

IN THE CIRCUIT COURT OF THE
FIFTH JUDICIAL CIRCUIT, IN AND
FOR LAKE COUNTY, FLORIDA

CASE NO.: 2009 CA 005717

JPMORGAN CHASE BANK, N.A.
as Successor in Interest to
WASHINGTON MUTUAL BANK,

Plaintiff,

VS

SHERONE D. WAISOME, et al,

Defendant.

* * * * *

DEPOSITION OF: LAWRENCE NARDI, VOLUME 1 OF 2

DATE TAKEN: MAY 9, 2012

TIME: 9:03 A.M.

PLACE: 121 SOUTH ORANGE AVENUE
SUITE 800
ORLANDO, FLORIDA

REPORTED BY: CINDY CONNER, CSR, RPR AND
NOTARY PUBLIC

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A P P E A R A N C E S

RACHEL CREWS, ESQUIRE
Gray Robinson, P.A.
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APPEARING ON BEHALF OF THE PLAINTIFF

JACQULYN MACK, ESQUIRE
Mack Law Firm Chartered
2022 Placida Road
Englewood, Florida 34224

APPEARING ON BEHALF OF THE DEFENDANTS

ALSO PRESENT: Mr. Sherome Waisome
Mr. Nye Lavalley

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1 P R O C E E D I N G S

2 (On the record at 9:03.)

3 LAWRENCE NARDI,

4 having been first duly sworn to testify the truth, the

5 whole truth and nothing but the truth, testified as

6 follows:

7 THE WITNESS: I do.

8 DIRECT EXAMINATION

9 BY MS. MACK:

10 Q Hi, Mr. Nardi. My name is Jacquelyn Mack. I
11 represent the Waisomes. And have you ever had your
12 deposition taken before?

13 A I have.

14 Q Okay. If you don't understand my questions,
15 please let me know because if you answer, I will assume
16 that you understood it. If I am talking too fast, I'm
17 sure the court reporter will let me know. But, again,
18 if you don't understand, let me know. Please don't
19 answer with a shake of your head or an "uh-huh" or
20 "huh-uh," because it doesn't come out very well.

21 I will do my best to make sure that I wait
22 until you are done with your answers. And if you could
23 please just try and do the same, that would make our
24 record a lot clearer than if we talk on top of each
25 other. If you need a break, you can just let me know or

1 get up and walk out. That's up to you.

2 I think that covers it, so let's start with
3 the basics. What is your current occupation?

4 **A I work as the operations unit manager and a**
5 **mortgage officer for the bank.**

6 **Q** And the bank is?

7 **A JPMorgan Chase Bank, NA.**

8 **Q** Okay. And could you please tell me what your
9 job duties are?

10 **A I work with inside and outside counsel on**
11 **contested and litigated matters. I review business**
12 **records. I review customer service logs. Basically**
13 **anything that will get to the bottom of any given**
14 **litigation situation or potential litigation situation**
15 **in hopes of defusing it or coming to some type of**
16 **resolution settlement before it ultimately ends in trial**
17 **or litigation. I appear on behalf of the banks when**
18 **necessary. That's generally what I do.**

19 **Q** And what is your education? Start with high
20 school.

21 **A I attended high school at Fort Union Military**
22 **Academy Central Virginia. I graduated in 1996. I went**
23 **to the Merchant Marine Academy in Kings Point, New York,**
24 **class of 2000. And I took some additional postgraduate**
25 **studies in business management, but not to the degree**

1 level of at this point.

2 Q And did you work while you were in college or
3 the marine --

4 A While I was in college, I technically did work
5 as part of my -- I was a naval reservist. I was also
6 working on a ship as part of my time at the academy. I
7 also worked odd jobs and parked cars on the weekends to
8 make extra money.

9 Q What type of job duties did you have when you
10 were with the academy working with the Navy?

11 A Well, I was in an engineering program, so I
12 worked in the engineering department on the ship.

13 Q Okay. After you were -- after you graduated,
14 what jobs did you have after that?

15 A I determined that my interest in engineering
16 was more personal than actually career, so I went to
17 work for Citi -- Citi Cards. I started working on
18 their -- this was a -- this was, you know, right around
19 2000. The Worldwide Web was really starting to pick up,
20 and online customer service was starting to pick up. So
21 I started to help them implement some online customer
22 service, really rudimentary stuff, you know, review
23 balances and chat with representatives and things like
24 that. Nothing like you see today, but early stages.

25 Q Okay. And was that from a technical aspect

1 as -- when you -- you said you helped develop this
2 customer service -- web-based customer service --

3 **A Right.**

4 **Q** -- is that correct?

5 Is that fair enough --

6 **A Correct.**

7 **Q** -- to describe it like that?

8 **A Yes.**

9 **Q** Were you actually involved in the software and
10 programing of the customer service aspects or was it
11 more just dealing with people?

12 **A More along the lines of developing it based**
13 **upon customer input and giving the software designers an**
14 **idea of what we needed them for really, at that time,**
15 **was basically like HTML coding -- which I didn't have**
16 **any background in -- but letting them know what our**
17 **customers were looking for, testing it, implementing it,**
18 **and getting feedback from the customers on that side of**
19 **it.**

20 **Q** How long did you work in that position?

21 **A About two years.**

22 **Q** Okay. And did you leave voluntarily or --

23 **A I did.**

24 **Q** Okay. And what did you do next?

25 **A From there, I went into mortgage originations.**

1 Q Okay.

2 A I did that for a couple of years with a small
3 originator called ABN AMRO. They are also a service --
4 I'm sorry. I just misspoke.

5 Q That's okay.

6 A PHH Mortgage, which is now -- I think they're
7 called (inaudible) PHH now, but --

8 THE REPORTER: I can't understand what you're
9 saying.

10 A PHH Mortgage.

11 THE REPORTER: You're going kind of fast.

12 THE WITNESS: I'm sorry.

13 Q (By Ms. Mack) PHH Mortgage. Now, when you
14 were working with Citi, where was that --

15 A Jacksonville, Florida.

16 Q Jacksonville. Okay.

17 PHH, were you also in Jacksonville?

18 A I was.

19 Q And as a mortgage -- working with the
20 origination at PHH, what were your job duties?

21 A I was the originations officer there. I
22 worked with the borrowers on collecting documents,
23 getting them prepared for their, you know, eventual
24 closing of their loan; working with underwriting and
25 making sure that the documents they needed to push the

1 loan package forward were provided. Basically kind of
2 the air traffic controller of the loan originations part
3 of the business.

4 Q Okay. Now, at PHH -- are you from
5 Jacksonville?

6 A I am not. I lived there for basically since I
7 got out of college.

8 Q Okay.

9 A About 12 years or so.

10 Q Okay. With regard to PHH, did you -- were you
11 a supervisor or were you supervised?

12 A I was not a supervisor. I had a -- I had
13 support staff, but they were pooled into groups that
14 supported basically five or 10 other loan officers. So
15 I was supervised. I had kind of a head loan officer
16 that was -- so we were in a pool.

17 Q Okay. And how long did you perform that job
18 at PHH?

19 A I would say it was also about two years.

20 Q Okay. And were you let go or did you leave
21 voluntarily?

22 A I left voluntarily.

23 Q Okay. What did you do next?

24 A Well, we -- that -- PHH Mortgage was leasing
25 space from Merrill Lynch, who has a large campus in

1 **Jacksonville. A friend of mine was working for Merrill**
2 **Lynch as a broker and investment adviser and got me**
3 **interested in doing that, so I applied and became a**
4 **broker and investment adviser for Merrill Lynch.**

5 Q Did you have to take any type of tests to
6 become a broker?

7 A I did. I took a Series 7 and Series 66 exams.

8 Q All right. Do you still have those licenses?

9 A They are not current, no.

10 Q Okay. And with regard -- and please don't
11 take offense, but I have to ask these questions. With
12 regard to those licenses, were they ever suspended for
13 any reason?

14 A No.

15 Q Okay. And how long did you work with Merrill
16 Lynch as a broker?

17 A I'd say also about two years.

18 Q Okay.

19 A It may have been a little bit longer than
20 that.

21 Q And if you could just generally describe your
22 job duties at Merrill Lynch.

23 A My job duties were -- we worked with the
24 retirement services -- or I worked with the retirement
25 services. I worked on the 401(k) and stock trading

1 portfolios for companies like Coca-Cola, Daimler
2 Chrysler. It was just Chrysler at the time, I believe.
3 Kind of their major employee plans. Some of those plans
4 had actual trading accounts within them that allowed
5 their borrower -- I should say their employees to trade
6 live stock within their 401(k) plan, which was very
7 interesting. But you basically had to have a broker,
8 someone licensed to actually complete those
9 transactions. So that's where we came in.

10 Q Okay. And I believe you said you were in that
11 position for about two years as well?

12 A About two years.

13 Q And what did you do next?

14 A After that, I started work -- went back into
15 mortgages on the servicing side. I worked for a company
16 called ABN AMRO, which was the servicing division of
17 LaSalle Bank. And I did that for, again, about two
18 years. I worked in their property preservation area,
19 working with abandoned and neglected homes that were in
20 some stage of default.

21 Q Okay. With -- let me just -- sorry. Go back
22 to Merrill Lynch.

23 Did you leave voluntarily Merrill Lynch?

24 A Yes.

25 Q Okay. The job with ABN AMRO, what -- if I am

1 doing my math right, this is about 2008?

