **relevant service that we are providing. For example,**
 8 **we talked earlier about a bankruptcy setup. Upon**
 9 **notification of that bankruptcy we have to have access**
 10 **to relevant bankruptcy screens to set up that**
 11 **workstation, and we'd have to be able to suspend --**
 12 **when I say "workstation," the active template in MSP**
 13 **for the foreclosure, put that on a hold and activate**
 14 **the correct one now for the bankruptcy to track those**
 15 **steps that the client has designed at MSP to track what**
 16 **they want to track.**
 17 Q. Okay. So I want to make sure I understand it
 18 you. So we have an LPS employee that, say, using your
 19 example, knows that a foreclosure is pending. LPS gets
 20 notice that a bankruptcy has been filed. So it's an
 21 LPS employee that goes into the MSP system and marks
 22 whatever is needed in that system to stop the
 23 foreclosure proceeding and then to initiate the
 24 handling of the loan through the bankruptcy system; is
 25 that correct?

<p style="text-align: right;">Page 61</p> <p>1 A. That is correct. And in some cases with 2 clients we perform that activity. In other cases 3 client personnel perform the activity, and in other 4 cases there are models out there where clients have 5 other vendors who perform that activity. 6 Q. Okay. And what kind of restrictions are 7 there on the information that LPS employees can access 8 or alter in the MSP system? 9 A. As I said earlier, typically we are 10 restricted to access only certain screens as far as the 11 ability to change information or edit. And clients 12 have different servicing systems, so -- although, your 13 questions right now are specific to MSP, so I'll keep 14 my answers relevant to that one. 15 We would typically have access to be able to 16 view many screens. Some we would not have access to 17 view, and we would not be able to change information on 18 every screen and every field. There are security 19 templates set up and established with that client. We 20 monitor the staff within LPS who have access to a 21 client servicing system, and we audit those accounts on 22 a regular basis to ensure that only specific personnel 23 who have a functional requirement to work in that 24 servicing system have access. 25 Q. Okay. So are the rules and parameters the</p>	<p style="text-align: right;">Page 63</p> <p>1 though? 2 A. It's a -- I believe it's a payment screen. 3 And I -- it may be used for payoffs. There may be 4 information contained in it that's used in the 5 development of the payoff, but I'm not positive. 6 Q. Okay. And MSP, that servicing platform is 7 owned by LPS's parent company, correct? 8 A. It's -- it's owned by LPS. It is a -- 9 Q. Oh, okay. 10 A. Correct. It --- it's not -- LPS is the 11 parent company, so LPS Desktop is the company that owns 12 the technology for -- 13 Q. Okay. 14 A. -- that I'm referring to when I talk about 15 the Desktop, that we typically use with Process 16 Management. 17 Q. Mm-hmm. 18 A. LPS owns MSP, and there are other competing 19 software solutions like FiServ and other things out 20 there. 21 Q. Okay. Now, does LPS also make referrals for 22 things like appraisals or drive-by VPOs or title work, 23 things like that? 24 A. When you say "referrals," typically a 25 servicer would require a VPO, or a valuation, at</p>
<p style="text-align: right;">Page 62</p> <p>1 same for entities who use another servicing software, 2 in essence? 3 A. They're typically very similar. 4 Q. So -- 5 A. They all work kind of the same. 6 Q. Right. So MSP is the most commonly used 7 servicing platform, but some other servicer might be 8 using another one, but the general rules are going to 9 be the same -- 10 A. General -- 11 Q. -- about what you can alter, what you can 12 access, things like that? 13 A. The general rules would be the same. There 14 are differences with respect to what you can access on 15 different systems. But generally speaking, if we're 16 being asked to provide support service, we've got to 17 have access to that relevant screen or be able to 18 perform that activity. 19 Q. Okay. 20 Are you familiar with the P309 screen in a 21 MSP system? 22 A. I'm familiar with the name of the P309. I 23 don't work in MSP, so I'm not an expert on what's 24 contained in the P309 screen. 25 Q. Okay. What do you know about it generally,</p>	<p style="text-align: right;">Page 64</p> <p>1 various stages. They may require it prior to a 2 foreclosure, for example, to determine whether to 3 foreclose or not, or whether, perhaps, to write off the 4 property if the value were not sufficient for it to 5 make sense for the cost of foreclosure. Or they may 6 require it at certain stages perhaps prior to sale or, 7 in some cases, at a post-sale step prior to marketing 8 the property. So there are times they would trigger 9 what we call a VPO, or valuation. 10 Those VPOs usually -- can be triggered 11 through the Desktop; they are not always. But by 12 triggering them, we interface with a variety of systems 13 for VPO vendors to place the order and then retrieve 14 the information back, including data and images 15 relevant to the VPO. We then take that information and 16 we electronically, and in some cases manually, it 17 depends on the technology that's in play, but we would 18 update whatever client system they would need. That's 19 an example of another support service that we might be 20 providing. 21 Q. Okay. But there's separate charges for that 22 kind of work, correct? 23 A. LPS Default Solutions does not charge for a 24 VPO. We don't -- It wouldn't be going to an attorney, 25 it would be going to a VPO provider.</p>

<p style="text-align: right;">Page 65</p> <p>1 Q. Right.</p> <p>2 A. And servicers have a variety of VPO</p> <p>3 providers. So they determine what they want to pay and</p> <p>4 who they want to send those to.</p> <p>5 Q. But doesn't LPS have a contractual</p> <p>6 relationship with the VPO vendor, as well, because that</p> <p>7 vendor has to be able to access LPS's systems in order</p> <p>8 to upload the information?</p> <p>9 A. Typically we use outside systems. They don't</p> <p>10 typically access Process Management uploaded VPO. For</p> <p>11 example, there's a technology called Mortgage PhD,</p> <p>12 which is like an interface between a VPO provider</p> <p>13 system, or valuation system and the Desktop.</p> <p>14 I am not aware of any VPO provider having</p> <p>15 access to the Desktop to input information about a VPO.</p> <p>16 Typically they might be ordered, I hate to say, old</p> <p>17 school, but it might be done, in a lot of cases,</p> <p>18 through e-mail. It might be done by accessing a VPO's</p> <p>19 vendor's Web site to place the order, and then once the</p> <p>20 order comes back, then taking the information it's</p> <p>21 gathered and putting it in the system.</p> <p>22 Q. And is that the same for, like, title</p> <p>23 insurance?</p> <p>24 A. Title -- title -- Really what you're</p> <p>25 checking -- You're validating title at the time of</p>	<p style="text-align: right;">Page 67</p> <p>1 title work goes to, the servicer does. So the</p> <p>2 servicers would typically have a direct relationship or</p> <p>3 a contract for that work.</p> <p>4 There is a part of LPS, not LPS Default</p> <p>5 Solutions, the company I work for, but there's a</p> <p>6 portion of LPS that also does title insurance, LPS</p> <p>7 Default Title. They're a separate company to LPS</p> <p>8 Default Solutions. We don't have a contract with them,</p> <p>9 but a servicer could typically contract them, and they</p> <p>10 would work directly with that title company as far as</p> <p>11 requirements, SLAs, service-level agreements, things</p> <p>12 like that. It wouldn't be done through us.</p> <p>13 Q. But is it done on the platform?</p> <p>14 A. Again, in some cases the order could be</p> <p>15 automated through the platform, and the return of the</p> <p>16 information would be provided through the platform.</p> <p>17 Q. But the title company -- title insurance</p> <p>18 company, whatever it might be, would need to have</p> <p>19 access to the platform to do that, correct?</p> <p>20 A. Access to the platform, but in some cases, if</p> <p>21 they're going to manually input the information, and in</p> <p>22 some cases they get set up to do that, the servicer</p> <p>23 would authorize them to have access to the system on</p> <p>24 their behalf to input information and upload things.</p> <p>25 More typically, like I mentioned earlier, we built the</p>
<p style="text-align: right;">Page 66</p> <p>1 foreclosure. It's one of the first steps, typically,</p> <p>2 that happens, is to ensure that the title is clear.</p> <p>3 There are several ways that gets done.</p> <p>4 It can be done automated through the</p> <p>5 LPS Desktop. In other words, at the time the referral</p> <p>6 is initiated or triggered by the client through their</p> <p>7 servicing system to LPS, the title order can be placed</p> <p>8 systemically with the title vendor. That title vendor</p> <p>9 might be a -- it might be an LPS title company, it</p> <p>10 could be another title company like First American, it</p> <p>11 could be a law office that has a title shop. But that</p> <p>12 can typically happen automatically at the time of</p> <p>13 referral.</p> <p>14 And then typically in an automated situation,</p> <p>15 when title were to be run and completed, the status of</p> <p>16 that completed title order would then be updated into</p> <p>17 LPS Desktop to indicate that the title order was</p> <p>18 complete. And typically the vendor would upload that</p> <p>19 title to the imaging system. And then, like I said, we</p> <p>20 have -- that imaging system is tied to the client's</p> <p>21 imaging system and would -- would feed that information</p> <p>22 back to the client.</p> <p>23 Q. Okay. So is there a contractual relationship</p> <p>24 between LPS and the title vendors as well?</p> <p>25 A. Not between LPS. We don't determine who the</p>	<p style="text-align: right;">Page 68</p> <p>1 LPS Desktop to be able to interface to a broad spectrum</p> <p>2 of technologies. So there's a system called DIS.</p> <p>3 Don't ask me what the acronym stands for, because I</p> <p>4 don't actually know. But it serves as an interface of</p> <p>5 data exchange between pretty much any technology</p> <p>6 system, case management softwares for law firms, the</p> <p>7 tracking systems that an individual title vendor might</p> <p>8 use, and the client servicing system. So it helps to,</p> <p>9 basically, translate that and feed the information back</p> <p>10 and forth.</p> <p>11 Q. Okay. What is -- Can you explain the FiServ</p> <p>12 F-I-S-E-R-V?</p> <p>13 A. FiServ is also commonly referred to as</p> <p>14 Mortgage Serve. It's another competing technology with</p> <p>15 MSP. It's a servicing system like we referred to</p> <p>16 earlier.</p> <p>17 Q. And it is not an LPS entity?</p> <p>18 A. It is not.</p> <p>19 Q. Or --</p> <p>20 A. It is not an LPS --</p> <p>21 Q. -- product, I guess I should say?</p> <p>22 A. -- developed or supported product. We merely</p> <p>23 have an interface to FiServ. We've developed an</p> <p>24 interface to do the same thing and communicate</p> <p>25 information back and forth.</p>

<p style="text-align: right;">Page 69</p> <p>1 Q. So it's, essentially, a competitor to MSP, 2 correct?</p> <p>3 A. Correct.</p> <p>4 Q. But LPS has created the ability to 5 communicate with it because, obviously, some other 6 servers -- or servicing companies use that program, 7 correct?</p> <p>8 A. You are correct.</p> <p>9 Q. Okay. Can you explain to me what the Process 10 -- Process Management software is?</p> <p>11 A. Process Management is the workflow management 12 software that we use at LPS Default Solutions. When I 13 first joined the company, we didn't have our own 14 software solution, so we used whatever the client had 15 in place.</p> <p>16 The vision for LPS was if we can create a 17 centralized system to track the workflow and then 18 develop it to communicate with the various client 19 systems, it would significantly help us from a business 20 standpoint, from both scalability and efficiency, 21 because you wouldn't have to have people trained on a 22 variety of systems; you would be trained on your 23 system, and that system would then communicate directly 24 with the various other systems that were in place in 25 the default arena.</p>	<p style="text-align: right;">Page 71</p> <p>1 software system is having that, where somebody's 2 saying, Hi, Susan, I would --</p> <p>3 A. Sure.</p> <p>4 Q. -- like you to do. . . You know, that kind 5 of thing, and then you see somebody responding, and it 6 looks, essentially, like an e-mail?</p> <p>7 A. You're referring to what's called an 8 intercom. An intercom --</p> <p>9 Q. Okay.</p> <p>10 A. -- is a secure messaging system internal to 11 the Desktop --</p> <p>12 Q. Okay.</p> <p>13 A. -- that allows communication on that loan 14 only. It is loan specific. So it segregates the 15 communication, and it allows an individual working on 16 that loan, either at the servicer, at LPS, or at the 17 law firm, or any other vendor assigned a process 18 relevant to that loan, to communicate with others about 19 that loan.</p> <p>20 Q. Okay. All right. So that's the ones where 21 everybody can link, you know, other people, cc other 22 people and --</p> <p>23 A. It works a lot like e-mail --</p> <p>24 Q. Yeah.</p> <p>25 A. -- that was the intent, but it's secure. And</p>
<p style="text-align: right;">Page 70</p> <p>1 Q. Okay. So is it the primary method by which 2 the -- the attorneys and the servicers communicate with 3 each other within the LPS system?</p> <p>4 A. Communicate with each other? I would say 5 yes. It's tracking the default process.</p> <p>6 Q. Mm-hmm.</p> <p>7 A. And information from the attorneys, either 8 that they input in their case management system that 9 they transmit electronically through DIS to 10 LPS Desktop, that's how that information would get 11 there, or they may have staff that would actually key 12 the information into the Desktop. It then goes from 13 the Desktop into the client servicing system. So in 14 most cases the attorneys are not working directly in 15 the client's servicing system. And there are 16 confidentiality reasons for that, where -- and 17 attorney-client privilege reasons that they wouldn't 18 want the attorneys working directly in their servicing 19 system.</p> <p>20 Q. So, in essence, because what I -- what I'm 21 thinking of, and I guess we can -- we'll turn to some 22 of the pages, is the communications in which the 23 attorney and the servicer are essentially having, for 24 all intents and purposes, what I would characterize as 25 an e-mail communication. How it -- What part of the</p>	<p style="text-align: right;">Page 72</p> <p>1 they didn't want to redo Outlook, so it doesn't have 2 all the same features, but it's, essentially -- you can 3 look at it as an e-mail system.</p> <p>4 Q. Yeah. When you see the printouts, it looks 5 like an e-mail, correct?</p> <p>6 A. Yeah. You'll see everything that's done in 7 the LPS Desktop is extremely auditable and trackable. 8 It's all time stamped. We know exactly who said and 9 did and acted on what. That's the value of that 10 system, it has very solid audit trail.</p> <p>11 MS. HUELSMAN: Josh, we're taking a 12 second. He's getting more coffee.</p> <p>13 MR. RATAEZYK: Okay, that's great.</p> <p>14 MR. SPOONEMORE: Should we take a break 15 for five minutes?</p> <p>16 MS. HUELSMAN: We're going to take a break 17 for five minutes. Rick needs it, and I think the court 18 reporter does too.</p> <p>19 MR. RATAEZYK: Okay. Sounds good.</p> <p>20 MS. HUELSMAN: All right. 21 (A break was taken.) 22 (Plaintiff Exhibit Nos. 1-3 were marked.)</p> <p>23 BY MS. HUELSMAN: 24 Q. Go right ahead. 25 A. Okay, I'd like to clarify one aspect, from my</p>