2 A Coming into -- because we were purchased by
3 Citi Mortgage and they laid everyone off. And this was
4 like late 2007, I believe.

5 Q Okay.

6 A In fact, the reason I remember this is that I
7 walked out of ABN AMRO on -- I think it was September,
8 one weekend in September '07. And then on Monday, I
9 already had my job lined up at WAMU. So I basically had
10 no down time. But I think it was basically the end of
11 2007.

12 Q Did you know that they were going to be
13 restructuring at ABN AMRO?

14 A We were told -- when they first announced the
15 purchase, we were told nothing was going to change; that
16 everything would be okay. And then within about 60
17 days, they came back and said, We changed our mind, we
18 don't need anybody, and you are all going to lose your
19 jobs, and basically said -- and then they said, Oh, but
20 we need you to stay here until we close the doors, so
21 please don't leave.

22 I stayed on. I stayed on and took calculated
23 risks because they promised a pretty nice little
24 severance package if you stayed on to the end. I kind
25 of rolled the dice on whether or not I would have a job

1 walking out, and it just turned out just right. So I
2 walked out Friday and walked into the new job on Monday.

3 Q One of the lucky ones --

4 A I think.

5 Q -- at that time, it sounds like.

6 A A lot of the people left. The building was
7 pretty bare for a number of months after they made the
8 announcement.

9 Q How did you get to the WAMU job? How did you
10 find it?

11 A A lot of people from -- Jacksonville is a
12 pretty small -- I shouldn't say small. There's a lot of
13 jobs there, but it's a small world in mortgages there.
14 Once you start working in mortgages, you're going to
15 know just through, you know, attrition people that leave
16 and come and go to different businesses. You're going
17 to have connections after you have been there a year.
18 So I had people who had gone to WAMU years ahead of me,
19 and then some had recently gone just after they made the
20 announcement. So I had some connections there, and I
21 said, What can you get me into?

22 And then I got a call from one of the managers
23 there who asked if I was interested in this position. I
24 said, Yes, but I can't start for 90 days. And it worked
25 out that way, so it's a pretty small world.

1 Q What was the position that you began -- what
2 was the first position that you held at WAMU as far as
3 title and duties go?

4 A Title and duties? The first position I held,
5 I think it was like senior -- I've got to think. I've
6 got to think a minute because those titles don't exist
7 anymore since the purchase.

8 Senior lead operations specialist.

9 Q Okay.

10 A And the -- but that covered probably 100
11 different positions, so the title didn't really mean
12 much. Specifically, my duties were to work with
13 deceased borrowers' estates on these loans where we
14 really didn't have a borrower anymore, but we
15 potentially had some recovery because the family members
16 either wanted to keep the home -- you know, it was one
17 of the things where the family wanted to keep it -- or
18 figuring out a way to make the loan perform, or at least
19 collect on it in some way.

20 So I would work with the family, hopefully,
21 you know, with the executor or executrix of the estates,
22 getting them documented on the loan to really work with
23 us, and then kind of moving down the line where loss
24 mitigation or somebody in recovery could get that loan
25 to perform. So I was kind of on the front end working

1 with the estates and trying to establish who we needed
2 to deal with and then push it on down the line to some
3 kind of loss mitigation.

4 Q Now, aside from that, were you doing any other
5 type of loss mitigation or was it just focused on the --
6 on the deceased borrowers?

7 MS. CREWS: Object to form.

8 A I was only doing -- really, just focusing on
9 establishing that line of communication, verifying that
10 these people had the authority to act on behalf of the
11 deceased. Beyond that, I didn't have anything to do
12 with the loss mitigation.

13 Q (By Ms. Mack) Okay. What else did you do
14 when you first became employed with WAMU?

15 A That was pretty -- I mean, I was -- that was
16 me. That was -- it was me, and I had one direct report
17 at that point, and we were handling that entire
18 operation. So it kept me busy for a time, and I was
19 actually going back and kind of redoing some of the
20 filing systems that they had and kind of getting that
21 more modernized. And that probably took me through the
22 first year-and-a-half or thereabouts.

23 It seems like I was still doing it at the time
24 that we were -- that we were purchased by Chase, but --
25 so I didn't change jobs until after the Chase purchase.

1 Q Okay.

2 A **Which was in September 2008.**

3 Q With regard to your -- with WAMU. So who did
4 you work with? Do you remember who your fellow
5 employees were?

6 A **Well, in that -- in my department, which was,
7 like I said, just very small, just two of us, it was me
8 and a friend -- she remains a friend -- Nefreta. She
9 worked with me in that particular area of the business.**

10 Q Okay. And who was your supervisor when it was
11 still WAMU?

12 A **Rocky Zaida was our supervisor.**

13 Q Okay. And did you report to anyone else
14 besides Mr. Zaida?

15 A **No.**

16 Q Okay. The -- were you on salary at WAMU or
17 was it a --

18 A **No. It was -- at that point, it was hourly.
19 I was nonexempt employee.**

20 Q Okay. And did that ever change before
21 September 25, 2008, the salary part of it? Or
22 compensation, I should say?

23 A **As far as being salaried or hourly? No, that
24 did not change.**

25 Q All right. And when you were -- right around

1 the time that the FDIC took the bank over, WAMU, did you
2 know that was going to happen?

3 A No, we didn't know that was going to happen.
4 Clearly, there was, you know, some indications that the
5 bank wasn't doing well. You could see the stock
6 slipping. I think at that point we were like at, you
7 know, \$4 a share, where at the beginning of that year we
8 started out at a much larger number. So, clearly, there
9 was some indication that something was going on, but
10 there was no telegraphing of what was going to happen.

11 What took place took place literally
12 overnight. We came in the next day and, I mean, people
13 were like, Did you hear about it on the news? That's
14 how fast it really happened, and we had no really
15 warning. But in the end, nothing really changed at all
16 because we continued to do our duties and things went on
17 as they did the day before that and the day before that.

18 Q With regard to the day or week of the
19 receivership of WAMU, first -- let me back up.

20 The place where you worked at WAMU, could you
21 describe it to me? Is it a campus in Jacksonville? I
22 know that y'all like to call them --

23 MS. CREWS: Object to form.

24 Q (By Ms. Mack) -- campuses.

25 A There are actually -- at the time -- we'll say

1 at the time. At the time, the buildings were all
2 situated in a building or an office -- what's the word
3 I'm looking for -- complex called, like, Deerwood Park
4 or Deerwood. And it's got all kinds of businesses in
5 it. State Farm has a business there. Citi for a
6 long -- I think at this time, Citi still had a big
7 building there, and WAMU had buildings there.

8 WAMU was also renting space from other
9 businesses as well because they had grown out of their
10 own space. So we were actually working -- or I was
11 actually working at the time in one of the rented
12 buildings called the Charleston Building, which was just
13 down the street from the main building.

14 Q Okay. When the -- it's my understanding that
15 the receivership began on a Thursday; is that correct?

16 A I don't remember the day of the week.

17 Q Okay.

18 A It was like September 25th, you know.

19 Q Were you actually still at work when the FDIC
20 came to seize the bank?

21 A Well, I don't know if they ever physically
22 came to the buildings, and I probably wouldn't have
23 really paid attention anyway. I -- so I don't know
24 whether I was actually in the building. I mean -- and
25 my understanding of the transaction is that, apparently,

1 it may have happened like after hours or overnight. So
2 probably after 5:00, I wasn't there. So if the actual
3 seizure took place after 5:00 p.m. on any given day, I
4 probably wasn't there.

5 Q Was it your practice to leave before or after
6 5:00 when you were working with WAMU?

7 A Well, generally, if -- you know, unless you
8 had some type of overtime approved, you were going to be
9 leaving, you know, sometime around 5:00.

10 Q Gotcha. Now, when you came back to -- to your
11 job and it was Chase, could you just describe what
12 happened? I mean, how did you know that you weren't
13 working for WAMU anymore?

14 A Well, probably the first thing is what you
15 normally get in any office environment is the hushed
16 tones and the whispers and, Did you hear this and did
17 you hear that? So nothing official right off the bat.
18 I think probably more -- I don't watch the news in the
19 morning, so probably people had a leg up on me watching
20 the news and hearing something that happened.

21 So for me, all I heard was kind of the
22 third-party information. There had not been any
23 official announcements through e-mail or had not gotten
24 a manager or senior managers of the building to announce
25 anything. So, really, it was kind of business as usual

1 other than the obvious disruption of kind of having
2 people wandering around going, What's going on? But it
3 was business as usual, and nothing really changed.

4 Q When did you first have a change either in
5 your job description, your compensation, your manager?
6 Do you remember when that would have been?

7 MS. CREWS: Object to form.

8 A The -- well, you know, honestly, for the most
9 part, nothing changed for a matter of months. They --
10 they let us know shortly thereafter -- probably either
11 later that day or sometime that week, they came out with
12 some official announcement saying, This is what has
13 happened. It's business as usual. Do your duties as
14 described, and nothing is going to change right now.

15 Probably months later, they started to roll
16 out plans, letting people know that they're aligning
17 the -- the -- I guess what you'd call the human capital.
18 You know, the human resources with what was -- what
19 Chase already had in the area. So the biggest impact
20 was probably to the retail branches because they had a
21 WAMU branch across the street from a Chase branch. So,
22 clearly, that's kind of a waste. So those people were
23 impacted more heavily.

24 From the mortgage servicing side, there was
25 some realignment in small areas, but no one really lost

1 their job. They may have been reassigned to a different
2 job because that function was no longer going to be
3 handled in Jacksonville and maybe it was moving to
4 Lewisville or Columbus. But people were still sitting
5 in the same desks. People were still receiving their
6 paychecks. I think at some point months later, the
7 paychecks may have changed as far as, like, who was
8 cutting the checks. But as far as compensation level
9 goes, all of that remained the same. Titles remained
10 the same. Department names stayed at same. Not a lot
11 changed.

12 I mean, if you walked into that building three
13 or four months later, the only thing you may have
14 noticed is maybe a lot of the signage changed and they
15 had taken down the WAMU signs and replaced with Chase
16 signs. But that's about the extent of what you would
17 see right on the surface.

18 Q (By Ms. Mack) Okay. Now, did there come a
19 time when either your job position changed after the --
20 after Chase took over the WAMU, did that come a time
21 when you either became salaried or had a different
22 title?

23 A Not -- not by force or by change of business.
24 I actually applied for another position within the bank
25 and moved into that position, so my -- I don't think my

1 salary changed. My title -- I don't even think my title
2 changed because, like I mentioned before, the titles
3 were kind of used for all kinds of positions. My duties
4 certainly changed and supervisors changed. But at the
5 time, my move was considered lateral, so I didn't get a
6 bump or I didn't change from salary to hourly or hourly
7 to salary.

8 Q Okay. So at this time, at the lateral move,
9 you're still on an hourly -- you're still doing an
10 hourly -- sorry. Compensation was still hourly instead
11 of salaried --

12 A Correct.

13 Q -- is that correct?

14 That was tough.

15 Okay. So the lateral move, your supervisor, I
16 believe you just said, changed.

17 A Yes.

18 Q Who was your new supervisor?

19 A Shelly Thevin became my new supervisor.

20 Q Okay. And did the -- did your fellow
21 employees that you worked with change?

22 A Yeah. I moved out of the team that I was
23 working with into a completely new team.

24 Q Okay. Who -- do you remember who you were
25 working with with the new team?

1 A It's been -- it's been a couple of years now
2 since I worked with these folks. Probably first names,
3 I worked with a guy named Vinnie. I worked with a lady
4 named Laura. There was probably about 20 to 30 people
5 on the team. Some of the people I worked with daily,
6 but not -- not every one I came in contact with all the
7 time.

8 Q What were your job duties at this new
9 position?

10 A This was a function of kind of early dispute
11 resolution and Chase legal. I worked -- at that time,
12 it was basically my first step into working with
13 contested and litigated home loans.

14 Q Okay.

15 A A lot of these were contested foreclosures.
16 There were also some eminent domain cases, some title
17 cases. So I was working a case load of, you know,
18 somewhere around 2- to 300 cases at any given time. We
19 were -- we were split up by state, so I would be
20 assigned to a few states. I think I had Florida and a
21 couple of other smaller ones because Florida was a
22 pretty large volume state.

23 So I would work on these cases with inside and
24 outside counsel and try to come to some resolution and
25 do some drill-downs to find out what caused the issue

1 and recommend maybe some resolution tactics, whether it
2 be -- you know, if it was something we could make go
3 away quickly by doing something simple or whether or not
4 we are going to have to litigate to the end because of
5 whatever issue. So working with inside and outside
6 counsel on those cases and appear on these cases when
7 necessary. A lot of -- basically a lot of what I do now
8 is kind of -- is rooted in what I was doing then.

9 Q Okay. And I'm just going to go back to a
10 couple of questions. When Washington Mutual became
11 Chase in 2008, did the policies and practices that --
12 that would have been, I guess, taught to you or you
13 would have been trained in the policies and practices of
14 Washington Mutual -- well, let me back up. I'm sorry.

15 Did you have any training when you became
16 employed with Washington Mutual?

17 A Yes. I went through some -- everyone goes
18 through some on-boarding just to give you an idea of the
19 culture. And then depending on what kind of job duties
20 you're going to be doing, give you some systems overview
21 so you can become familiar with the systems if you
22 hadn't already become familiar with them.

23 Q What -- okay. Let's unpack that. What type
24 of training with regard to systems did you have when you
25 were hired by WAMU?

1 A Well, of course, I had the benefit of having
2 worked with the servicer previously. So what you may
3 have found is that a lot of the servicers use the same
4 systems. So specifically we were using -- at ABN, we
5 were using MSP.

6 Q Is that the mortgage servicing platform?

7 A Correct.

8 Q Okay.

9 A Actually, to be technical, I believe it's
10 called mortgage servicing package. Platform was
11 incorrect.

12 Q Okay.

13 A The -- so it's a widely used system. In fact,
14 all of the major servicers I have ever worked for have
15 used it. So WAMU was using it. Chase was also using
16 it, so I had the benefit of that. So the training for
17 that for me was kind of redundant.

18 Some of the other things like some of the
19 imaging software, obviously, you know, people that have
20 worked in the office environment know how to use e-mail
21 and things like that. So a lot of the systems training
22 for me was kind of redundant, but it's required. It's a
23 formality. And then, you know, like I said, kind of the
24 things to get you used to the culture of the company and
25 those things.

1 So, yes, there is -- there is technically
2 training for systems; however, for me, it was pretty
3 much redundant except for a few things.

4 Q Now, the MSP system that you're talking about,
5 is that the Fidelity Lender Processing Services' MSP?

6 A I am not an expert on everything at Fidelity.
7 My understanding is that Fidelity developed the software
8 and licensed it to individual servicers. So that's my
9 understanding, is they actually -- they own it. It's
10 their property. We're leasing it as a servicer.

11 Q But this is -- this software that we've been
12 talking about, it is -- it's the same for each of the
13 servicers you've worked for as far as MSP? Maybe at
14 WAMU, it's the same MSP as JPMorgan Chase?

15 A My understanding is they are exactly the same.
16 When I was working with both systems at some point
17 before the -- before this last year, the loans were
18 maintained on different servers, but the software
19 interface is exactly the same. And the same thing goes
20 for ABN.

21 There may be some minute details on how
22 certain data fields are used. But when you look at the
23 screens and the software and the way you navigate
24 through it, it's exactly the same.

25 Q Okay. The scanning that you have referenced,

1 what type of programs did you use to scan documents at
2 WAMU?

3 A At WAMU, I believe it was called Image Web, if
4 I'm not mistaken. And Image Web was the default
5 software for anytime you need to look up imaged
6 documents, whether it be notes, mortgages, origination
7 packages, applications. You know, whatever was deemed
8 worthy of saving or necessary to save for servicing
9 purposes.

10 Q Okay. And would there have been any other
11 system -- computer system that you would have used at
12 WAMU other than the two that you've just described?

13 A They had a separate servicing system for the
14 home equity loans. I think it was called ACLS. ACLS.
15 And they had a customer service collections system
16 called CACS that was used for home equity collections.
17 Those are examples of systems that we would have used at
18 WAMU that didn't -- that weren't the majors. I guess
19 the major being MSP.

20 And then other -- we used other things. I
21 mean, Outlook e-mail is a major. You know, that's the
22 line of communications of people within Chase, so you
23 use Microsoft e-mail. So, really, the MSP is really the
24 central repository for all information related to a
25 loan, so most people work out of that anytime they're

1 coming in contact with, you know, servicing.

2 Q Okay. And, now, when you accessed MSP, did
3 you have a user number or identification?

4 A Yes. Everyone has a unique identifying
5 usually three-digit code assigned to them. So they sign
6 in, and they also given -- you know, they also -- they
7 have to set their own password. So, yes, every time you
8 sign into the system, you have to sign in and use the
9 identifier.

10 Q Okay. And did you have the -- when you signed
11 into MSP, did you have the ability to enter data or just
12 review it?

13 A I had the ability -- you know, part of my
14 duties were to document the things that I was doing.
15 So, yes, I had the ability to enter data into certain
16 areas. Not all areas can be manipulated. I could enter
17 notes into the system. I could change stop codes so
18 that if I was dealing with a loan that was in litigation
19 and it needed to stop certain things like collection
20 activities or foreclosure processing, I could put stops
21 on the system.

22 Q Okay. The WAMU -- at WAMU, the MSP was for --
23 okay. For the type of loan that we are here on today
24 such as the Waisome loan, which is a residential first
25 lien loan, right?

1 **A Yes.**

2 Q Okay. Was MSP the only servicing system that
3 would have been used at WAMU for that type of a loan
4 when you were there?

5 **A As far as I know, yes, because it wouldn't**
6 **have -- it's not a home equity loan, so it would have**
7 **been -- although the loan was a cash-out refi, it**
8 **wouldn't be considered a home equity. It wasn't a**
9 **revolving line of credit, so it was a static. So it**
10 **would have been on the MSP and really no other servicing**
11 **system. You know, just MSP.**

12 Q So if we were looking for all the information
13 contained on any computer system at WAMU from the date
14 that the Waisome loan originated, which was in August of
15 2007 -- so from August of 2007 to September 25th of
16 2008, the MSP system was one system. And then I believe
17 you said the -- the Image Web was the imaging system?

18 **A Correct.**

19 Q And then, of course, you've got Outlook.

20 Is there any other system that would have been
21 used to transmit or store data regarding the Waisome
22 loan at WAMU during that timeframe?