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1 recollection, about the fees.
 2 Q. Okay.
 3 A. A couple things about it. Number one, we
 4 talked about POC fees. Upon further recollection, when
 5 I quoted all-in -- 50 or \$60 is the fee for POC, that's
 6 actually the all-in fee that an attorney or a vendor
 7 receiving that Proof of Claim work would pay. That's
 8 made up of a \$25-dollar technology fee and either 30 or
 9 \$35 for the administrative support fee for the services
 10 we provide to them on that.
 11 Q. Okay.
 12 A. So it's not \$60 coming for the support
 13 services we're providing, it's about 30 to 35 bucks.
 14 Q. Okay.
 15 A. And --
 16 Q. Go ahead.
 17 A. Sorry.
 18 One other thing on the -- on the fees. We
 19 talked about when a law firm is invoiced, and then we
 20 talked about that it's invoiced at time of initiation
 21 of the legal action when we transmit that information
 22 to them that they've been, essentially, referred a
 23 case, but they're not paying us for a referral or to
 24 get a referral; they're paying us for the support
 25 services we're going to provide during the course of

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1 the legal action.
 2 If they choose not to pay us, and there are
 3 some law firms out there that do that, then the client
 4 has to provide those services and support and complete
 5 all the follow-up and tracking on anything that's going
 6 on with that law firm in that action. And it's up to
 7 the client what they do with that.
 8 Q. Okay. Are there any fee caps or anything
 9 like that on any of these services?
 10 A. Maybe you could clarify "fee caps."
 11 Q. Do -- Like, some of the government entities,
 12 FHA, VA, things like that, do they have fee caps or
 13 parameters?
 14 A. Some investors have fee caps, some servicers,
 15 like I said, but you're getting into what fees the
 16 attorney has paid by the servicer for managing the
 17 legal action, not -- not us. But they do impose fee
 18 caps for various actions and what they're willing to
 19 reimburse the servicer for, and the servicer, thereby,
 20 inputs fee caps on what they're going to pay their law
 21 firm.
 22 Q. Okay.
 23 A. We are not be privy in all cases to the fee
 24 caps. They're not set by LPS, they're set by, again,
 25 that investor servicer or like a GSE, for example, a VA

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1 or --
 2 Q. Okay.
 3 A. -- Fannie Mae type of situation.
 4 Q. All right. Can you tell me about the NewTrak
 5 system?
 6 A. I can. NewTrak is the system that I referred
 7 to earlier today as process management.
 8 Q. Okay.
 9 A. Process management, and to clarify for you on
 10 that, is the workflow tracking system within the
 11 LPS Desktop.
 12 Q. Okay.
 13 A. There are other modules in the LPS Desktop.
 14 That's the one used to manage workflow. Today we use
 15 it -- our company uses it to track defaulted legal
 16 actions -- or legal actions pertaining to defaulted
 17 loans. But it's just workflow tracking. It could be
 18 used for anything. If you wanted to build a process to
 19 track the steps of baking a case, you can track those
 20 steps in there.
 21 Q. Okay.
 22 And what about the NewImage Express?
 23 A. NewImage Express is the former name of the
 24 system I referred to earlier as document management.
 25 It is the imaging system associated with the

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1 LPS Desktop.
 2 Q. Is LPS still operating Fidelity National
 3 Default Solutions?
 4 A. Fidelity National Default Solutions is the
 5 former name of LPS Default Solutions.
 6 Q. Okay. So the entity -- that -- the business
 7 name Fidelity National Default Solutions in its
 8 entirety is no longer being used?
 9 A. You are correct. During the spinoffs I
 10 mentioned earlier --
 11 Q. Okay.
 12 A. -- that's the evolution of the name that we
 13 are today.
 14 Q. Okay. So, like, for example, the Tustin
 15 office is not just LPS?
 16 A. The?
 17 Q. There was an office in Tustin, California.
 18 That's the one I was --
 19 A. The office in Tustin, California, that I'm
 20 aware of, is the Fidelity National -- excuse me, today
 21 it's called the LPS Default Title. It is not LPS
 22 Default Solutions. It's a sister company within the
 23 LPS umbrella.
 24 Q. And what function does it perform?
 25 A. They're the ones who provide the -- they do

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1 **the title work.**
 2 Q. So would they be a vendor for performing
 3 title work?
 4 **A. Yes. I would characterize them as a vendor**
 5 **selected by the client or, in some cases, by the law**
 6 **firm to provide the title work necessary for the legal**
 7 **action.**
 8 Q. Okay. So it could be just as easily
 9 Old Republic or First American or some other title
 10 company, but it could also be this Fidelity entity --
 11 **A. You are --**
 12 Q. -- in Tustin?
 13 **A. You are correct.**
 14 Q. Okay.
 15 **A. And I think earlier I may have characterized**
 16 **our relationship with them as that I don't -- I'm not**
 17 **aware of a contract. There may be a contract between**
 18 **us and that company, but I'm not aware of the content**
 19 **of that contract --**
 20 Q. Okay.
 21 **A. -- just like First American or somebody else.**
 22 Q. Okay. And what about the entity Fidelity
 23 Agency Sales & Posting?
 24 **A. ASAP is a -- what we call a post and pub**
 25 **company, which is, for certain states, typically**

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1 **judicial states, where it's a requirement to post**
 2 **notice or publicize the pending foreclosure action.**
 3 **They're the ones contracted by the servicer to place**
 4 **those notices, as appropriate, in publications, in**
 5 **newspapers or wherever it's necessary to place them.**
 6 **It is another LPS company. It is not part of**
 7 **LPS Default Solutions, my company. It is a separate,**
 8 **independent company, as far as my understanding, to LPS**
 9 **Default Title, but they are, also, I believe, located**
 10 **in California.**
 11 Q. And so it's, essentially, another vendor?
 12 **A. Another vendor.**
 13 Q. Okay.
 14 What about Land Records of America?
 15 **A. Land Records of America, sometimes I think it**
 16 **is also referred to as Land Records of Texas, I**
 17 **believe, the new name would be LPS Land Records of**
 18 **America, is a company similar to that of LPS Default**
 19 **Title. I believe they do title work as well. They're**
 20 **located in, I believe, Dallas, Texas. Again, a**
 21 **separate company, another vendor.**
 22 Q. Okay. So there's no requirement, though,
 23 that servicers use these LPS affiliated companies --
 24 **A. No.**
 25 Q. -- as a condition to using the LPS system?

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1 **A. Absolutely not. We place orders directly**
 2 **with our competitors as well.**
 3 Q. All right. And how many servicers nationwide
 4 are clients of LPS?
 5 **A. Today?**
 6 Q. Yes.
 7 **A. Nationwide we have approximately 35 clients,**
 8 **with two more clients that are going live in the next**
 9 **two weeks. So 37.**
 10 Q. So what percentage of the national servicing
 11 market does LPS have as clients?
 12 **A. I don't know the exact percentage. Ballpark**
 13 **figure would be roughly, I would say, 35 to 40 percent.**
 14 Q. Okay. Give me a second. I'm looking through
 15 notes.
 16 All right, I'm going to hand you what we're
 17 going to mark as Exhibit 1.
 18 **A. Okay.**
 19 MS. HUELSMAN: And for Josh -- And I'll
 20 send you a copy of these when I go back, Josh.
 21 MR. RATEZYK: Okay.
 22 Q. This is the -- it's LPS-BAIN --
 23 MS. HUELSMAN: Which you wouldn't know
 24 about that case, Josh.
 25 MR. RATEZYK: Okay.

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1 Q. 005, down at the bottom, through 0013. And
 2 it's an Agreement for Signing Authority between --
 3 MR. RATEZYK: Okay.
 4 Q. -- between MERS, IndyMac Bank, and Fidelity
 5 National Foreclosure Solutions, which is LPS's
 6 predecessor; is that correct?
 7 **A. Correct.**
 8 Q. Okay. Have you seen this document before?
 9 **A. I have.**
 10 Q. Can you describe to me generally what it is?
 11 **A. It's exactly what the title says, it's an**
 12 **Agreement for Signing Authority. It's what we would**
 13 **consider a signing authorization granted to us by**
 14 **another entity.**
 15 Q. Okay. So to put it essentially in laypeople
 16 terms, this is an agreement whereby MERS and its
 17 subsidiary and IndyMac Bank are agreeing to have
 18 employees of an entity now known as LPS sign documents
 19 for them whenever it's necessary?
 20 MR. SPOONEMORE: Objection to the extent
 21 it mischaracterizes the actual terms of the contract.
 22 Q. Go ahead.
 23 MR. SPOONEMORE: Go ahead. Answer as best
 24 as you can.
 25 A. It's my understanding this is an

<p style="text-align: right;">Page 81</p> <p>1 authorization by MERS for specific individuals at LPS 2 to act in a signing capacity on behalf of MERS for the 3 purposes of legal actions involving IndyMac Bank. 4 Q. Okay. So going back to our scenario that we 5 were kind of talking about earlier when we were talking 6 about signings, you said that the law firm, or the 7 foreclosing entity, would communicate with LPS and say 8 that, for whatever reason, they need some document 9 signed in order to complete their task. Okay? 10 A. Yep. 11 Q. And so an LPS employee would then sign the 12 document upon the request of the attorney based upon 13 having authority under this agreement or a similar 14 agreement; is that correct? 15 A. It's probably better to say that an LPS 16 employee, based upon our authorization, could sign the 17 document. 18 Q. Okay. 19 A. It would depend upon the content of the 20 actual document whether or not we could sign that. If 21 it was within our ability to sign, we would sign it and 22 return it back within, again, the powers granted to us 23 by this authorization such as this. 24 Q. Okay. 25 A. If it were not, it would be forwarded to a</p>	<p style="text-align: right;">Page 83</p> <p>1 A. Yeah. 2 Q. -- the Bain case? 3 A. Yeah. 4 Q. Right. I'm not trying to trick you. 5 A. Yeah. I didn't sign these, obviously, 6 so. . . 7 Q. I understand. 8 A. Okay. 9 Q. So the two ladies who signed these documents, 10 Christina Allen and Bethany Hood, are employees of LPS, 11 correct? 12 A. That's correct. 13 Q. Okay. And so how did these documents, the 14 Assignment of Deed of Trust and the Appointment of 15 Successor Trustee, how did they get to LPS? 16 A. To answer that requires me to make some 17 guesses, but I would assume that they were submitted to 18 LPS through the LPS Desktop we talked about earlier, 19 through a module within it called Signature Required, 20 in which the attorneys upload the documents that they 21 need for legal action that they drafted. 22 They upload it -- They basically upload an 23 image of it into our system, and they would then be 24 delivered that way. They print in -- here in 25 Minnesota, actually. They automatically print on a</p>
<p style="text-align: right;">Page 82</p> <p>1 client or an investor for signature, and we would, 2 again, track that document through its life cycle. 3 Q. Okay. 4 So let's turn to Exhibits 2 and 3, and I'm 5 going to be referencing all three documents so that we 6 can, I think, have a more effective -- 7 A. Okay. 8 Q. -- communication. 9 Exhibit No. 2 is the Appointment of Successor 10 Trustee, and Exhibit 3 is the Assignment of Deed of 11 Trust. 12 MS. HUELSMAN: And, again, Josh, both of 13 these are in the Bain case, but I'll send them to you 14 when we get back just so you have them for reference. 15 MR. RATAEZYK: Okay. Thanks. 16 BY MS. HUELSMAN: 17 Q. Okay. So I have shown you Exhibits 2 and 3, 18 which are an Appointment of Successor Trustee document, 19 Exhibit 2, and Exhibit 3 is Assignment of Deed of 20 Trust. Do you see those documents? 21 A. I do see these documents. 22 Q. And have you ever seen them before? 23 A. I've seen them in relation to the materials 24 of your case. 25 Q. Okay. And these are from --</p>	<p style="text-align: right;">Page 84</p> <p>1 bank of the printers, essentially, and then that's how 2 they would be received. It's possible they could be 3 submitted -- we could have received them in another 4 fashion, there's an e-mail box and things, but the 5 majority would go through the system. 6 Q. Okay. So before you came here for your 7 deposition today, did you take a look at Ms. Bain's 8 file on LPS's system? 9 A. "LPS's system," meaning the LPS Desktop? 10 Q. Yeah. 11 A. Not LPS, but -- 12 Q. Whatever information is contained in LPS's 13 database's -- 14 A. No. 15 Q. -- running -- 16 A. I -- 17 Q. -- bank? 18 A. I typically don't work in the LPS Desktop on 19 a day-to-day basis. 20 Q. Okay. 21 A. I might work in there to review a loan if we 22 -- if you've got something going on. Again, I manage 23 the staff that typically do the day-to-day work. And 24 so, no, I didn't look at that. 25 Q. Okay. Are Ms. Hood and Ms. Allen employees</p>