23 MS. CREWS: Object to form.

24 **A Not that I can think of, no.**

25 Q (By Ms. Mack) Thank you.

1 All right. Now, let's go over to JPMorgan
2 Chase. Did anything change from September 25, 2008 to
3 date with regard to the MSP servicing program?

4 A The -- initially, no. For a long time after
5 the purchase, the loans were maintained on their
6 separate -- and this probably isn't technically the
7 right word, but the servers. So we had different
8 client -- the client numbers that were assigned to
9 different sets of loans. The WAMU client was 156. The
10 Chase client was like 465.

11 So those were maintained separately for a
12 period of time up until, I think, just recently in the
13 past probably, like, 10 to 12 months. There was an
14 ongoing project in the first several years to get --
15 you're talking about millions of loans in each -- in
16 each client, so it took a while. But, yes, they were
17 maintained separately.

18 Now, initially, you would log into the
19 separate clients. The same software, but these loans
20 are basically just segregated WAMU heritage and Chase
21 heritage loans. So, really, nothing changed for a
22 number of years up until, really, this last year where
23 they finally completed the project. And now you go into
24 one client, and you can view the Chase loans and the
25 WAMU loans all under one client instead of toggling back

1 and forth.

2 Q Now, the -- is the system -- I guess, is it --
3 would you say it was a consolidation or conversion? Or
4 do you have another word for it?

5 MS. CREWS: Object to form.

6 A I'm trying to recall what they actually -- the
7 term they used. It wasn't part of the project, so I
8 couldn't say what term they used. And I don't -- you
9 know, I would look at it as just the elimination of
10 something that was really unnecessary because at that
11 point -- you know, prior to the purchase, they were
12 using the same systems, so -- and that was great because
13 you didn't have to retrain employees on different
14 systems. They were all using the same ones. I think it
15 was just elimination of an otherwise extra step that
16 someone had to take to toggle back and forth between
17 these different clients.

18 Q (By Ms. Mack) Okay. And approximately when
19 did that elimination of that extra step occur?

20 A It was within the last 12 months. It may have
21 been late last year when, I think, they finalized it.
22 It was a big project. It was -- you know, it took a lot
23 of time and a lot of effort, but I think it was -- it
24 may have been late last year when they finalized it.

25 Q Who -- what department would have been in

1 charge of that project that you just described?

2 A My understanding is that they drew resources
3 from all areas of the business. I don't think there was
4 any one department that was involved in handling that
5 transaction or that project.

6 Q Do you know who -- was there a person that was
7 in charge of it?

8 A I don't know if there was -- if there was a
9 specific person in charge of it. I -- I could imagine
10 based upon my experience in some of the projects that
11 I've seen in other places, that there is probably a
12 project manager and several business -- business -- head
13 of business people that were running it, but I wasn't in
14 charge. I wasn't part of the project specifically, so I
15 don't really know.

16 Q Okay. The -- did you have any role aside
17 from -- and we're going to do WAMU first. With regard
18 to Washington Mutual, did you have any role in entering
19 data into the MSP such as payments --

20 MS. CREWS: Object to form.

21 Q (By Ms. Mack) -- from the borrowers?

22 A There would be times where I would process
23 payments for the estates of the borrowers in my duties
24 at WAMU. It wasn't -- I wasn't crediting them with
25 payments. I was processing. Basically they were trying

1 to keep the loan current. They don't want to go into
2 default or they want to avoid an acceleration, so they
3 may make a phone payment or something like that. This
4 won't go to regular customer service because at this
5 point, they're probably -- I haven't been able to vet
6 them enough to give them authorization to speak on the
7 loan, but the rule is if they want to give us money, we
8 will take the money.

9 So we will take their payment over the phone,
10 but that's pretty much as far as I went. As far as MSP
11 and the loan being credited for that payment, that's
12 someone on down the line that handles that portion of
13 it.

14 Q Now, at Chase, did you ever perform any type
15 of payment entry duties from borrowers when a
16 borrower --

17 A No.

18 Q -- paid their loan?

19 Did you ever enter that into the servicing
20 platform?

21 A No.

22 Q I keep calling it platform. Sorry.

23 Okay. The -- do you know how the end --
24 how -- let me back up. I'm sorry.

25 Do you know how the entries for either WAMU or

1 Chase into the MSP would get reflected in, say, a
2 subledger? Do you know what I mean by subledger?

3 **A I do not.**

4 Q Okay. Are you familiar with the term general
5 ledger?

6 **A I am.**

7 Q What is your understanding of that?

8 **A My understanding is probably very rudimentary.**
9 **My understanding of a general ledger is just the -- it's**
10 **a general accounting of funds either coming in or going**
11 **out of the loan. That's pretty much as far as my**
12 **understanding goes.**

13 Q Okay. Do you know if the -- if there is a
14 separate system other than the MSP that would account
15 for payments -- and I guess payments going to the loan
16 or expenses, say, perhaps P & I advance or escrow? Is
17 there a separate system other than the servicing system
18 you are aware that would record that type of data?

19 MS. CREWS: Object to form.

20 **A Not that I am aware of.**

21 Q (By Ms. Mack) Is there a separate accounting
22 system that you're aware of other than MSP?

23 **A No.**

24 MS. CREWS: Object to form.

25 Q (By Ms. Mack) Okay. And is it no, you're not

1 aware of it or no, you don't -- no, there isn't one?

2 A I -- I don't know that there isn't one. I am
3 just not aware of another accounting system. I have
4 never encountered it or been provided any records or
5 documentation that there would be another accounting
6 system.

7 Q Okay. How -- sorry.

8 Okay. With regard to WAMU versus Chase, was
9 there any change in the procedures or policies as an
10 employee that you thought was, you know, extreme? I
11 don't know, maybe they wanted you to wear blue on
12 Fridays? I'm giving --

13 MS. CREWS: Object to remember.

14 Q (By Ms. Mack) -- you an example.

15 A Not -- not really. Like I said, the
16 day-to-day business remained the same. The policies and
17 procedures really didn't change radically. I think --
18 anecdotally, I'll say that the one thing that probably
19 rubbed people the wrong way was under WAMU, day one, you
20 have three weeks of vacation, no matter your level.
21 Under Chase, if you are under five years of service, you
22 have two weeks of vacation unless you're management.

23 So instead of grandfathering all the existing
24 folks in, they decided to pull back a week of vacation
25 from I don't know how many people. I was one of them.

1 So that -- that is probably the only thing that sticks
2 out, is some of the -- some of the HR, you know,
3 policies, probably changed more than anything else. But
4 from a business -- running the business standpoint, you
5 know, the servicing is servicing no matter where you go.
6 And, you know, my experiences working with, really,
7 three different servicers is that the procedures and the
8 policies are really geared towards meeting requirements
9 of the regulatory agencies, investors on the loan if
10 there's investors.

11 You know, all the folks who you need to
12 perform up to their standards drive your metrics. So
13 when you go see these different servicers, you're going
14 to see the same policies and procedures generally
15 because they are driven by all of these other forces.

16 So the Chase policies and procedures, although
17 they may be called Chase policies and procedures, are
18 not going to be all that different from the WAMU
19 policies and procedures.

20 Q Okay. All right. Let's -- I -- I appreciate
21 that -- the very comprehensive answer.

22 Now, you had made a distinction in the answer
23 that you just gave between an investor -- and I would --
24 would that be opposed to a, I guess, portfolio-type loan
25 where the bank actually holds the loan on its books?

1 MS. CREWS: Objection. Form.

2 Q (By Ms. Mack) Do you know what I mean when I
3 say "portfolio loan" --

4 A Yes.

5 Q -- versus a loan that is just serviced by a
6 bank?

7 A I do.

8 Q Okay. What's your understanding of the
9 distinction?

10 A Well, we refer to it as an asset loan. If we
11 own the asset, it's ours. We don't have to -- we are
12 not meeting someone else's standard of servicing.
13 Whereas if it's a loan that's either been securitized or
14 is backed by one of the GSEs, we have servicing
15 standards that we have to meet. So we may have to do
16 certain things that are extra and excess of what we
17 would normally do for our asset loans.

18 Or, you know, rarely is it we don't have to do
19 something that we would do for ourselves on GSEs. But
20 normally the restrictions are, you know, set the bar a
21 little higher or some special tweak or interesting
22 twist. But, yes, I understand the differences between
23 the asset loans and, you know, the investor-backed
24 loans.

25 Q And how can you tell if a loan is an asset

1 loan or a loan that's just serviced by the bank?

2 A Well, generally, the easiest way is to go into
3 the servicing platform and access the proper screens.
4 It will tell you who the loan is owned by.

5 Q And what screen would you access?

6 A Well, if you were looking for specific
7 investor or owner information, you would go into a
8 screen called MAS1. And then there's a subscreen within
9 that called INV1 which would tell you, if there is an
10 investor, who it is. And if it's Chase owned, it would
11 say Chase owned.

12 Q Okay.

13 A But there are other indications. When you're
14 looking at just, like, the customer service screen which
15 shows loan balance, who the borrower is and general loan
16 information, there is investor codes at the top of most
17 of the screens. But unless you know the codes, you may
18 not be able to just look at the codes and say, Oh, the
19 investor is such and such. You may need to dig down
20 deeper into the IMD screen, and it will tell you who it
21 is.

22 Q So is there like -- is there a screen that
23 has, I guess, a key for the codes where if you had, say,
24 your code was, I don't know -- I think you said WAMU had
25 a three-digit number, and you referred to that as --

1 when we were talking about the different MSPs between --
2 I think you said WAMU was 156?

3 A Correct.

4 Q Is that an investor code?

5 A No. 156 a client -- is a client number.

6 Q Okay.

7 A So 156 is a WAMU client number. 465 was the
8 Chase client number, completely separate and apart from
9 the individual identifiers, which I have a three-digit
10 code assigned to me so that if I put entries into the
11 system, it memorialized that entry with my name or my
12 code, and then date and time stamp I put that in there.
13 But, again, that's still aside and separate from the
14 investor codes, which are codes identifying investors.

15 And more to the point, your question was is
16 there a place where these investor codes are laid out?
17 I don't know that they are within the system. I believe
18 that we keep records of these investor codes potentially
19 outside the system. I just don't -- I've never accessed
20 an investor list with an MSP, so it's possible it's
21 there. I just don't know.

22 Q Now, you have a three-digit code. Is that
23 something you can tell us?

24 A I think mine --

25 MS. CREWS: Are you sure you're okay with

1 that?

2 THE WITNESS: Yeah. I don't care.

3 A I mean, I'm guessing what mine is right now,
4 but I think it's like OY\$ or something like that.

5 Q (By Ms. Mack) Okay. So --

6 A It's not something you necessarily have to
7 memorize because when you log in using your password,
8 it's going to tell you -- it's going to memorialize
9 everything. You don't have to memorize it. I think
10 it's OY\$.

11 Q Okay. So with regard to if you were looking
12 at -- I think you called it an investor MAS1?

13 A Yes.

14 Q MAS1. Okay.

15 Are the investor codes three digits? Three
16 characters? How do they look?

17 A I believe they are also three digits for the
18 investor codes. But when you -- and then as you go into
19 MAS1 and INV1, it actually spells out the name of the
20 investor. So if it's, for instance, a Chase loan, it
21 will say JPMorgan Chase. If it's Bank of America, it
22 will say Bank of America. It will spell out the name
23 and the address of the investor or owner for you right
24 there on the screen. So you don't have to interpret a
25 code. It's right there.

1 Q Okay. And you said that's the INV1?

2 A **MAS1 and INV1.**

3 Q MAS1 and INV1. Okay.

4 With regard to -- have you -- have you ever
5 serviced a loan that had a private investor? And do you
6 know what I mean when I say that?

7 A **I know what you mean by a private investor.
8 Have we ever serviced one? I mean --**

9 Q In your career. And this is not a Chase or
10 WAMU specific question.

11 A **I mean, I don't remember a specific instance
12 where I was dealing with a private investor loan, so --
13 but I have worked for three fairly large -- I mean, two
14 majors and one, you know, fairly large servicer. And I
15 have to imagine at some point, I must have come across
16 it, but I don't recall specifically.**

17 Q Okay. So -- okay. The -- and I'm going to
18 ask you some specific questions about the screen shots
19 that your attorney has provided to us.

20 A **Okay.**

21 Q Let me do that in a block. Let me ask you a
22 question off the record.

23 (Discussion off the record.)

24 Q (By Ms. Mack) What would you do to
25 determine -- or what steps would you take to determine

1 who owns a loan, the beneficial interest in a loan?

2 MS. CREWS: Object to form.

3 Q (By Ms. Mack) Do you know what I mean when I
4 say that?

5 A I think I do. And if I had access to MSP on
6 that -- if it's an MSP, I'm going to go to MAS1 and INV1
7 and that will probably be my primary indicator as to who
8 has beneficial interest. That would be the -- you know,
9 the best piece of information I could find is what is in
10 the servicing platform, because that is what we're
11 depending on day-to-day to run our business.

12 Q Have you ever -- and specifically either at
13 WAMU or Chase, have you ever been -- now, you had said
14 that you have a group of loans that you handle. And I
15 believe you had indicated they were litigated loans. I
16 think you said there were 2- or 300 loans?

17 A And just to define, in my previous role when I
18 had a case load, yes.

19 Q Okay.

20 A I would have, you know, somewhere around 2- to
21 300 loans. And, you know, they were incoming. And I
22 had several cases, and they would be out. So there was
23 a constant flow in and out of this portfolio that I was
24 managing.

25 Q When you were handling a loan -- when you were

1 handling the portfolio that we just talked about, would
2 there ever be times when a loan maybe was sold while you
3 were dealing with it, and there would be a change in an
4 investor that you recall?

5 MS. CREWS: Object to form.

6 A I do recall in one particular instance, we had
7 a service transfer. And I -- and I don't know if that
8 qualifies under your question, because it may not have
9 been sold, but the servicing was transferred to another
10 servicer. So we didn't own it. It was service
11 transferred. So, yes, you know, there -- we got, you
12 know, we were notified last minute that there was a
13 service transfer, and I advised the borrower and the
14 attorneys working with us that were no longer servicing,
15 so we can't talk to you about this litigation anymore
16 and you're going to get a note. Someone from the other
17 service is going to have to assign counsel or retain
18 this same counsel, but we are not done anymore, so --

19 Q (By Ms. Mack) When the servicing would
20 transfer, would the actual note and I think -- I
21 think -- would you agree with me a collateral file is
22 the note, the mortgage and, I think, it's the title
23 policy?

24 A That is a fair representation, yes.

25 Q Okay. When servicing would be transferred,

1 would the collateral file also get transferred?

2 A Generally, yes. It may not be on exactly the
3 same day. A lot of it depends on the -- what the owner
4 wants and what -- you know, because they are making the
5 -- they're calling the shots as far as, you know, what
6 deadlines need to be met.

7 So we may get a service transfer that is
8 effective on the 4th of the month, and the note, the
9 mortgage and the trailing documents may be shipped out,
10 you know -- maybe the requirement is within 15 days or
11 whatever it may be. So yeah. But, generally, yes, they
12 are sent along to the new servicer for their own
13 document custody.

14 MS. CREWS: I just want to interject for a
15 minute because I know we have an agreed order of the
16 scope of topics.

17 MS. MACK: Right.

18 MS. CREWS: And these are very -- and it's
19 been almost an hour, and I understood you need to
20 get into his background and resume. And I think all
21 of your questions are appropriate, but I just want
22 to make sure we stick to this loan and these topics
23 and not just a ton of, you know, more general
24 questions on process.

25 MS. MACK: I'm just trying to get an idea of

1 what Mr. Nardi knows other than just looking at
2 MSPs. And it sounds like --

3 MS. CREWS: No, I understand. I understand
4 you need his background, but --

5 MS. MACK: Yeah.

6 Q (By Ms. Mack) Okay. Sorry. Let me regroup
7 here.

8 Have you -- okay. With regard to the Waisome
9 loan, did -- have you ever seen the original collateral
10 file documents?

11 **A No.**

12 Q Okay. Have you ever examined -- with WAMU or
13 JPMorgan Chase, what would have been an example of a
14 time when you would have had to look physically at the
15 original collateral file, if there was one time?

16 **A There would have been countless times where I**
17 **would have needed to look at the physical file or the**
18 **actual file. A lot of those are related to cases that**
19 **are going to trial or heading into a mediation or even**
20 **sometimes depositions that for, whatever reason, there**
21 **is some question as to whether or not we have the**
22 **original. So we bring the original with us and say,**
23 **Here it is. A lot of times that helps to facilitate the**
24 **process of, you know, the -- hopefully, settling the**
25 **case, knowing that, you know, giving the other side --**

1 giving the other side the piece of mind that we are,
2 indeed, the rightful parties at interest.

3 Q Okay. So the -- with regard to obtaining the
4 collateral file, the actual original documents, what is
5 the process that you would take to actually physically
6 get them?

7 MS. CREWS: Object to form.

8 A The process right now is a request -- there's
9 two separate kinds, because there's -- you referenced a
10 collateral file. There is also a credit file.

11 Sometimes you need stuff from the credit file, and
12 sometimes you don't. The collateral file, you know,
13 sometimes you need it. Sometimes you don't. So
14 depending on what you need, there's an electronic
15 request for each one.

16 You send it to the customer service folks.
17 The credit file -- and there's certain restrictions as
18 to who can actually order it. You have to have certain
19 authorization. You can only send it certain places.
20 You have to either send it to someone -- if you are
21 sending it to someone within the company, they have to
22 have -- it's a very short list of people within the
23 company who can get it. Generally, we ship it only to
24 counsel when it needs to go out of custody and services.

25 So you would include your identifier so that,

1 you know, they can say, yes, you have the authority to
2 order it. You need to identify where it's going so the
3 firm that it's being shipped to, custody services, will
4 accept that. Basically it's an e-mail transmission, and
5 they work those constantly. So they will go in, pull up
6 the work order, have a person that's designated to be
7 able to actually enter the file room, go in and pull the
8 file, and then ship it off to the firm who's requesting
9 it.

10 Q (By Ms. Mack) Okay. And with the shipping of
11 the collateral file, is that by FedEx or some other
12 method of mail?

13 A I'm trying to think. Currently, I believe
14 it's FedEx. I'm almost 100 percent certain that they
15 use FedEx almost exclusively for the shipping.