<p style="text-align: right;">Page 85</p> <p>1 who work underneath you?</p> <p>2 A. They do not work directly underneath me, but</p> <p>3 they work for personnel that report to me.</p> <p>4 Q. Okay.</p> <p>5 A. Actually, correction, Bethany Hood reports to</p> <p>6 people that report directly to me; Christina Allen is</p> <p>7 part of our foreclosure team, and she reports up to one</p> <p>8 of my peers, actually.</p> <p>9 Q. Okay. And that actually reminds me that we</p> <p>10 started talking about LPS's function when I was trying</p> <p>11 to get your job history and we kind of flowed into</p> <p>12 that, so before we end this, I'm going to have to go</p> <p>13 back to that really quickly --</p> <p>14 A. Sure.</p> <p>15 Q. -- but we'll do that at some other time.</p> <p>16 Okay. So these documents, though, the</p> <p>17 assignment and the appointment, would have come to LPS</p> <p>18 from the attorney that was handling the foreclosure,</p> <p>19 correct?</p> <p>20 A. I would assume so.</p> <p>21 Q. All right. And Ms. Hood and Ms. Allen would</p> <p>22 have signed these documents based upon reliance upon</p> <p>23 Exhibit 1, which is the MERS agreement; is that</p> <p>24 correct?</p> <p>25 A. They would have signed these documents based</p>	<p style="text-align: right;">Page 87</p> <p>1 BY MS. HUELSMAN:</p> <p>2 Q. Okay. And looking at the MERS document right</p> <p>3 now --</p> <p>4 A. Mm-hmm. Yes.</p> <p>5 Q. Do you know why the names of other employees</p> <p>6 besides Ms. Allen and Ms. Hood were redacted?</p> <p>7 A. I don't know. It would require a supposition</p> <p>8 on my part to guess why.</p> <p>9 Q. I don't want you to do that.</p> <p>10 And as part of this document there's a</p> <p>11 Default Services Agreement between IndyMac and Fidelity</p> <p>12 National Foreclosure Solutions. Do you see that?</p> <p>13 A. I do.</p> <p>14 Q. Do you know why portions of this document</p> <p>15 were redacted?</p> <p>16 A. Again, it's probably a supposition on its</p> <p>17 relevance.</p> <p>18 Q. Okay. Don't --</p> <p>19 A. Right.</p> <p>20 Q. -- guess. Okay.</p> <p>21 Did you participate in the creation of these</p> <p>22 documents or obtaining signatures?</p> <p>23 A. No, I did not personally participate in the</p> <p>24 creation of either document.</p> <p>25 Q. Okay. And -- So I think, based on what</p>
<p style="text-align: right;">Page 86</p> <p>1 upon a combination of that authority and probably the</p> <p>2 authority granted directly by IndyMac Federal Bank as</p> <p>3 well.</p> <p>4 Q. Do you know if that document's been produced</p> <p>5 to me?</p> <p>6 A. I don't know. I have seen it as, I think,</p> <p>7 part of the materials, so I assume it has.</p> <p>8 Q. I don't believe it has.</p> <p>9 MS. HUELSMAN: Rick, will you check on</p> <p>10 that, please?</p> <p>11 MR. SPOONEMORE: It was filed in</p> <p>12 conjunction with the motion for summary judgment.</p> <p>13 MS. HUELSMAN: Was it in the documents</p> <p>14 produced to me in the initial disclosures or as an</p> <p>15 attachment to them as a supplement?</p> <p>16 MR. SPOONEMORE: We supplemented our</p> <p>17 initial disclosures with the material, and then we</p> <p>18 filed it again, actually, in two different cases --</p> <p>19 MS. HUELSMAN: Right.</p> <p>20 MR. SPOONEMORE: -- in support of our</p> <p>21 motion for summary judgment. So you have it in three</p> <p>22 places, a supplement to initial disclosures and in two</p> <p>23 different filings.</p> <p>24 MS. HUELSMAN: All right. I will</p> <p>25 double-check on that. I'm sure he's correct.</p>	<p style="text-align: right;">Page 88</p> <p>1 you've told me--I want to summarize--it's your</p> <p>2 understanding that this document provides -- this,</p> <p>3 along with the other document that we were just</p> <p>4 speaking of directly between IndyMac and LPS, provided</p> <p>5 Ms. Allen and Ms. Hood with the legal authority to</p> <p>6 execute these documents, the assignment, and the</p> <p>7 appointment; is that correct?</p> <p>8 A. Correct. It is a secretary certificate or,</p> <p>9 essentially, a corporate resolution, then at page 2 of</p> <p>10 Schedule D within it indicates this is the list of</p> <p>11 employees that are authorized to execute those</p> <p>12 documents for IndyMac Bank.</p> <p>13 Q. Okay.</p> <p>14 MR. SPOONEMORE: I'm also going to</p> <p>15 interpose an objection just to make clear that the</p> <p>16 witness has testified based on just a bunch of these</p> <p>17 documents. There are additional reasons -- legal</p> <p>18 reasons that I believe why these people are authorized</p> <p>19 to sign for IndyMac Federal Bank, specifically some</p> <p>20 federal statutes that he certainly would not</p> <p>21 necessarily know. But I want to make sure for the</p> <p>22 record that that's not the sum and substance of</p> <p>23 everything you're relying upon for authority.</p> <p>24 MS. HUELSMAN: And that's fine. I</p> <p>25 wouldn't ask him to draw legal conclusion. That</p>

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1 wouldn't be appropriate.
 2 MR. SPOONEMORE: I just wanted the record
 3 to be clear.
 4 MS. HUELSMAN: Okay.
 5 And I'm going to be taking Ms. Hood's and
 6 Ms. Allen's deposition separately.
 7 MR. SPOONEMORE: Great.
 8 Q. But when Ms. Hood signed this document, the
 9 instruction would have -- to sign it would have come
 10 from, I want to be clear, the attorney that was
 11 conducting the foreclosure, correct?
 12 **A. No, they would not have provided instruction**
 13 **to sign it; they would have uploaded the document to**
 14 **us. The determination on whether or not we could sign,**
 15 **again, like I said earlier, would be made based upon**
 16 **the type of document they uploaded and the extent of**
 17 **the authorization we were provided.**
 18 Q. Right. But the uploading of the document,
 19 implicit with that is the request that somebody sign
 20 it, right?
 21 **A. They need someone to sign it, whether it be**
 22 **us, a servicer, an investor. Someone with the**
 23 **authorization to sign needs to sign the document for it**
 24 **to be used in a legal action.**
 25 Q. And it's LPS, though, that makes the

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1 determination first regarding who can sign it or will
 2 sign it?
 3 **A. We would see the document first, that is**
 4 **correct. We would not make a determination in all**
 5 **cases whether the servicer had the ability to sign or**
 6 **whether they would have to forward that to an investor,**
 7 **because we are not privy to all of the authorizations**
 8 **that every servicer has to its investors.**
 9 **Again, if we know whether or not a certain**
 10 **investor must sign the document, it's possible that we**
 11 **would launch a tracking process on those investor**
 12 **forwards. But that would, again, depend on whether or**
 13 **not we knew that. If not, we would forward it to the**
 14 **servicer, and then the servicer, if they could not sign**
 15 **it, would typically launch one of those processes**
 16 **within the technology systems within the Desktop to**
 17 **track it.**
 18 Q. Okay. Well, in this case, though, it was
 19 signed by LPS employees, correct?
 20 **A. It appears to be so.**
 21 Q. Okay. So that means Ms. Hood made the
 22 determination to sign this document, correct?
 23 **A. Correct. It is a document type that we**
 24 **typically would sign.**
 25 Q. Okay. So it would have come up because it

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1 would have been uploaded, Ms. Hood would have seen it,
 2 and it's her job then to sign it because it is one of
 3 the documents that is within the parameters of what is
 4 signed and there is this Agreement for Signing
 5 Authority as well as the other document, correct?
 6 **A. Yes.**
 7 Q. Okay. Would Ms. -- would it have been part
 8 of Ms. Hood's job to verify whether or not it was --
 9 the information on this document was correct?
 10 **A. By signing the document, she's essentially**
 11 **attesting that the information on this appears to be**
 12 **accurate. However, again, we rely upon the law firm to**
 13 **draft the document. So we're looking specifically for**
 14 **verbiage that would exclude us from being able to sign**
 15 **it.**
 16 Q. Okay. And is Ms. Hood required to look at
 17 the underlying documents that are referenced in this
 18 assignment to make certain that the information on
 19 sheer consistent with those documents before she signs?
 20 **A. I don't think Ms. Hood would have access to,**
 21 **for example, the note or mortgage. Again, we don't**
 22 **house those documents. I don't have them. So she's**
 23 **not privy to where they might be or where they might be**
 24 **stored.**
 25 Q. Okay. So she would not have access to the

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1 imaging system through MSP?
 2 **A. She'd have access to the imaging system in**
 3 **the LPS Desktop. It's possible that an image of**
 4 **document would be in the Desktop; it's possible that it**
 5 **wouldn't. She typically would not have imaging access**
 6 **to our clients.**
 7 Q. So it's really her job to sign the document
 8 that looks like it complies because it's put in front
 9 of her on the computer system, correct?
 10 **A. It's her job to review the document and**
 11 **determine whether or not it appears to comply with all**
 12 **the requirements of documents that we can sign to make**
 13 **sure that it -- for example, is it really what it's**
 14 **supposed to be? Did the attorney upload the document**
 15 **that they said they drafted? Or if they submitted an**
 16 **Assignment of Deed of Trust, did they submit an**
 17 **affidavit instead; it's the wrong document? And then**
 18 **to review the content within it and ensure that there**
 19 **is no verbiage within it that prohibits us from being**
 20 **able to sign it.**
 21 Q. But, for example, she wouldn't know whether
 22 it's accurate that MERS actually wanted to assign the
 23 loan to IndyMac Federal Bank, correct?
 24 **A. She's not a MERS employee. She would know**
 25 **whether or not we have a signing authority for MERS --**

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1 Q. Right.

2 **A. -- so if the law firm that drafted it**

3 **understood that MERS needs to transfer that from MERS**

4 **to the servicer and draft the document therein. But**

5 **she's not in the head of somebody at MERS to know**

6 **whether or not they should be doing that.**

7 Q. I guess that's my point. She just doesn't

8 know, but she's signing it because the law firm

9 uploaded it in the system, and it's the document that

10 it says it's supposed to be, and it looks like it

11 complies with what you guys are normally supposed to be

12 signing, correct?

13 **A. A signing of a loan from MERS back to the**

14 **servicer is a common event during a legal action. It's**

15 **not an uncommon event at all. So when you say she**

16 **wouldn't know whether or not MERS needed to do that, I**

17 **don't know that anybody other than a MERS employee**

18 **would be able to answer that question. Even a**

19 **servicing employee would know that it's typically**

20 **required on that loan, but it's just a de facto part of**

21 **the process.**

22 Q. Okay. And what did Ms. Hood do with this

23 document once she signed it?

24 **A. She actually signs this document and,**

25 **essentially, it's notarized. The notary that -- I**

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1 **don't know who the notary is on this.**

2 Q. Ms. Jackson.

3 **A. Okay. Paris Jackson. So she validates the**

4 **know that, you know, Bethany signs the document. And**

5 **it then gets the -- She would complete steps in the**

6 **Desktop to indicate that she had signed it, and then**

7 **she would complete a step that indicates it's being**

8 **sent to the attorney. That document then makes its way**

9 **to the mailroom, in which case it then goes in an**

10 **overnight envelope back to the law firm.**

11 Q. And Ms. Jackson is an employee of LPS as

12 well?