16 Q But it's some -- it could be some sort of
17 tracked mail, right?

18 A Certainly. They don't drop it into a postal
19 service box, yeah. There is actually a site in Monroe,
20 Louisiana where all of the document services are -- or
21 document custodian services are handled now. They have
22 their -- you know, they work in such large volumes with
23 FedEx, they actually have their own plane that brings in
24 these documents specifically for Chase. So when it
25 comes in and out, it all comes through a very controlled

1 channel with the -- with these courier services.

2 Q Okay. Have -- how long have you been working
3 on the Waisome file?

4 A I would say it's been at least a couple of
5 months now. I couldn't tell you exactly the day I
6 became, you know, really intimately involved with the
7 case, so I couldn't pinpoint a day. But I would say
8 it's been at least several months --

9 Q Okay.

10 A -- at this point.

11 Q Do you think it was going back to 2011?

12 A I -- I would have to -- I would have to go
13 back and look at some e-mail records because my -- I'm
14 so e-mail driven, everything is really there. So I
15 couldn't say for sure. That may be on the outer edge of
16 when I became involved, but I couldn't say for sure.

17 Q Do you know who -- do you know who was working
18 on the file before you?

19 MS. CREWS: Object to form.

20 A I don't know all of the people. I know -- I
21 know who I was working with when I became involved with
22 the file, so they must have been working -- I mean, I --
23 I would have to -- I have the understanding that they
24 had the file -- they were working on the file prior to
25 my involvement. So, yes, I -- I think I do know who was

1 working on the file before me.

2 Q (By Ms. Mack) Who was it?

3 A Inside counsel that I recall is Anita Smith,
4 and then Kendall Foster was another member of our legal
5 team who was not an attorney who was working on the
6 file. There may have been some other people, but those
7 are the people that I --

8 Q Okay.

9 A -- that I kind of worked with on the file.

10 Q Have you ever physically seen the Waisome
11 collateral file or the credit file, the actual physical
12 file, not an image of any of the documents?

13 A No.

14 Q Okay. Do you know what documents are
15 contained in the Waisome collateral file?

16 A At this point, my understanding is that the
17 collateral file -- they're no longer in the collateral
18 file, so to speak. They have been deposited, or at
19 least the note has been deposited with the court. I
20 don't know if the mortgage has been deposited with the
21 court. So right now, the collateral file would just
22 have the policy in it, from my understanding.

23 Q Okay.

24 A But I've not seen it, so I couldn't say for
25 sure.

1 Q If the note -- and I think you're right. If
2 the note was taken out, would there be some indication
3 in the file that the note was taken out and given to
4 counsel or the court or whatever happened to it?

5 A Yes. There is a very thorough check-in and
6 check-out process where all of this is very well
7 documented. So the file -- the collateral file itself
8 generally on its -- on its left-hand inside cover has a
9 sheet which basically says where the documents have
10 gone. And then in addition to that, there's an
11 electronic system which tracks all of this information
12 as to where it's gone to. So there's duplicative
13 efforts to make sure we know where these things are at
14 all times.

15 Q What system is it that tracks the document
16 transfer?

17 A I know it as Docline, but I think the database
18 is called something else. But I -- I -- when I look at
19 it, I go into a system called Docline, which is -- my
20 understanding of it is that when I log in, I get
21 basically a web application. That web application is
22 basically like a prettyfied version of this underlying
23 database which houses all of the information, which the
24 name escapes me at this point.

25 So I plug in a loan number, and it tells me

1 where -- basically the history of this collateral file.
2 You know, when the note was received; if it's been
3 checked out, where to; where it was checked out. You
4 know, all of the pertinent details of the information.
5 But I don't recall the name of the actual underlying
6 database, and I should because I recently did some
7 research. But I don't remember it.

8 Q Okay. Is that -- if you know, this Docline,
9 is that D-o-c-l-i-n-e?

10 A Yes.

11 Q Okay. Is that a system that was at Washington
12 Mutual as well as Chase or is that just Chase?

13 A I've only ever seen it at Chase. And from my
14 understanding, it's a fairly new -- the underlying
15 system is not new. It's the access. It's really just
16 making it easier for people -- people to access the
17 information without having to know how to use a database
18 and open up the database to people who you may not want
19 to open it up to. But I don't believe it was in use at
20 WAMU because I think, like I said, it's fairly new.

21 At WAMU, there was a very similar system which
22 I also used to check and check out files and also to
23 query on stuff. But what I would do is I would send it
24 to someone in the custody services area who would
25 produce for me a report, send it back to me and say,

1 here's the results. So I didn't have the realtime
2 access to it at WAMU.

3 Q What was the name of the system at WAMU?

4 A I don't know, because I didn't access it.

5 Q Oh, okay.

6 A I would just send an e-mail request --

7 Q Gotcha.

8 A -- to the person that had the access.

9 Q Okay. Gotcha.

10 What did you do to prepare for this deposition
11 today?

12 A Well, I reviewed the business records on MSP
13 just to familiarize myself with the loan. I looked at
14 origination file, the application and some of the
15 pertinent details. I've reviewed some interrogatories.
16 Well, I don't know if that was in preparation for today,
17 but I went over some documents that I previously
18 executed in the case. Just, you know, my general
19 preparation which includes just trying to familiarize
20 myself as much as possible with the documents and with
21 the -- you know, in this case, I think the ownership of
22 the loan. You know, where things have been checked out
23 to, and trying to nail down certain dates for certain
24 events.

25 Q Okay.

1 A Just kind of a general preparation.

2 Q What dates did you nail down?

3 A I wanted -- well, one of the things I always
4 want to make sure of is that the breach letter
5 corresponds with the date that's in MSP as far as the
6 last payment made or the last payment due. It's one of
7 those things I've learned that can come back to haunt
8 you. If you don't know when the breach letter went out
9 or you don't know that it matches the details in the
10 MSP, that can come back to bite you. So just little
11 things. And sometimes it's not pertinent to the case I
12 might be appearing on on a given day, but you never know
13 when you get the question why are these dates different?
14 And if you can't explain it, you know, it's -- that type
15 of thing.

16 Q Do you know if when the FDIC took over
17 Washington Mutual if this promissory note, the Waisome
18 promissory note, was actually an asset of Washington
19 Mutual?

20 A My understanding is that yes, it was.

21 Q Okay.

22 A And let me make sure I understood the
23 question. You said prior to the FDIC seizure?

24 Q Correct.

25 A Yes, my understanding is that it was.

1 Q Okay. And what would you look at to determine
2 if it was -- if the Waisome note was -- and I'm talking
3 about the note itself -- was actually an asset of WAMU?

4 A The same system of record we used to determine
5 that at any other given time. Really, the MSP is going
6 to tell us. You can also take a look at any -- any
7 other loan records that we have that would indicate
8 transfers. You would look for things like, you know,
9 any changes to the documentation, to the servicing
10 requirements. You know, notes in the system might
11 indicate any changes.

12 So there's -- there's just a lot of different
13 information that you can go to or a lot of different
14 sources of information within MSP that you can refer to.

15 Q What -- well, if it was -- if it was an asset
16 loan, I think you called it before, for WAMU before the
17 FDIC took over, was -- would there have been a specific
18 investor number?

19 MS. CREWS: Object to form.

20 A I believe there would have been a specific
21 investor number. I don't know what the investor number
22 was for WAMU.

23 Q (By Ms. Mack) You don't -- you don't know
24 what the investor number was for WAMU?

25 A No.

1 Q Would it have been a three-digit number as
2 well?

3 A **I think they're -- my understanding is that**
4 **they are all three digits. I don't think there are any**
5 **that are not. So I think they are all represented in a**
6 **three-digit format.**

7 Q Would you look at any type of general ledgers
8 to determine if the Waisome loan was an asset of WAMU at
9 the time that it was seized?

10 MS. CREWS: Object to form.

11 A **That's not really something I would look at,**
12 **and I don't know that anyone that would go looking --**
13 **that wanted to verify or was looking for that specific**
14 **piece of information would look at any type of general**
15 **ledger.**

16 Q (By Ms. Mack) Okay. Are you familiar with
17 the purchase and assumption agreement between the FDIC,
18 JPMorgan Chase and WAMU?

19 A **I've seen it before. I've not memorized it.**
20 **But I'm aware it exists, and I'm generally familiar with**
21 **it.**

22 Q Are you -- do you know anything about the
23 accounting records as they're defined in the purchase
24 and assumption agreement between FDIC, JPMorgan Chase
25 and Washington Mutual?

1 **A No.**

2 **Q And do you know anything about the loss-share**
3 **agreement, specifically the calculation of losses and**
4 **how they are shared with the FDIC?**

5 **A No.**

6 **Q Okay. Who in the bank would have that**
7 **knowledge?**

8 **A I don't know of a specific name. It sounds**
9 **like the items that you're looking for encompass more**
10 **than just the mortgage banking portion. It probably**
11 **encompasses all of the bank's losses in the loss**
12 **sharing, so I -- you know, it would likely be someone**
13 **quite a bit higher up the chain and, you know, probably**
14 **in a -- in a much larger office than mine.**

15 **Q Okay.**

16 **A So I don't know any specific names, but it**
17 **would be someone who's in a control position in the**
18 **bank, I imagine.**

19 **Q Okay. The -- are you aware of any type of**
20 **schedule of loans that would have been created to**
21 **represent the -- either the loans that were asset loans**
22 **or the loans that were serviced by WAMU? Are you -- was**
23 **the -- do you know if there is a schedule or database of**
24 **loans like that?**

25 **MS. CREWS: Object to form.**

1 **A** I know that there was a schedule contemplated
2 in certain documents related to the purchase. That
3 schedule has never materialized in any form. We've
4 looked for it in countless other cases. We've never
5 been able to produce it in any previous cases. It would
6 certainly be a wonderful thing to have, but it's -- as
7 far as I know, it doesn't exist, although it was -- it
8 was contemplated in the documents.

9 **Q** (By Ms. Mack) Do you -- do you know how
10 the -- well, okay. If -- for purposes of this question,
11 let's assume that the Waisome loan was an asset of WAMU.
12 Okay?

13 **A** Okay.

14 **Q** And if it was assumed by JPMorgan Chase
15 because of the purchase and assumption, how would you be
16 able to tell what the book value was at the time --

17 MS. CREWS: Object to the form.

18 **Q** (By Ms. Mack) -- of the closure of the bank,
19 WAMU?

20 **A** For the individual loan level?

21 **Q** Yes.

22 **A** I -- the answer is I don't know if there was
23 any book level assigned to individual loans. My
24 understanding of the transaction is it was a whole bank
25 purchase, and there was not individual values assigned

1 to any -- any portion of the loan of the bank, because
2 the bank is even beyond the mortgage lending portion.
3 There's, you know, other portions of the bank. I don't
4 know that they got down to the point where individual
5 loans were valued and assigned a value for that
6 transaction.

7 Q Okay. Do you know how the -- okay. Well,
8 would you agree that when your loan is in default, at
9 some point, there's going to be a charge-off? Do you
10 know what I mean by charge-off?

11 A I do. Do I agree that at some point in the
12 default, there is going to be a charge-off? I would
13 say I wouldn't take it for granted. I wouldn't assume
14 that every one of them is going to have a charge-off.
15 The potential for a charge-off is there, but I don't
16 know that in every case there would be a charge-off.

17 Q With regard to the loss-share, how -- if -- if
18 the Waisome loan, for example, doesn't have a specific
19 value associated with it at the time of closure, how
20 would the loss that is to be shared be determined?

21 MS. CREWS: Object to form. And I'm not sure
22 how this fits into any of our topics.

23 A Yeah, you know, honestly, I think my previous
24 answer reflects that I am not really aware of how the
25 loss-sharing was handled, so I wasn't party to that

1 particular portion of the purchase. So I just don't
2 know.

3 Q (By Ms. Mack) Okay. Mr. Nardi, I'm going to
4 hand you a document that has been produced to us with
5 regard to this case.

6 Have you had an opportunity to review that
7 document, sir?

8 A Yes. And I've seen it before today too.

9 Q Okay. That was my next question.

10 MS. MACK: We're going to mark that as Exhibit
11 1.

12 (Defendant's Exhibit 1 was marked.)

13 Q (By Ms. Mack) Mr. Nardi, if you could please
14 just tell me what we have marked Exhibit 1, what is
15 that?

16 A Well, I normally refer to this as like the
17 hello letter, and this is just to let the borrower
18 know -- really, this letter goes out to -- and let me
19 step back.

20 This letter contains a lot more information
21 than a typical hello letter might that you might get if
22 you're being service transferred from Bank A to Bank B
23 and there did not happen to be a bank failure. They
24 wouldn't, you know, mention it. This letter goes into a
25 lot more detail, but it serves the same purpose. It

1 basically puts the borrower on notice that the servicer
2 has changed and that, you know, if they need to make
3 changes to where they make their payments to, it
4 describes that. It basically gives, you know,
5 introduction to here is who we are and here's what's
6 happened, here is how to contact us if you have
7 questions, and here is where to send payments if it's
8 changed, and here is how to get ahold of us. That's the
9 purpose of the letter.

10 Q The letter is dated -- I believe it's October
11 of 2008.

12 A Yes.

13 Q Would you agree with me that the letter
14 indicates that the servicing is going to be transferred?

15 A It does.

16 Q Okay. Now, if the -- the note, as in the
17 ownership of the note, was going to also be transferred,
18 would that have been something that would have been
19 contained in that letter that is marked as Exhibit 1?

20 MS. CREWS: Object to form.

21 A Generally not. Not in my experience. The --
22 the servicing information is important to the borrower
23 because it does relate to how their loan is going to be
24 serviced as far as collecting payments, who can answer
25 their questions as to, you know -- let's say they had a

1 question about their homeowners insurance and how it's
2 being paid or their taxes. Basically from the customer
3 view, the servicer is the important party.

4 The owner of the loan really doesn't make any
5 difference to the borrower because they are never going
6 to have any interaction with the owner of the loan if
7 there is an underlying owner or investor. You wouldn't
8 call Fannie Mae, generally, for a question about your
9 payment. You're going to call your servicer.

10 So generally, I have never seen a letter -- a
11 hello/goodbye letter that says, We are the servicer or
12 not your servicer anymore, and your owner is such and
13 such. It always refers to servicers.

14 Q (By Ms. Mack) Okay. Do you think it's
15 important for an individual borrower such as Mr. Waisome
16 to know who the owner of the loan is, the owner of the
17 promissory note?

18 MS. CREWS: Object to form.

19 A Not nearly as important as it is for them to
20 know who their servicer is. Like I said, in an average
21 life of loan, the borrower is going to talk to the owner
22 of their loan, unless it happens to be the servicer,
23 probably next to no times. You know, you're generally
24 never going to have interaction with Freddie or Fannie.
25 If they are the backer of your loan and if your loan

1 happens to be securitized, you are not going to call
2 Wells Fargo as trustee for, you know, WAMU pass-through
3 certificates, you know, 2007-2. You are going to call
4 your servicer.

5 So, no, I don't think it's important for them
6 to -- from a -- from a customer standpoint, to know who
7 their -- who their owner is, no.

8 Q (By Ms. Mack) Would you agree with me that if
9 you pay off a note, it would be cancelled?

10 A If you paid off the note, would it be
11 cancelled? You know, the debt goes away. Certainly,
12 the obligation of the note goes away when it's paid off.
13 I don't know if it's stamped cancelled or what the
14 physical disposition of the note is, but the debt is
15 certainly cancelled once you pay it off with that
16 lender. You may -- if you refied it to another lender,
17 the debt may still exist in another form under a
18 different contract. But as far as the contract that we
19 hold, the debt no longer exists.

20 Q Okay. Well --

21 A Does that answer your question?

22 Q Kind of. But, actually, you brought some more
23 to mind.

24 Are you familiar with the Waisome note?

25 A I've seen copies of it, yes.

1 Q Okay. This is a copy that was actually
2 attached to the plaintiff's motion for summary judgment,
3 which just happens to be the one I found the quickest.
4 This is -- this note bears the endorsement of Ms. Riley
5 as well. And I think I've got the prepayment and fixed
6 rate rider.

7 I'm going to -- I'm not going to ask questions
8 about that, so we will take prepayment away because I'm
9 not going to ask you questions about that.

10 A **Do you want her to mark this?**

11 Q Yes, please.

12 (Defendant's Exhibit 2 was marked.)

13 Q Have you had an opportunity to review it --

14 A **Yes.**

15 Q -- Mr. Nardi?

16 Okay. I think that's Exhibit 2. Now,
17 Mr. Nardi, would you agree with me that the note
18 provides for assumptions by third parties that are not
19 parties to the note?

20 MS. CREWS: Object to form.

21 Q (By Ms. Mack) I'm sorry. It's not -- let me
22 find my note, if you can hang on one second.

23 A **Sure.**

24 Q There we go. It is -- let me ask you a
25 question about the prepayments first. In the note,

1 Paragraph 5 that's on Page 3 of the note.

2 A Yes.

3 Q Okay. If a borrower wanted to make a
4 prepayment or if they wanted to pay off the note
5 entirely, how would they do that? Who would they talk
6 to?

7 A If they're calling in to make -- and I'm --
8 and I'll approach this from two scenarios. If they are
9 calling in to make extra payments to their loan, they
10 would generally talk to the customer service department
11 about how to designate where that money goes, because
12 it -- if you make a payment -- and I'm going to make up
13 some numbers. If your mortgage is \$1,000 and you send
14 in \$1500 and you don't designate where the 500 extra is
15 to go, the bank may apply it to different areas where
16 you may not have wanted it. So if you want it to apply
17 strictly to principal, you have to designate it as such.
18 So that's the answer on half of it.

19 The other half is if you're making a payoff,
20 an early, complete and total payoff, again, you would
21 want to contact customer service, advise them you're
22 going to be paying off the loan, and you would ask for a
23 payoff demand. And you would say, I'm going to pay it
24 off on or about this date, and they would generate a
25 payoff demand that would be good through on or about

1 whatever date you provided, which would account for any
2 interest, any escrow advances, and basically all of the
3 transactions that would take place in the loan up until
4 that date.

5 And then they would give you instructions.
6 Included in the payoff demand, you would get
7 instructions on how to submit that payment. You know,
8 what kind of payments are permitted, where to send it,
9 where to wire it and mail it, all the details. So
10 that's really how we would want the borrower to go about
11 either paying off early or doing, you know, early --
12 accelerated payoff.

13 Q Now -- and, I'm sorry, I said I wasn't going
14 to ask you questions about the prepayment addendums, but
15 the question I want to ask you is actually in it. I
16 thought it was in the note. Sorry about that.

17 MS. MACK: That will be Exhibit 3, please.

18 (Defendant's Exhibit 3 was marked.)