13 **A. She is.**

14 Q. And do you know what her job title is?

15 **A. She's part of the document execution area,**

16 **and her primary role would be, it appears to be, a**

17 **notary. I don't know that she's still an employee.**

18 Q. Oh, okay.

19 And what is Ms. Hood's job title?

20 **A. Bethany Hood is the manager for document**

21 **execution within LPS Default Solutions.**

22 Q. And what does the document execution part of

23 the company do?

24 **A. Documents that are uploaded through our**

25 **system have to be -- they print like we mentioned**

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1 **earlier. They have to be routed to the appropriate**

2 **reviewer, who is familiar with the signing authority of**

3 **that client. Signing authorities vary by client, so**

4 **people are trained, not specific clients.**

5 **The review is performed. They then either**

6 **sign the document or don't sign the document and launch**

7 **the relevant processes to track it, if it has to go to**

8 **a client or investor. They follow up with those**

9 **clients and investors to make sure that they are**

10 **completing the steps, that they've received the**

11 **document, that it's moving where it's supposed to go.**

12 **And they ensure that the documents return back to the**

13 **law firm. They manage reporting that helps us, again,**

14 **track the document, it helps us understand whether**

15 **documents are stuck or missing or need to be reprinted.**

16 Q. So, in essence, they sign documents all day

17 and make sure they get to where they're supposed to go?

18 MR. SPOONEMORE: Objection to the extent

19 it mischaracterizes previous testimony.

20 A. I wouldn't consider them to be signing

21 documents all day; it's a portion of their

22 responsibility.

23 Q. Do they perform any other function besides

24 signing documents and tracking them to make sure they

25 get to where they're supposed to go and generate

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1 reports resulting from those?

2 **A. Are we speaking specifically about the**

3 **manager, or are we speaking about the term in general?**

4 Q. The team in general, right.

5 **A. Sure.**

6 Q. Yeah.

7 **A. Their primary role would be to track**

8 **documents. It's a document execution team. They --**

9 **But like I said, the signing activity is a portion of**

10 **their activity, it's not the majority. But they're**

11 **primarily involved with documents.**

12 Q. Okay. And I would assume the manager of that

13 department has managerial responsibilities in addition

14 to what the rest of the team does, correct?

15 **A. You are correct.**

16 Q. All right. All right.

17 Similarly, turning to the Appointment of

18 Successor Trustee document.

19 **A. Yep.**

20 Q. So Ms. Allen would have gone through the same

21 sort of process as Ms. Hood. This document would have

22 been uploaded on the system, and she would have

23 verified to make certain that there was signing

24 authority, made sure the document fit within the

25 parameters of what was allowed to be signed and then

<p style="text-align: right;">Page 97</p> <p>1 signed it, correct? 2 A. Correct. 3 Q. And, again, she would not have verified -- or 4 had the ability to verify whether or not any of the 5 information contained in this document was correct? 6 A. No. Actually, she has the ability to verify 7 information the document is correct; she doesn't have 8 the ability to verify any of the information. 9 Q. What information can she verify as being 10 correct? 11 A. She can verify, for example, that the loan in 12 question belongs to the debtor that's named in the 13 document. She can verify basic status information 14 about the document itself. She can -- Like you 15 characterized earlier, she can -- and this is an 16 appointment successor trustee. 17 Q. Um-hmm. 18 A. She can review whether Regional Trustee 19 Services is a network firm belonging to IndyMac Federal 20 Bank and would be appropriate as being successor 21 trustee. And I believe that's all within this document 22 that she would have to review. 23 Q. But from my understanding of what you told me 24 earlier, the request to sign this document would have 25 come from Regional Trustee, the law firm, or --</p>	<p style="text-align: right;">Page 99</p> <p>1 Trustee is assigned as the trustee on this loan. It's 2 clearly differentiated, it's indicated within the 3 system -- within the client servicing system which both 4 employees would have access to. They could also see 5 that Regional Trustee was the vendor selected by 6 IndyMac Bank. So they were selected as the trustee. 7 Q. And I'll ask Ms. Allen, but do you happen to 8 know on the second page of this document who would have 9 written in the effective date of this document? 10 A. (Reviewing document). No, I wouldn't. I 11 don't know what that pertains to. I would have to 12 review notes in the system, probably. 13 Q. Okay. And just to be clear, though, this 14 copy did come from LPS's system, correct? 15 A. It sounds like this copy was provided to you 16 as part of this Complaint. 17 Q. It was, yeah. 18 A. So, therefore -- I don't know -- Actually, I 19 don't know that it came out of our system. 20 Q. Okay. 21 A. The imaged copy of a signed doc isn't always 22 typically retained in our system. It's filed and 23 recorded with the courts. So it may have directly come 24 from the court. 25 Q. And so this document actually was recorded</p>
<p style="text-align: right;">Page 98</p> <p>1 A. Correct. 2 Q. -- an entity handling the foreclosure sale, 3 correct? 4 A. Correct. 5 Q. So Regional Trustee is telling LPS, in 6 essence, by uploading the document, to a point, it is 7 the trustee, correct? 8 A. Regional Trustee is, actually, not asking LPS 9 to appoint as a trustee; they are asking for an 10 representative of IndyMac -- of IndyMac Federal Bank 11 FSB to appoint them as successor trustee. LPS is act 12 being in the capacity based upon our signing authority 13 to acknowledge that. 14 Q. What information does LPS get from IndyMac 15 Federal Bank, FSB to confirm that that is, in fact, who 16 it wants to appoint as the trustee? 17 A. Our authorities to sign typically, I would 18 assume, contains some language and verbiage that grants 19 us the authority to -- to sign those. 20 Q. I understand. I'm asking specifically about 21 this particular loan file. In other words, what 22 information would LPS have had that delineated that on 23 this particular loan IndyMac Federal Bank, FSB wanted 24 Regional Trustee to be the trustee? 25 A. By looking at LPS Desktop, we know Regional</p>	<p style="text-align: right;">Page 100</p> <p>1 with the recorder's office. So is there a process -- 2 A. No. You're telling me that. 3 Q. Well, you can see it. 4 A. That was the question. I don't know that 5 that means it's been recorded by the -- 6 Q. Actually, it does. I'll represent to you it 7 does. I'm sure Mr. Spoonmore will agree with me. 8 A. Okay. 9 Q. So my question is, would both of these 10 documents, once they've been recorded, would they have 11 been then uploaded again into the LPS system after 12 recording? 13 A. It would depend on the client. I don't know 14 that every client requires its law firms to upload 15 copies of recorded -- Some documents they would, but 16 others they would not. Typically, like, for example 17 for example, assignments, I would expect those to see 18 uploaded back into the imaging system once recorded 19 because they become a part of the record. 20 Q. Like this one? 21 A. There you go. Other documents they would, 22 probably from a cost standpoint, not worry about, they 23 don't necessarily have to have in their imaging systems 24 and they can always access them in the court records. 25 Q. And on both of thieves documents there's a</p>

<p style="text-align: right;">Page 101</p> <p>1 notation kind of right below the Trustee's Sale No., 2 starting with "FMB." I'm not going to bother reading 3 that. 4 A. Mm-hmm. 5 Q. Do you know how that part of the document is 6 generated or why? 7 A. I do not, no. 8 Q. Okay. And you said, to be clear, on both of 9 these -- with both these documents, the originals would 10 have been sent by mail to -- back to Regional Trustee 11 in this case, who's the trustee, for recording; is that 12 correct? 13 A. Correct. They would be sent back to Regional 14 Trustee, to then be sent for recording to the court. 15 Q. Okay. And you just don't know if these 16 documents were actually then uploaded after recording? 17 A. I don't know without looking at the 18 LPS Desktop and the document matrix system, no. 19 Q. Okay. Just one second. 20 Okay, I am going to have you look at some of 21 these printouts I got, and this is for another case 22 that we're taking testimony on today, the Wood -- Ed 23 Wood, the Deutsche Bank case. 24 A. Would you like these back? 25 Q. No. You can leave those with the court</p>	<p style="text-align: right;">Page 103</p> <p>1 Q. Okay. So we have LPS 604. Can you tell me 2 what this is? 3 A. I'm sorry, what are we referring to as 604? 4 Q. I'm looking at the bottom number. 5 A. Oh. 6 Q. That's just so we can all keep track of it. 7 A. Your -- your -- 8 Q. Yeah. 9 A. Okay. "MAS1" screen? 10 Q. Yes. 11 A. I'm familiar with the name; I'm not familiar 12 with the information contained within it. 13 Q. Is it an MSP document, or is it an LPS 14 document? 15 A. It is an MSP document. 16 Q. Okay. 17 A. It is another screen image of a screen at 18 MSP -- 19 Q. Okay. 20 A. -- of the system of record, the servicing 21 system. 22 Q. That's fine. You're doing exactly what I 23 need you to do. 24 All right. So this is -- so 600 -- document 25 605, this screen is "P192" with loan status. Is this</p>
<p style="text-align: right;">Page 102</p> <p>1 reporter. 2 A. Okay. 3 Q. I'm not sure necessarily that I'm going to 4 mark all of these as an exhibit because it's 5 voluminous, but I wanted to look at some of the screens 6 that were sources of information that appear to be on 7 these documents, not necessarily too much specific 8 about them, but to discuss what the screens are. Okay? 9 A. That's fine. I'll warn you that I'm not an 10 expert on MSP. I know -- 11 Q. So are these MSP documents? 12 A. This first one here I am -- 13 Q. It is -- 14 A. -- familiar with it. 15 Q. -- okay. 16 A. PAKP is MSP. So there's some general 17 information I can help you with, but -- 18 Q. Okay. So let's do that. 19 A. Sure. 20 Q. Okay. So on the pages marked LPS WOOD 0602 21 and 0603, that's one, and so you said this is an MSP 22 printout? 23 A. It appears to be what we call a screen print 24 or screen image of an MSP screen for this loan here 25 that ends in '14.</p>	<p style="text-align: right;">Page 104</p> <p>1 also an MSP document? 2 A. It appears to be an MSP document as well. 3 Q. Okay. LPS 606 is a document identified -- a 4 screen, excuse me, as "PCH2." Do you know what this 5 document is? 6 A. No. Again, I'm familiar with the -- the PCH2 7 name for it. It appears to say "Payment Change 8 Maintenance." I'm not familiar about the information 9 contained within it. 10 Q. So, again, is this an MSP document? 11 A. It is an MSP document. 12 Q. Okay. So document 607 entitled "FEE1," F-E-E 13 1, is this an MSP document? 14 A. It is an MSP document. 15 Q. Okay. And, by the way, maybe I can make this 16 quicker. Can you tell by the formatting if this is all 17 MSP documentation? 18 A. Without looking at every single one 19 individually, they all appear to be in a format that's 20 represented of a screen in MSP. 21 Q. Okay. Then I'll try and move quickly through 22 it -- 23 A. Okay. 24 Q. -- because I don't want to bog us down. 25 So P309, that's an MSP document?</p>

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1 **A. That appears to be.**
 2 Q. And that's Wood document 609 through 618. So
 3 we're on Wood Document No. 619, and the form is "DLQ2."
 4 Is this also an MSP?
 5 **A. It's a delinquency status screen in MSP.**
 6 Q. Okay. And so that takes us to the same for
 7 document 620. We're on document 621, a screen entitled
 8 "PAY4," is this also an MSP document?
 9 **A. Yes.**
 10 Q. Document 622, it's entitled "PAY1." Is this
 11 also an MSP document?
 12 **A. Yes.**
 13 Q. Document 623 entitled BNKC -- or noted as
 14 "BNKC," is this an MSP document?
 15 **A. It is an MSP document.**
 16 Q. Okay.
 17 **A. And I'm attesting to fact that these are --**
 18 **appear to be MSP documents. I have no idea of the**
 19 **information within them, if it's accurate, if they --**
 20 **or where you even got these, but. . .**
 21 Q. At this point that's all I'm asking you to
 22 do --
 23 **A. Okay.**
 24 Q. -- because it is an MSP document, so I can't
 25 ask you to verify information in it.

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1 **A. Okay.**
 2 Q. So the BNKC goes through Wood 624. At Wood
 3 2625 we have a "BNKA" document. Is that also an MSP
 4 document?
 5 **A. Yes.**
 6 Q. At Wood 626, we have a "BNK1" document. Is
 7 that an MSP document?
 8 **A. Yes.**
 9 Q. At Wood 627 we have a document marked "SER1."
 10 Is this also MSP?
 11 **A. Yes.**
 12 Q. Going through Wood 638, now we're on Wood
 13 639, a document called DDCH -- or screen "DDCH." Is
 14 this an MSP document?
 15 **A. Yes.**
 16 Q. Wood 640, "HAZ1," MSP document?
 17 **A. Yes.**
 18 Q. Wood 641, screen "BNKP," is this an MSP
 19 document?
 20 **A. Yes.**
 21 Q. Wood 642, or screen "MAS1," is this an MSP
 22 document?
 23 **A. Yes.**
 24 Q. Going through 644.
 25 Wood 645, a document "P192," and I know from

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1 your previous answer that this is an MSP document,
 2 correct?
 3 **A. Yes.**
 4 Q. All right. Let me see how much of this is
 5 duplicative that we can skip through.
 6 MR. GLOUDEMANN: Can we take a break for
 7 just one second.
 8 (A break was taken.)
 9 MR. GLOUDEMANN: Thank you.
 10 MS. HUELSMAN: All right.
 11 BY MS. HUELSMAN:
 12 Q. So I'm going to skip ahead to WOOD 699, and
 13 based upon your earlier testimony to me, I have a
 14 document here, a screen print indicated as being a
 15 "P309," and that is, in fact, an MSP document, correct?
 16 **A. It is a typical MSP screen.**
 17 Q. Correct?
 18 **A. Yes.**
 19 Q. So we will skip to Wood 704. And that's a
 20 "P190." It's also a MSP document?
 21 **A. Yes.**
 22 Q. Wood 705, a document "DLQ2." That's an MSP
 23 document, correct?
 24 **A. Yes.**
 25 Q. Wood 706, screen "DLQ1," that's an MSP

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1 document?
 2 **A. Yes.**
 3 Q. And so Wood 707 says "PAY4," it's an MSP
 4 document?
 5 **A. Yes.**
 6 Q. Wood 708, "PAY1," it's an MSP document?
 7 **A. Yes.**
 8 Q. Okay. I don't want to go through these again
 9 because we have more that are -- we've already
 10 answered.
 11 Okay, again, the documents I'm going to show
 12 you are still about this other file Wood -- it's the
 13 Ed Wood case, and the borrowers are the Bateman on
 14 these.
 15 MS. HUELSMAN: Mark this as Exhibit 4.
 16 (Plaintiff Exhibit No. 4 was marked.)
 17 Q. Can you tell me in general what this document
 18 is?
 19 **A. It appears to be a valuation, like a VPO, a**
 20 **valuation of a property, and it appears to have been**
 21 **performed by an FIS company called Hansen Quality.**
 22 Q. And what is FIS?
 23 **A. Fidelity Information Services. It is the**
 24 **previous iteration of what is now LPS. It was one of**
 25 **the spinoffs from Fidelity National Financial.**

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1 Q. So it's, I guess, part of the LPS corporate
2 umbrella?

3 **A. It -- I believe it was. It may still exist
4 today as part of the Fidelity side of the spin-off; I'm
5 not aware.**

6 Q. Okay. All right. And it's a Desktop
7 Valuation, as it says at the top?

8 **A. That's what it says.**

9 Q. Okay. Are you familiar with Desktop
10 Valuations and their use by LPS in performing its
11 services?

12 **A. I'm familiar with respect to the fact that we
13 would take information or data from this and feed --
14 and input that to a client typically for a client to
15 make a determination of some manner. Outside of that,
16 our employees typically wouldn't be -- would have no
17 reason to actually work on this other than providing it
18 to somebody else.**

19 Q. Okay. So either the attorney or the servicer
20 would ask FIS, or whoever, to create this, and then it
21 would be simply uploaded onto the system?

22 **A. Yes. FIS Hansen Quality would be a vendor
23 providing valuations to, it looks -- appears to be
24 here, Washington Mutual. So Washington Mutual
25 essentially is placing the order as the client to**

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1 **Hansen Quality, Hansen Quality is delivering the
2 product back. This is the product we're looking at.**

3 Q. And can you tell by looking at this whether
4 or not it was uploaded into the system by FIS? In
5 other words, did it have the ability to upload?

6 **A. (Reviewing document). By looking at this
7 document, I cannot ascertain whether or not this was
8 uploaded into document management.**

9 Q. Okay.

10 **A. It appears to be consistent with the way
11 other documents look when -- but I -- there's no
12 identifying mark that says it's a document management
13 document.**

14 Q. Okay. But, either way, it would have been in
15 LPS's system, it's just a question of how it got there?

16 **A. I can't guarantee that it's in LPS Desktop.
17 That would be an assumption.**

18 Q. Okay. Since LPS produced it to us in
19 discovery, do you know how it acquired it?

20 **A. I don't know. I don't know where they got
21 this from to produce it to you. They could have gotten
22 it from Desktop document management, they could have
23 gotten it from Hansen Quality, they could have gotten
24 it from Washington Mutual; I'm not aware.**

25 Q. Okay. But the other place it would have

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1 been, if it actually was in the possession of LPS,
2 would have been on the Desktop, correct?

3 **A. That would seem logical.**

4 Q. In other words, there's no other filing
5 system or anything else at LPS where it would be
6 stored?

7 **A. No.**

8 Q. Okay.

9 **A. We don't have any paper files of this sort.**

10 Q. I didn't think so, but I wanted to make sure.
11 Okay.

12 MS. HUELSMAN: We'll turn to Exhibit 5.
13 (Plaintiff Exhibit No. 5 was marked.)

14 Q. Have you seen this document before, I guess?

15 **A. I have not seen this document before. I am
16 familiar with what this is. It is -- appears to be a
17 cover sheet for associated bidding instructions for a
18 foreclosure bid.**

19 Q. Is this a typical document that you see in a
20 -- a Desktop file at LPS?

21 **A. That's kind of hard to answer. There are a
22 lot of documents in a Desktop file. It -- Bidding
23 instructions and the necessity to provide a bid prior
24 to sale is a common activity.**

25 Q. Okay. And who would have generated this

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1 document, put in all the information, filled it out?

2 **A. I'm not familiar with the bidding procedure
3 for client Washington Mutual SHLS, so I don't know
4 whether or not -- I know that the bidding logic, to
5 determine how much to bid, is a client-specified logic
6 element. But I'm not aware whether or not LPS used our
7 technology to calculate this bid or whether it came
8 directly from the client or how we received the bid. I
9 don't know.**

10 Q. Okay. I'm going to point you to the bottom
11 of the document --

12 **A. Yep.**

13 Q. -- where it says: "PLEASE NOTE: Sales
14 Results Must Be Provided Via LPS Desktop WITHIN 24
15 HOURS OF THE SALE SO AS TO VOID ANY POTENTIAL LATE
16 NOTIFICATION PENALTIES." Do you see that?

17 **A. I do.**

18 Q. Okay. So is this -- is this document being
19 provided to the attorney, and then the attorney is then
20 being instructed that they have to notify LPS of this
21 information?

22 **A. As I interpret the instructions at the bottom
23 of this bidding form, they appear to me to be
24 instructions that the law firm needs to update the
25 technology, LPS Desktop, within 24 hours of the sale,**

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1 with the results of the sale. And the reason for that,
 2 when they mention "potential late notification
 3 penalties," that there are investors that will assess
 4 curtailments, or penalties if the sale -- to the
 5 servicer if the sale results aren't reported timely.
 6 **That's what this pertains to.**
 7 Q. Okay. So when you look at this in left --
 8 investor name and loan number on this one, we were
 9 talking earlier about the information that has to be
 10 included so that LPS's system knows who the investor
 11 is. Do you see that -- I mean, do you recall that?
 12 **A. I do recall that one --**
 13 Q. Okay.
 14 **A. -- in a previous discussion.**
 15 Q. All right. So this information regarding the
 16 investor name and investor loan number would have been
 17 entered by whoever completed this form, right?
 18 **A. Correct. And I'm not familiar with how the**
 19 **form is created.**
 20 Q. Okay. Is anybody checking to make sure it
 21 matches, though, with the information that would have
 22 been on LPS's system?
 23 **A. I don't know.**
 24 Q. Who would?
 25 **A. Probably one of my peers who has**

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1 **responsibility for the bidding function would be more**
 2 **familiar with the procedures involved with Washington**
 3 **Mutual as HLS and the logic involved in how these bids**
 4 **are generated. I am not aware.**
 5 Q. What would that counterpart's position be or
 6 who? Who would know that.
 7 **A. A vice president of our company, one of my**
 8 **peers.**
 9 Q. In what department?
 10 **A. Financial support is the department that**
 11 **actually oversees the function of bids.**
 12 Q. Okay. And so you just don't know anything
 13 about that part of the operation --
 14 **A. No.**
 15 Q. -- of the business? Okay.
 16 **A. My knowledge is limited.**
 17 Q. Okay. But LPS is involved in the process of
 18 make -- setting forth the bid, making sure the bid is
 19 -- is completed?
 20 **A. Again, I think it's important to clarify**
 21 **we're involved to the aspects of ensuring that a bid is**
 22 **provided to the law firm prior to the sale. We have**
 23 **nothing to do with the sale, we're not at the sale, we**
 24 **don't schedule the sale, but the attorney needs a bid**
 25 **in order to go to sale, and if that bid is not**

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1 **provided, it's our responsibility to contact the**
 2 **servicer and try to escalate the requirement that that**
 3 **bid is needed and get that into the hands of the law**
 4 **firm.**
 5 Q. Okay.
 6 One more thing, over on the right it said --
 7 there is an "INVESTOR CODE H63/001." Do you know what
 8 that refers to?
 9 **A. I'm sorry -- oh, here (indicating)?**
 10 Q. "INVESTOR CODE." Yes.
 11 **A. (Reviewing document). I don't. It would be**
 12 **a guess. But I would assume it -- it is related to**
 13 **Deutsche Bank National Trust, but I don't know where**
 14 **that code comes from, if that's a client system code or**
 15 **what this is.**
 16 Q. Okay.
 17 All right, Exhibit --
 18 MS. HUELSMAN: What are we on?
 19 COURT REPORTER: 6.
 20 MS. HUELSMAN: 6.
 21 (Plaintiff Exhibit No. 6 was marked.)
 22 Q. Okay. So do you know if this document came
 23 out of LPS's system?
 24 **A. By what this document appears to be, it**
 25 **appears to be an e-mail. As such -- and it appears to**

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1 **contain a screen print. And it does not -- The person**
 2 **sending the document, which is a Cheryl J. Roberson, is**
 3 **a Washington Mutual employee.**
 4 Q. Right.
 5 **A. So she is sending this communication -- this**
 6 **e-mail to a mailbox which appears to be an LPS mailbox.**
 7 Q. Okay. So I guess we should clarify, then,
 8 does LPS also have actual e-mail systems in addition to
 9 the Desktop and all the other platforms?
 10 **A. We use Outlook. Typically all communications**
 11 **performed internal to the Desktop.**
 12 Q. Okay.
 13 **A. There are some clients where we have to have**
 14 **an e-mail box because perhaps they have no ability or**
 15 **they have employees that don't have an ability to use**
 16 **the Desktop, they don't have sign-ons, and they have to**
 17 **have some way to communicate information to us, but**
 18 **it's pretty far and few between. The vast majority of**
 19 **communication is managed internal to that system, to**
 20 **the Desktop.**
 21 Q. So any communications that took place in
 22 Outlook would not be reflected in the Desktop?
 23 **A. They would not be automatically reflected in**
 24 **the Desktop. In many cases, communications received by**
 25 **-- in these e-mail boxes, our procedure would be that**

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1 **an employee at LPS would document an applicable**
 2 **portion, as per procedure, to indicate what's going on.**
 3 **Again, we try too keep the communication in the system.**
 4 Q. Okay. And so this looks like it isn't one of
 5 the messages within Desktop, that it looks like it's
 6 outside of that and --
 7 **A. It appears to be --**
 8 Q. -- probably an Outlook --
 9 **A. -- an Outlook e-mail that contains a screen**
 10 **snap of a screen, and we wouldn't be able to -- there's**
 11 **no way for an e-mail containing a screen to be able to**
 12 **be input into the Desktop unless you scanned it, imaged**
 13 **it, and loaded it into document management, which would**
 14 **be highly unusual.**
 15 Q. Okay. And are you familiar with this e-mail
 16 address at LPS, the BK WAMU Escrow file -- or folder?
 17 **A. We have approximately 30 e-mail addresses, I**
 18 **think, within our contact matrix that are provided to**
 19 **firms and to clients. I am not familiar with this**
 20 **specific e-mail address or what it's used for.**
 21 Q. Okay.
 22 **A. But the e-mail domain, fnfs.net, is now an**
 23 **fnfs, or now LPS, e-mail account.**
 24 Q. Okay. And the information, the screen print,
 25 like you said, that was inserted here, can you tell if

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1 that's an LPS Desktop screen print or if it's an MSP
 2 screen print or where it came from?
 3 **A. It's an ANA1 "ESCROW ANALYSIS RESPA" is the**
 4 **title of the screen. It appears to me to be consistent**
 5 **with an MSP screen.**
 6 Q. Okay. All right.
 7 MS. HUELSMAN: Exhibit 7.
 8 (Plaintiff Exhibit No. 7 was marked.)
 9 Q. Have you ever seen this document or a
 10 document like this before?
 11 **A. (Reviewing document). No. It appears to**
 12 **have something to do with loan origination. I'm not**
 13 **familiar with this document.**
 14 Q. And would this be normally the type of
 15 document that would be in LPS's Desktop system?
 16 **A. I have never been presented with a -- when**
 17 **I've reviewed documents in our system with a document**
 18 **such as a Correspondent Purchase Statement. It's not**
 19 **something I've ever come across.**
 20 Q. Okay.
 21 (Plaintiff Exhibit No. 8 was marked.)
 22 Q. Exhibit 8 is a series of documents starting
 23 at Wood 153 and going through 161. Actually, pull 161
 24 out. That shouldn't have been in there.
 25 **A. Do you want that back?**

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1 Q. Yeah, just to make sure.
 2 **A. Sure.**
 3 MS. HUELSMAN: Pull 116 out, it's the last
 4 page, Rick, and we'll do that as a separate -- I'm
 5 sorry, I flipped wrong.
 6 Q. Okay. So the documents LPS WOOD 153 through
 7 160 are all blank forms, an Assignment of Deed of
 8 Trust, blank, as in no signatures. Assignment of Deed
 9 of Trust, Lost Assignment Affidavit by Beneficiary,
 10 Lost Assignment Affidavit, and an Affidavit in Support
 11 of Motion for Relief From Stay.
 12 **A. They appear to be templates for necessary**
 13 **documents.**
 14 Q. So would these have been the documents that
 15 then were sent to LPS by the attorney or trustee for
 16 signature by LPS employees?
 17 **A. I don't know. They appear to be consistent**
 18 **with documents that are typically uploaded to LPS and**
 19 **to the servicer for signature, but I have no knowledge**
 20 **of where these were -- how they were constructed by**
 21 **Northwest Trustee, where they're stored, and what they**
 22 **used to determine what information should go in them.**
 23 Q. Okay. And if Northwest Trustee had sent
 24 these documents -- wanted to send these documents
 25 directly to the servicer, would they still have

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1 utilized the LPS Desktop to do so?
 2 **A. Yes, typically. They would typically, when**
 3 **they upload the document, they would -- and there's a**
 4 **comment box within the upload step, and they would say,**
 5 **"Please forward to servicer. Servicer signature only,"**
 6 **or they could potentially send it outside the Desktop**
 7 **via e-mail. That would be unusual. But, yes, the**
 8 **vehicle exists for them to get it directly to the**
 9 **servicer.**
 10 Q. Okay. And if they sent it to the servicer
 11 directly outside of the LPS system, would LPS have
 12 copies of it?
 13 **A. Typically, no, unless it was a document that**
 14 **was later recorded and that the attorney uploaded then**
 15 **at that point into the system.**
 16 Q. Okay.
 17 MS. HUELSMAN: Exhibit 9, marked Wood 161.
 18 (Plaintiff Exhibit No. 9 was marked.)
 19 Q. Can you take a look -- I want you to take a
 20 look at this document.
 21 **A. (Reviewing document). Okay. Okay.**
 22 Q. Are you familiar with this letter, or have --
 23 **A. No, I've never seen this letter before.**
 24 Q. Have you ever seen a letter like this before?
 25 **A. It's not something I would typically**

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1 encounter in my work --
 2 Q. Okay.
 3 **A. -- so no. I can make guesses on what it is**
 4 **by reading the content.**
 5 Q. I don't want you to guess, but if you have a
 6 reasonable estimation based upon your knowledge about
 7 how LPS works, of its purpose, and how it got into this
 8 file, then go ahead, but I don't want you guessing.
 9 **A. Okay. By reading the content of it, it**
 10 **appears to be a letter between First American -- excuse**
 11 **me, between Northwest Trustee Services and First**
 12 **American, who's probably the title insurer, announcing**
 13 **that there's some sort of a -- of a -- a deed of trust**
 14 **existing in a position senior to that other client.**
 15 **And they appear to have some sort of a problem with the**
 16 **title. Outside of that, that's all I can tell you.**
 17 Q. Okay. There's -- And again, I don't want you
 18 to guess, but if you can answer this question: There's
 19 -- there's an assertion in here that First American
 20 should move -- work to remove the deed of trust from
 21 the title or indemnify Fidelity National Default
 22 Solutions. Do you know why Northwest Trustee was
 23 asking for LPS to be indemnified?
 24 **A. I don't know why. I didn't construct the**
 25 **document, and I would have no knowledge as to why they**

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1 **would insert that verbiage in there.**
 2 Q. Is that part of an attorney's normal work
 3 process using LPS, to make requests on behalf of LPS
 4 for indemnification?
 5 **A. I'm not sure I'm able to answer what a normal**
 6 **attorney's process should be. I don't know.**
 7 Q. Have you ever seen a document similar to this
 8 asking for indemnification?
 9 **A. I don't believe it's unusual in the mortgage**
 10 **business. I know that there are indemnification**
 11 **letters that go. It's not something that I typically**
 12 **would deal with.**
 13 Q. And there's some information that's not
 14 filled in here, in other words, there's -- the trustee
 15 sale date isn't filled in, and there's -- in the third
 16 paragraph it says: "Please provide the indemnity
 17 letter prior to" and there's clearly a blank to fill
 18 in. Do you know if this kind of -- if this letter
 19 would have come to LPS for completion or insertion of
 20 these dates or information?
 21 **A. This is not a document that would be**
 22 **submitted to LPS for signature. It's not something we**
 23 **would ever be involved in as far as reviewing.**
 24 Q. Okay.
 25 **A. We wouldn't be a party to this. So the**

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1 **answer is no, we wouldn't sign this.**
 2 Q. Is a part of the agreements entered into
 3 between LPS and the attorneys for them to take actions
 4 like this to seek indemnification for LPS as a
 5 requirement of performing their function?
 6 **A. No. I -- There are certain hold harmless and**
 7 **identification pieces within it, but I don't believe**
 8 **they're characterized the way that you said. If they**
 9 **make an error, that kind of thing, then it's on them;**
 10 **if we make an error, it's on us.**
 11 Q. Okay. All right.
 12 MS. HUELSMAN: 10.
 13 (Plaintiff Exhibit No. 10 was marked.)
 14 Q. Is Amy Weis an employee at LPS?
 15 **A. Yes, Amy -- it's actually wees. She is a --**
 16 Q. I'm sorry.
 17 **A. That's okay. I think you're going to be**
 18 **talking to her later, so. . .**
 19 Q. Yes.
 20 **A. She is an employee of LPS.**
 21 Q. So when she signs her name here as an AVP, is
 22 that her title at LPS? She's an AVP?
 23 **A. Actually, she is an assistant vice president**
 24 **at LPS; however, for the purposes of signing this**
 25 **document, I believe she'll be signing under whatever**

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1 **authority she was granted under the, quote, "resolution**
 2 **of power of attorney" in place for the entities**
 3 **involved. So she would be classified as an AVP, I**
 4 **would assume, without looking at the signing authority.**
 5 **That's the way she's characterized or she has the**
 6 **ability to sign, as that.**
 7 Q. As an AVP of Washington Mutual Bank?
 8 **A. Correct.**
 9 Q. Okay. And she would only be an AVP of
 10 Washington Mutual Bank for purposes of signing a
 11 document?
 12 **A. Correct. She is not an employee of**
 13 **Washington Mutual Bank.**
 14 Q. Thank you.
 15 (Plaintiff Exhibit No. 11 was marked.)
 16 Q. This document, it's a Lost Assignment
 17 Affidavit By Beneficiary, was signed by Elizabeth
 18 Boulton.
 19 **A. Mm-hmm. Yes.**
 20 Q. Is she an employee of LPS?
 21 **A. Beth Boulton is not an employee of LPS and**
 22 **has never been's been an employee of LPS. Beth**
 23 **Boulton, at the time of this document, was an employee**
 24 **of Washington Mutual, later of Chase, and she now works**
 25 **for another servicer. I am familiar with her.**

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1 Q. Okay. So you know her?

2 **A. Yes. She's an executive management member of**

3 **another servicer.**

4 Q. Okay.

5 MS. HUELSMAN: And Exhibit 12.

6 (Plaintiff Exhibit No. 12 was marked.)

7 Q. Now, this last name I'm not sure I'm going to

8 be able to pronounce, Yolanda Sbaffoni, sa-bof-a-nee.

9 **A. Mm-hmm.**

10 Q. S-B-A-F-F-O-N-I. Is she an employee of LPS?

11 **A. I'm not familiar with the name, and by her**

12 **title as doc execution specialist for JPMorgan Chase**

13 **Bank, our employees would not sign in that capacity.**

14 **That doesn't adhere to our signing authority. So my**

15 **assumption would be that she is an employee of JPMorgan**

16 **Chase or Washington Mutual.**

17 Q. Okay.

18 (Plaintiff Exhibit No. 13 was marked.)

19 Q. Exhibit 13.

20 You don't have to look at this document for a

21 second, but what is LPS's relationship with Moss

22 Codilis, C-O-D-I-L-I-S?

23 **A. (Reviewing document). Moss Codilis is a**

24 **vendor -- a national vendor for POC and plan review**

25 **support services for servicers for clients.**

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1 Q. And can you clarify what POC means in this

2 context?

3 **A. Sure. POC means Proof of Claim.**

4 Q. So, in other words, they're a law firm that's

5 one of LPS's vendors?

6 **A. They are a law firm; although, I believe that**

7 **the construction filing of proofs of claim does not**

8 **necessarily have to be done by a law firm, so I don't**

9 **know that they're acting in the capacity of a law firm**

10 **when they actually prepare or file a POC.**

11 MR. SPOONEMORE: I object to the question

12 to the extent it represents that they're a vendor of

13 LPS. His testimony is pretty clear that these are

14 vendors of the servicers.

15 MS. HUELSMAN: Okay.

16 THE WITNESS: That's a good point.

17 Q. I really just meant "vendor" for purposes of

18 LPS's terminology. I didn't mean --

19 **A. They would be part of the attorney network --**

20 Q. Okay.

21 **A. -- that we would have an attorney network**

22 **agreement with them. But they're not affiliated with**

23 **LPS in any way.**

24 Q. Okay. Is Moss Codilis a part of the attorney

25 network?

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1 **A. Yes.**

2 Q. Okay. And they also conduct foreclosures and

3 do motions for relief from stay, correct?

4 **A. I don't believe they conduct foreclosures. I**

5 **believe Moss Codilis only does work on the bankruptcy**

6 **side, typically POC and plan review. In my**

7 **relationship with the law firm, they also have, I**

8 **think, a claims business and some other activities.**

9 Q. Okay. And so on this document, Maria

10 Borresen, B-O-R-R-E-S-E-N, is not an employee of LPS,

11 correct?

12 **A. No. She appears to be an employee of**

13 **Moss Codilis's authorization for service or WAUMU, so**

14 **they appear to have signing authority, as well, for**

15 **Washington Mutual, which is typical of vendors that**

16 **perform POC or plan review activity, they would have**

17 **signing authority.**

18 Q. Okay.

19 (Plaintiff Exhibit No. 14 was marked.)

20 Q. So on this document also we have Shirley Kay

21 Downing signing for Moss Codilis. She is also not an

22 LPS employee?

23 **A. No. I am familiar with her name. She is an**

24 **employee -- or at least was a an employee of Moss**

25 **Codilis. I'm not aware whether she has current**

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1 **employee there.**

2 Q. Okay. And when these -- these attorneys that

3 are part of the attorney network and they do proof of

4 claim work, do they also have access to the MSP records

5 of the servicers on whose behalf they're acting?

6 **A. I believe in some cases they do have access**

7 **to the client servicing system and in other cases they**

8 **don't. They rely upon the client to deliver them**

9 **information typically through the LPS Desktop. System**

10 **information such as the screens you showed me earlier**

11 **from MSP, those would be typical of what they would**

12 **receive.**

13 Q. Okay.

14 (Plaintiff Exhibit No. 15 was marked.)

15 Q. So -- so you don't have to look at the entire

16 thing, I'll just represent to you this is a title

17 insurance policy that was produced to me by LPS in

18 discovery. Would it be typical for a policy like this

19 to be uploaded into the Desktop system?

20 **A. I would say yes. It's typically part of the**

21 **foreclosure process. I don't know about this specific**

22 **one, if it was uploaded, but a -- actually, I don't**

23 **know if the commitment would be uploaded. I'm not sure**

24 **what documents pertaining to the title would be**

25 **uploaded, but there are specific documents relative to**

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1 -- to title -- the title search and ensuring that there
 2 are no other lienholders or title problems with the
 3 file. Those are uploaded.
 4 Q. Are LPS employees required to do anything to
 5 look at them or verify any of that information --
 6 A. No.
 7 Q. -- or is that left up to the servicers and
 8 the attorneys?
 9 A. Typically it's left up to the servicer and
 10 their vendor who is performing the title work to do
 11 that activity. The only activity we would have would
 12 be that if the attorney -- and I should have mentioned
 13 the attorney needs to review this title to make sure
 14 everything's fine. If they found a problem, they would
 15 raise an issue or a question through the LPS Desktop.
 16 Some of those might be managed by LPS. And when I say
 17 "managed," I mean that we're going to be trying to jump
 18 in and assist them based upon our access to the
 19 client's system or our communication with the client.
 20 Others maybe client managed. It depends upon the
 21 nature of the problem and our specific procedures with
 22 that client.
 23 Q. Okay. And I'm not sure if I asked this
 24 specifically, again, Regional Trustee service
 25 corporation, they are a member of the attorney -- the

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1 LPS attorney network, correct?
 2 A. Yes.
 3 Q. As are -- as is Northwest Trustee Services,
 4 correct?
 5 A. Yes. I believe Northwest Trustee is also a
 6 member of the attorney network.
 7 Q. Okay.
 8 MS. HUELSMAN: Josh, I'm going to take a
 9 break for five minutes and just review my notes and
 10 make sure there isn't anything else that I want to
 11 follow up on. All right?
 12 MR. RATAEZYK: All right.
 13 (A break was taken.)
 14 MS. HUELSMAN: Josh?
 15 MR. RATAEZYK: Yes.
 16 MS. HUELSMAN: All right. I'm just making
 17 sure you're alive.
 18 MR. SPOONEMORE: And not snoozing. No
 19 naps allowed.
 20 MR. RATAEZYK: Not yet.
 21 MS. HUELSMAN: I don't know how he could
 22 given the scintillating nature of this deposition.
 23 MR. SPOONEMORE: And he got up early too.
 24 MS. HUELSMAN: All right, we can go ahead
 25 and mark this as Exhibit 16.

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1 (Plaintiff Exhibit No. 16 was marked.)
 2 Q. Would you take a quick second to look at this
 3 document.
 4 A. (Reviewing document). Am I looking through
 5 all pages of it or just the first --
 6 Q. At least glance through and make sure you are
 7 going to be able to --
 8 A. Yeah.
 9 Q. When I ask you, What is this? you're going to
 10 have some idea.
 11 A. Like I say, it looks like they're unrelated.
 12 MR. SPOONEMORE: But are not related, just
 13 to be clear.
 14 MS. HUELSMAN: Oh.
 15 THE WITNESS: Some -- Yeah. The first
 16 one --
 17 MS. HUELSMAN: So those e-mails are not?
 18 MR. SPOONEMORE: Well, the first two pages
 19 is Washington Mutual related.
 20 THE WITNESS: And then this one is OneWest
 21 Bank.
 22 MS. HUELSMAN: Yeah.
 23 MR. SPOONEMORE: And then the next page is
 24 one that refers to a First Addendum relating to
 25 IndyMac, and then there's an attachment to IndyMac and

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1 there's an e-mail, then I have the First Addendum
 2 again.
 3 MS. HUELSMAN: well, I just had her print
 4 the additional ones you sent to me, so that's where
 5 they went.
 6 MR. SPOONEMORE: Then the e-mail again.
 7 MS. HUELSMAN: Okay. So let's do this --
 8 MR. SPOONEMORE: See, we --
 9 MS. HUELSMAN: I see there's some
 10 duplication. Okay.
 11 MR. SPOONEMORE: Yeah. We supplemented --
 12 For example, the first twos pages are supplements in
 13 Bell.
 14 MS. HUELSMAN: Yes.
 15 MR. SPOONEMORE: Then there's a supplement
 16 in Wood.
 17 MS. HUELSMAN: You know what it is, I
 18 forgot, I sent them all to her. She printed them and
 19 stuck them all together.
 20 MR. SPOONEMORE: Okay.
 21 MS. HUELSMAN: So I apologize.
 22 MR. SPOONEMORE: Okay. Great. Just so
 23 we're --
 24 MS. HUELSMAN: Okay.
 25 MR. SPOONEMORE: Because the witness was

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1 going to have a hard time identifying them --
 2 MS. HUELSMAN: Yeah. No. I know.
 3 MR. SPOONEMORE: -- you know.
 4 MS. HUELSMAN: That's why. I'm sorry. My
 5 brain was not -- all right.
 6 THE WITNESS: It's Bell, Wood, and Bing x.
 7 MS. HUELSMAN: Did you already take stuff
 8 out?
 9 THE WITNESS: I'm sorry, it's that one.
 10 MS. HUELSMAN: Put them in that order.
 11 BY MS. HUELSMAN:
 12 Q. Okay, so Exhibit 16 that you have right
 13 there, it should be just a two-page document,
 14 Washington Mutual?
 15 **A. (Thumbs up).**
 16 Q. Yeah. All right, take a look at that.
 17 **A. Okay. I've (Reviewing document). I've**
 18 **reviewed it.**
 19 MR. SPOONEMORE: Just so we're clear,
 20 Exhibit 16 is LPS-BELL 0013 and 00014; is that correct?
 21 MS. HUELSMAN: Yes.
 22 Q. Okay, what is Exhibit 16?
 23 **A. Exhibit 16, as you call it, this is a --**
 24 **appears to be a copy of our signing authority for**
 25 **Washington Mutual.**

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1 Q. Okay. And I know we've been going back and
 2 forth between a few cases here, which is probably why
 3 it's getting a little confusing for you, but this
 4 document is a document upon which an LPS employee would
 5 have -- would rely in signing documents on behalf of
 6 Washington Mutual, correct?
 7 **A. This document would be one which would give**
 8 **them authorization upon which they could sign a**
 9 **document on behalf of Washington Mutual as an officer**
 10 **of Washington Mutual. It is not the only thing they**
 11 **would probably rely on, but yeah.**
 12 Q. What else would you -- would LPS rely on?
 13 **A. It would -- You would also rely upon what**
 14 **document was uploaded if you had authorizations to sign**
 15 **it. The signing authority may or may not contain a**
 16 **description of what we were authorized to sign, but**
 17 **there are some documents that LPS won't sign, and I'm**
 18 **not familiar with all of document types we won't sign.**
 19 Q. Okay. So we looked earlier at the document
 20 signed by Ms. -- Is it wisse or wees?
 21 **A. Wees.**
 22 MR. SPOONEMORE: Wees.
 23 MS. HUELSMAN: You told me Weis. Okay.
 24 Q. This would have -- and that she was signing
 25 on behalf of Washington Mutual, that would have been

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1 the document -- this would have been the document that
 2 she relied on to give her that signing authority as the
 3 assistant vice president?
 4 **A. She would have been aware of this document.**
 5 **She has a copy of this document because she's granted**
 6 **authority, and she would have reviewed this document**
 7 **before.**
 8 Q. Okay. And it's from this document that she
 9 gets the title assistant vice president for purposes of
 10 signing?
 11 **A. It appears to be that's what she's called on**
 12 **this, yes.**
 13 Q. Okay.
 14 Now let's look at LPS WOOD 823 through 827.
 15 MS. HUELSMAN: Got it, Rick?
 16 MR. SPOONEMORE: Got it.
 17 MS. HUELSMAN: Okay. Exhibit 17.
 18 (Plaintiff Exhibit No. 17 was marked.)
 19 A. (Reviewing document). Okay.
 20 Q. Okay. Are you familiar with the documents
 21 that are contained in Exhibit 17?
 22 **A. I am. I have read these now or skimmed**
 23 **through them, and I have seen these before.**
 24 Q. Yeah, I note that your name is on the e-mail
 25 thread on LPS 826 right in the middle of the page. Do

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1 you see that?
 2 **A. Yes. I am actually copied on that.**
 3 Q. Yep. Okay. Can you explain to me what this
 4 document is?
 5 **A. There's several documents. It appears to be**
 6 **related to our existing signing authority with IndyMac**
 7 **Bank, FSB and then the subsequent FDIC takeover of**
 8 **IndyMac Bank, FSB and transferred to -- it became**
 9 **IndyMac Federal Bank, FSB, and then subsequently it**
 10 **became OneWest Bank.**
 11 **And it appears to be the -- I don't see the**
 12 **-- the original signing authority for IndyMac Bank, FSB**
 13 **in these documents, but I do see the -- the affirmation**
 14 **on the last two pages, which are the e-mails string**
 15 **between Steve Gerths and Tim Otto. That's an**
 16 **affirmation that our -- that our signing authority was**
 17 **not repudiated by the FDIC during that change.**
 18 **And then I see that the first two documents,**
 19 **which relate to an addendum to the Default Services**
 20 **Agreement and a Service Transfer Agreement, appear to**
 21 **be part of the reaffirmation of our existing contract**
 22 **and authority.**
 23 Q. So this appears to just, basically, go from
 24 IndyMac Bank, FSB through --
 25 MS. HUELSMAN: Thank you.

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1 Q. -- to -- through IndyMac Federal Bank, but
 2 then on to OneWest Bank, FSB; is that correct?
 3 **A. It appears to be a part of establishing that**
 4 **chain between the original entity prior to the FDIC**
 5 **stepping in with office of thrift supervision back in,**
 6 **I believe it was 200--**
 7 Q. '8.
 8 **A. --8 and then the subsequent transfer**
 9 **ultimately to OneWest.**
 10 Q. And should there be an interim document
 11 signed by -- actually by IndyMac Federal Bank, FSB?
 12 **A. Not to my knowledge. It's my understanding**
 13 **that -- and I think it's affirmed by the executive**
 14 **representative, Tim Otto, of IndyMac Bank, that the**
 15 **FDIC does not require that you have to risk all**
 16 **contracts, that unless otherwise repudiated, you are**
 17 **clear to continue with existing contracts.**
 18 **And so the contracts and agreements we had in**
 19 **place at that time extended throughout the time period**
 20 **under the FDIC piece.**
 21 Q. So I want you to turn to the signature page,
 22 LPS 825.
 23 **A. Okay.**
 24 Q. Got it?
 25 **A. I have it.**

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1 Q. And at paragraph 4--it's misnumbered, there's
 2 no paragraph 3, but it's paragraph 4--the document
 3 indicates that OneWest replaced Indymac Federal as
 4 LPS's customer of record for the Identified Service.
 5 Do you see that?
 6 **A. I do see paragraph 4. This is a document I**
 7 **signed.**
 8 Q. Oh, that's your signature?
 9 **A. It is.**
 10 Q. Okay. And that's also -- Is that then your
 11 signature on the first page of Exhibit 17?
 12 **A. It is my signature on the first page.**
 13 Q. Did you just notice that?
 14 **A. No. I just noticed that -- I mean earlier**
 15 **you didn't ask me the question if I signed these. You**
 16 **asked if I was familiar with them.**
 17 Q. Yeah, I understand that. But you said you've
 18 seen it before of the. You actually took action on
 19 behalf of LPS, correct, by signing this document?
 20 **A. Yes. I'm sorry, you didn't ask that specific**
 21 **question. I thought you asked if I had seen these**
 22 **documents before, and the answer is yes, I've seen**
 23 **these before, and I am the person who signed both these**
 24 **two documents.**
 25 Q. Okay. And who instructed you to sign these

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1 documents?
 2 **A. I was provided with these by our legal**
 3 **department. This is essentially a reaffirmation of our**
 4 **existing Default Services Agreement and signing --**
 5 **well, it's really the signing authority, but it's our**
 6 **Default Services Agreement. So this is, I think,**
 7 **probably to memorialize again our existing arrangement**
 8 **or existing authority or agreement with OneWest Bank**
 9 **now.**
 10 Q. Okay. And what are the identified services
 11 mentioned back on the document we were looking at --
 12 "Identified Service." I'm sorry.
 13 **A. Could you point out the paragraph where**
 14 **you --**
 15 Q. It was paragraph 4.
 16 **A. Oh.**
 17 Q. So it's "Identified Service." And since we
 18 don't have the actual agreement, I don't know what the
 19 identified service is.
 20 **A. It --**
 21 MR. SPOONEMORE: That was produced, I
 22 should say, for the record. So we could pull it out.
 23 MS. HUELSMAN: Do you want to --
 24 MR. SPOONEMORE: I mean, you don't have
 25 to, but I just want to --

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1 MS. HUELSMAN: No, no. That's fine.
 2 You're correct. I'm just trying to find it in. . .
 3 **A. I would assume that document actually has a**
 4 **definition for "identified service."**
 5 Q. So, in other words, any -- LPS just continues
 6 to perform the same services for OneWest that it was
 7 previously performing for IndyMac Federal, which was
 8 derived from the services it was previously performing
 9 for IndyMac Bank?
 10 **A. I would believe that would be a safe**
 11 **assumption. It's a continuation, or an extension of**
 12 **the existing Default Services Agreement that we**
 13 **operated under the original entity throughout the life,**
 14 **and this is just a reaffirmation of those arrangements.**
 15 **From, like, what I said, I don't see anything**
 16 **that indicates that the original Default Service**
 17 **Agreement had to be affirmed again, it's just, I think,**
 18 **something we did just recently just to memorialize it.**
 19 Q. Okay. And so this would be performing the
 20 work on behalf of OneWest Bank and its predecessors
 21 whether they own the loan or whether they're just
 22 servicing?
 23 **A. It's to continue performing the support**
 24 **services we were contracted and asked to do.**
 25 MS. HUELSMAN: Okay, this is going to be

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1 to be -- where are at? Exhibit 18?
 2 COURT REPORTER: Yes.
 3 (Plaintiff Exhibit No. 18 was marked.)
 4 Q. Would you take a look at this document.
 5 **A. (Reviewing document).**
 6 Q. Have you ever seen these documents before?
 7 **A. They may have been part of the materials I**
 8 **was given yesterday as part of the case, but I don't**
 9 **recognize them offhand. But they appear consistent**
 10 **with signing authorities.**
 11 Q. For Washington Mutual Bank?
 12 **A. Yes, it appears the first one is Washington**
 13 **Mutual Bank.**
 14 **The second one is a Limited Power of Attorney**
 15 **for JPMorgan Chase Bank.**
 16 Q. As it's successor in interest to
 17 Washington --
 18 **A. Washington Mutual --**
 19 Q. -- Bank?
 20 **A. -- Bank.**
 21 **And the third one appears to be assistant**
 22 **secretary, again, for Washington Mutual Bank.**
 23 Q. Okay. So on these documents we have some
 24 people identified--going back to the first two
 25 pages--as assistant vice presidents, and other people

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1 are authorized to sign as assistant attesting
 2 secretary. Do you know why different people are given
 3 different titles for purposes of executing documents?
 4 **A. Yes. There are some documents in the legal**
 5 **process that require dual signatures, and the two**
 6 **signatures required require personnel with different**
 7 **capacities. Some maybe require an assistant vice**
 8 **president's signature, others require as secretaries.**
 9 **This is for those types of documents.**
 10 Q. But to be clear, all those people listed on
 11 those documents are not actual employees of Washington
 12 Mutual, are they?
 13 **A. No, they're not.**
 14 Q. They're LPS employees?
 15 **A. They're LPS employees who are granted**
 16 **authority under this limited officer designation to act**
 17 **in that capacity.**
 18 Q. Okay. So when these people are given titles,
 19 they're just titles that somebody gave them, so it's
 20 not that they're actually perform any different
 21 function, correct? At Washington Mutual.
 22 **A. No. They performed no function at**
 23 **Washington --**
 24 Q. That's right.
 25 **A. -- Mutual. They're not Washington Mutual**

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1 **employees --**
 2 Q. Right.
 3 **A. -- they're LPS employees.**
 4 Q. So Peter Read could have just as easily been
 5 given the title assistant attesting secretary, correct?
 6 **A. Yes. Typically, though, we would -- we would**
 7 **typically -- for officer designations, we would**
 8 **typically use more senior members of our company than**
 9 **we would for an attesting secretary.**
 10 Q. So what are the --
 11 **A. But that's just protocol procedure.**
 12 Q. What is Ms. Weis's actual job title at LPS?
 13 **A. She's an assistant vice president in our**
 14 **special assets area. She does title problems and**
 15 **contested.**
 16 Q. Okay. And so this Limited Power of Attorney,
 17 then, was executed by JPMorgan as Washington Mutual's
 18 successor?
 19 **A. Um-hmm. Yes.**
 20 Q. And they created their own list of people who
 21 could sign; is that --
 22 **A. Yes. Typically the way it would work, they**
 23 **would be -- they would ask us for a list of signers and**
 24 **we would send them a list, and they would select from**
 25 **that list personnel that they wanted on their signing**

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1 **authority.**
 2 **We -- we did not have any interaction in**
 3 **constructing an authorization for signing. This is a**
 4 **client document, a servicer document, if that clarifies**
 5 **it for you.**
 6 Q. Okay. And then we'll turn to the last two
 7 pages in the document. LPS WOOD 149 and 150. Can you
 8 just tell me what this is?
 9 **A. It's an assistant secretary certificate. So**
 10 **it appears to be another type of signing authority for**
 11 **Washington Mutual. And I believe it appears to be --**
 12 **it looks like, to me, the first document we looked at**
 13 **had an expiration, it was effective from June 1, 2007,**
 14 **to May 31, 2008. It appears that this document may**
 15 **have been its successor -- no. It still says the same**
 16 **thing, it is from June 1 through May 31, 2008. So it's**
 17 **another signing authority.**
 18 Q. Now, this document says that the person --
 19 the vice president -- assistant vice president has the
 20 authority to execute routine procedural documents
 21 directly related to the prosecution of matters of
 22 foreclosure, bankruptcy, claims, and eviction of
 23 mortgages and deed of trust. Do you see that language?
 24 **A. I do see that language.**
 25 Q. Is there ever -- you -- You've talked

<p style="text-align: right;">Page 145</p> <p>1 frequently throughout our deposition today about people 2 being able -- LPS employees being able to sign certain 3 documents and other documents not, you know, being 4 outside their authority to sign. Is there a list of 5 what documents they can or cannot sign that identifies 6 it with any more specificity than the document -- than 7 this document that we're looking at? 8 A. There is a list of document types that we 9 consider outside the bounds of our signing authority. 10 Q. Okay. 11 A. But, again, like we discussed earlier, there 12 could be verbiage or content within that based upon the 13 way it's -- the document's constructed, perhaps the way 14 that the drafter -- the law firm were to specify the 15 person signing or their title, we would not be able to 16 sign in that capacity under our authorization, so those 17 also would not be signed. 18 Q. So there's a list of what they can't sign, 19 not a list of what they can sign? 20 A. That's probably a good way to look at it. 21 Like we talked about, like this actual sentence 22 mentioned, "routine procedural documents," you 23 typically see it's the same documents over and over 24 again that say with a foreclosure action. So if a 25 document outside of an assignment, for example, or a</p>	<p style="text-align: right;">Page 147</p> <p>1 you retrieve notes out of document -- out of Process 2 Management, you have the ability to filter notes to see 3 all loan or to see only notes affiliated with a certain 4 process. 5 Q. Okay. 6 A. Without reviewing the loan, I can't tell you 7 whether or not this is all the notes. 8 Q. Well, like I said, there -- I mean, I'm not 9 trying to trick you. 10 A. Sure. 11 Q. There's, like, 60 pages of this, I just -- 12 A. They are notes from Process Management. 13 Q. Okay. And so some of these notes -- 14 A. All notes. 15 Q. -- are written by LPS people, some of them 16 are written by people at Routh Crabtree, which is the 17 law firm that owns Northwest Trustee. So -- And it 18 seems that there's -- some of them that are sending 19 messages, like, to Washington Mutual Default 20 Litigation? 21 A. Yes. 22 Q. So this is what we are -- I think we were 23 talking about earlier where I said some of it looks 24 like it's quasi e-mail in nature, but others of it can 25 be just notes that somebody is entering into the</p>
<p style="text-align: right;">Page 146</p> <p>1 substitution of trustee, were it to be submitted, it 2 would cause us to have red flags. We'd typically 3 forward that if it wasn't something we were familiar 4 with or comfortable executing. 5 Q. Okay. 6 MS. HUELSMAN: Exhibit 19. 7 (Plaintiff Exhibit No. 19 was marked.) 8 Q. Why don't you take a look at the few pages 9 here. 10 A. (Reviewing document). 11 Q. I'm just going to ask you a few general 12 questions, and I just wanted to use this -- these few 13 pages, because there's -- this entire -- 14 A. A lot of information within it. 15 Q. Well, there was 60 or so pages of this. 16 A. Okay. 17 Q. And really I just wanted to ask, it appears 18 to me that this dialogue, I guess we'll call it, was 19 all generated through the Process Management Notes Word 20 Doc Generator system; is that correct? 21 A. These are notes within Process Management, 22 documenting every action taken in the system, it 23 appears to be. 24 Q. Okay. 25 A. One thing I should clarify for you is, when</p>	<p style="text-align: right;">Page 148</p> <p>1 system; is that correct? 2 A. The notes in Process Management -- and I will 3 clarify, because the top of the page does say all 4 notes -- "View: All Notes," so that tells me that 5 we're looking at everything. 6 Q. Okay. 7 A. The notes in Process Management document 8 every action, whether they be intercoms or 9 communications or -- or completions of steps or events 10 or data gathering elements. So it's a complete audit 11 trail of everything that was performed in the Desktop 12 on this loan. 13 Q. Okay. So even when it's messages to and from 14 in the Intercom system that we were talking about? 15 A. It would be documented in notes, correct. 16 Q. Okay. All right. 17 Is Judith Steele an employee of LPS? 18 A. Not to my knowledge. I'm not familiar with 19 the name. 20 Q. Rosa Montel? 21 A. We have 1200 employees, so I apologize, I'm 22 not familiar with that name, either. 23 Q. Okay. All right. And I indicated that I 24 forgot to ask you when we started whether or not -- oh, 25 excuse me, to give me a description of your job and</p>

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1 your duties, and you started off telling me you were an
 2 assistant vice president when you were hired in 2003.
 3 Can you describe to me your job responsibilities in
 4 that role and then continue with your promotions, I
 5 guess, through LPS.
 6 **A. Sure. In 2003 when I was hired, I was an**
 7 **assistant vice president for customer relations. I**
 8 **think we talked about my duties under customer**
 9 **relations before. Do you want me to reiterate that**
 10 **again, or. . .**
 11 Q. I think we're okay. Go ahead and move on to
 12 the next.
 13 **A. I was promoted to vice president of**
 14 **operations in two thousand and, I believe, five, and**
 15 **subsequently, later to first vice president of**
 16 **operations. All of that had to do with I was asked to**
 17 **come to Minnesota as we kind of expanded and grew.**
 18 **And I -- I am currently the first vice**
 19 **president of operations, the site manager for**
 20 **Minnesota -- for our Minnesota site, and my primary**
 21 **responsibilities are over the bankruptcy and customer**
 22 **support functional teams within our company.**
 23 Q. Okay. And that's your role now, right?
 24 **A. That is my role today.**
 25 Q. It's vice president of operations?

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1 **A. First vice president of operations, correct.**
 2 Q. And one other question I wanted to ask you,
 3 we talked earlier about the fees that were charged for
 4 LPS's services, and I believe when you were providing
 5 me with that information, you were telling me how much
 6 the fee -- how much LPS charges the attorneys, was that
 7 correct? The attorneys in the attorney network.
 8 **A. I think we covered a lot of topics when we**
 9 **talked about fees, so I'm not positive which one we're**
 10 **talking about. We did discuss what I believe to be the**
 11 **fees associated with our support services that are**
 12 **charged to the attorney.**
 13 Q. Okay.
 14 **A. However, like I said, I don't have the fee**
 15 **structure right in front me, and it varies by state**
 16 **by --**
 17 Q. And that's fine. I just wanted to be clear,
 18 though, that we were talking about attorney network
 19 fees. So how does LPS charge the servicers?
 20 **A. The same thing, we would invoice the servicer**
 21 **for certain support functions that we perform.**
 22 Q. So, in other words, if a servicer uses LPS to
 23 start a foreclosure process, they're going to upload
 24 the information so that it gets to the attorney in the
 25 attorney network, right?

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1 **A. So the servicer would start the foreclosure**
 2 **process and utilize our technology to deliver that, the**
 3 **data and images to the law firm.**
 4 Q. Right. So LPS is going to charge the
 5 servicer a fee for initiating that process; is that
 6 correct?
 7 **A. No, not for a foreclosure process. The --**
 8 **the fee model is based on a foreclosure. Once the law**
 9 **firm accepts that legal action from the servicer to**
 10 **support the administrative pieces of that legal action**
 11 **for the law firm, the law firm pays us a fee for that.**
 12 Q. So the servicer doesn't pay anything?
 13 **A. No.**
 14 Q. How does the servicer pay LPS for performing
 15 like services?
 16 **A. Like said, they would be invoiced for certain**
 17 **services that we might be providing them, but it's not**
 18 **for the -- we don't invoice a servicer for the**
 19 **foreclosure action, it doesn't work that way. For our**
 20 **support provided to the law firm for foreclosure**
 21 **action.**
 22 Q. Okay. And in a foreclosure case, would
 23 you -- would LPS charge any amount to a servicer?
 24 **A. LPS Default Solutions in a foreclosure case**
 25 **would not typically invoice the servicer. I can't**

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1 **think of an invoicable item within a foreclosure.**
 2 Q. What about in a bankruptcy case?
 3 **A. There are some bankruptcy support services**
 4 **that are invoiced to the servicer. For example, we**
 5 **discussed Acer monitoring bankruptcy setups. The fees**
 6 **and et cetera that we have to pay for that monitoring**
 7 **activity to Acer are essentially passed through and**
 8 **invoiced to the servicer.**
 9 Q. All right. I think -- I think that's it.
 10 Thank you.
 11 THE WITNESS: Okay. I hope I was helpful.
 12 MS. HUELSMAN: Thank you.
 13 MR. SPOONEMORE: I don't have any
 14 questions. He will read and sign, please.
 15
 16 (The deposition was terminated at 12:47 p.m.)
 17
 18
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 24
 25

1 STATE OF MINNESOTA)

2 CERTIFICATE : ss.

3 COUNTY OF HENNEPIN)

4
5 I, Cindy L. Schultz, RMR, CRR, CLR, a notary public in
6 and for the County of Hennepin, certify that I reported
7 the deposition of CHRISTIAN S. HYMER, who was first
8 duly sworn by me, having been taken on January 13,
9 2010, at 1400 Rand Tower, 527 Marquette Avenue, South,
10 Minneapolis, Minnesota;

11 I further certify that I am not a relative or employee
12 or attorney or counsel of any of the parties or a
13 relative or employee of such attorney or counsel;

14 That I am not financially interested in the action and
15 have no contract with the parties, attorneys, or
16 persons with an interest in the action that affects or
17 has a substantial tendency to affect my impartiality;
18 that all parties who ordered copies have been charged
19 at the same rate for such copies;

20 That the right to read and sign the deposition by the
21 witness was not waived.

22 IN WITNESS WHEREOF, I have hereunto set my hand and
23 affixed my seal of office at Minneapolis, Minnesota,
24 this 20th day of January 2010.

25

26 _____
27 Cindy L. Schultz, RMR, CRR, CLR

28 My commission expires 1/31/2010