19 Q (By Ms. Mack) The prepayment addendum, does
20 it allow a borrower to make a full prepayment or a
21 partial prepayment?

22 A I think this kind of plays both full and
23 partial. So it looks like it kind of plays both types
24 of prepayment s.

25 Q Okay. And if a borrower wants to make a

1 prepayment, they have to contact the note holder, right?

2 **A** **The prepayment addendum does indicate that the**
3 **borrower will notify the note holder in writing that**
4 **they are doing so. So it, indeed, does say that the**
5 **note holder must be notified. The note also goes -- the**
6 **actual note which is Exhibit 2 goes into definitions of**
7 **who the note holder is. And it says, The lender or**
8 **anyone who takes this note by transfer and who is**
9 **entitled to receive payments under this note is called**
10 **the note holder.**

11 **Q** **Do you know what that -- what that means, that**
12 **portion of the promissory note that you just read of**
13 **how -- how would a borrower determine who that entity**
14 **was, if it wasn't the original lender?**

15 **A** **Whoever is receiving their payments.**

16 **Q** **So is it my -- is your answer that the person**
17 **receiving the payments is the note holder?**

18 **A** **I don't know in every case that it would be.**
19 **In this particular instance, which is the only one I can**
20 **really speak to, the note holder is the person who is**
21 **collecting payments. So the answer would be yes, they**
22 **are one and the same.**

23 **Q** **Okay. Let's go back to Exhibit 2 since you**
24 **have it in your hand.**

25 **A** **Sure.**

1 Q Is that note that you have in your hand as
2 Exhibit 2, is it endorsed in blank?

3 A It is endorsed in blank, yes.

4 Q Do you know where it's endorsed in blank?

5 A The pattern or the policies and the procedures
6 at WAMU at the time and actually continue to be, really,
7 Chase's policies and procedures are to endorse these in
8 blank as they come in. Generally -- to give you an idea
9 why, the bank doesn't want to own every piece of
10 collateral that it closes on. So a lot of these loans
11 are destined for the secondary market. In order to
12 facilitate the ease of transfer to either a bundler, a
13 trust or another lender who wants to purchase, an
14 investor who wants to purchase, they are endorsed in
15 blank as a normal part of our business practice. And
16 that was true for WAMU, and it's true for Chase.

17 Q Okay. Do you know who that endorser on that
18 note is?

19 A Cindy Riley is the endorser on the note.

20 Q Do you know Ms. Riley?

21 A I have never met her in person. I know of
22 her.

23 Q How do you know of her?

24 A She endorsed -- or her -- she's -- she's the
25 endorser of a lot of WAMU notes. I'm not sure if she

1 still endorses for Chase or not. But a lot of my -- a
2 lot of my cases have endorsed notes endorsed by her.

3 Q Okay. Do you know if the note -- now, the
4 plaintiff in this case is taking the position that this
5 note is an asset of WAMU and, therefore, became an asset
6 of Chase.

7 Would you agree with me?

8 A Yes.

9 Q As an asset loan, why would the -- why would
10 there be an endorsement in blank on the note?

11 A Again, when the loan is originated, it is
12 assumed that it's going to be sold off at some point to
13 an investor at some point in the future. So the loan
14 comes out of originations and goes -- you know, goes to
15 closing. Immediately the -- that note is endorsed in
16 blank, contemplating that the loan is going to be sold
17 off.

18 Whether or not it's ever sold off, we don't
19 know for sure if it's ever going to be sold off. When
20 it -- it only becomes an asset loan basically at the
21 point where we have either not been able to sell it, or
22 later on it's determined we don't want to sell it, or it
23 doesn't meet investor criteria and they don't want it.
24 It could be any number of reasons. But in the end, it
25 stays in-house and maintains itself as an asset loan.

1 Q Do you know why this loan was not sold?

2 A **Not particularly, no.**

3 Q Do you know where that information would be
4 kept?

5 A I don't know that they would be -- that it
6 would be kept at all because, really, what we would do
7 is we would look at the requirements of any given
8 investor bundler who is putting together the trust, one
9 of these 2007 trusts or whatever it may be. They're
10 going to give us a list of criteria that says, Here is
11 what we -- this is what we will purchase, and it has to
12 meet these guidelines.

13 So if they run these loans through all these
14 guidelines and for some reason it rejects based upon a
15 certain issue, it just never gets bundled into one of
16 these trusts or never gets sold off to any other
17 investor. It didn't meet a requirement. We don't
18 necessarily document why it didn't. In other words, we
19 don't go into MSP and say, Loan unsellable and this is
20 why. It just never sells.

21 Q Okay. Are attempts to sell it recorded in any
22 of the databases we've discussed?

23 A **Not to my knowledge, no.**

24 Q Okay. Well, how would a -- how would WAMU or
25 Chase -- for example, the Waisome loan, it originates.

1 And it's not the only loan, of course, that would have
2 been originated in August of 2007 for Washington Mutual.

3 Would you agree?

4 **A Correct.**

5 **Q** Okay. The -- the sale of the -- of the loans,
6 do they have an auction? Do they run it through a
7 program? I guess I'm trying to determine who makes the
8 decision about whether the loan is going to be sold?

9 MS. CREWS: Object to form.

10 **A I have a basic working knowledge of this,**
11 **so -- and I've never worked in the area where the**
12 **investor relations are, you know. They're -- the**
13 **investors determine -- they determine they're going**
14 **to -- they want to put together a pool of loans and they**
15 **want to securitize these loans and sell them off in a**
16 **market somewhere. So the bank has an idea of the**
17 **current pools that are going on and the current demands**
18 **of the investors. They will go through the portfolios**
19 **and see what meets these criteria and what it's supposed**
20 **to meet.**

21 **And basically they are -- so someone inside**
22 **the bank is going to be doing this. They're going to be**
23 **going through our portfolios alone to determine**
24 **eligibility, and then bundling them off and sending them**
25 **to the investor for final approval, you know, for them**

1 to include it in their investment pool or if they are
2 buying the asset and not securitizing, or whatever they
3 might be doing.

4 Q (By Ms. Mack) So it sounds like there is some
5 sort of like a checklist or -- I mean, I don't want to
6 put words in your mouth. But there is criteria that a
7 specific investor pool would want for loans, and the
8 loans would be run through that criteria?

9 MS. CREWS: Object to form.

10 Q (By Ms. Mack) Is that how it works? I'm just
11 trying to understand the process.

12 A That -- again, I have a very rudimentary
13 understanding. But, generally, yes. They have, for
14 instance they -- they only want loans that are under
15 \$250,000, or they may only want loans that are under a
16 certain acreage property-wise. Maybe they only want
17 loans that are -- maybe they don't want any loans in a
18 hurricane zone or maybe they don't want loans in any
19 tornado zones.

20 You know, they come up with whatever
21 requirement that they have, and it's basically up to us
22 to basically offer them loans that, you know -- that
23 meet their requirements generally, and then they will do
24 their own review and determine the eligibility.

25 Q Okay. All right. So as far as the offering

1 of the loan, are there any documents or databases, any
2 indicia that you know of that the loan was offered for
3 sale to anybody since origination?

4 **A Not that I'm aware of, no.**

5 Q Okay. Do you know who is in charge or was in
6 charge of the Washington Mutual loan sale department?

7 **A I don't.**

8 MS. CREWS: Object to form.

9 Q (By Ms. Mack) Okay. And when I say "loan
10 sale," do you know what I'm talking about? Like, for
11 purposes of selling to an investor --

12 **A Yes.**

13 Q -- or a government-sponsored entity?

14 **A Yes.**

15 Q Okay.

16 MS. MACK: Do you want to take a short break?

17 **A Sure.**

18 **(A recess was taken.)**

19 Q (By Ms. Mack) Mr. Nardi, Exhibit 2, the note,
20 let's start at the top. Do you see at the top left
21 corner of the first page of the note there is a 19FL
22 M05?

23 **A Yes.**

24 Q Do you know what those numbers and letters
25 stand for?

1 **A I don't.**

2 Q Okay. Now, if we go over to the right side of
3 the page, there are some handwritten numbers.

4 Do you know who put those on there?

5 **A I do not.**

6 Q Do you know what they stand for?

7 **A I don't.**

8 Q Okay. The numbers right below it that are
9 printed beginning with 301, do you know what that is?

10 **A The first portion before the hyphen is the
11 loan number, I believe.**

12 Q What is the portion after the hyphen?

13 **A I don't know.**

14 Q Do you know who would know that?

15 **A I don't know anyone specifically that would
16 know. It's probably something I can research and
17 determine, but I just don't know what the numbers after
18 the hyphen mean.**

19 Q Okay. What would you look at to research to
20 determine what the 097 represents on that note?

21 **A I would probably -- well, I don't know that I
22 would research any particular system. I would probably
23 just ask somebody who I think might know, but --**

24 Q Okay. Who would that person be?

25 **A I haven't contemplated that at this point.**

1 And I might go back and look at other notes in this date
2 range to determine if they are similarly marked or
3 whether or not this was something that was done to every
4 note or not to try and nail it down. But I'm sure the
5 explanation is probably pretty simple. It just doesn't
6 occur to me what the last three are.

7 Q Okay. Is it fair to say that that is not a
8 question you get asked very often?

9 A It's not. In fact, I don't really recall ever
10 having been asked the question. I think I may have
11 personally asked the question before and at one time
12 maybe knew the answer, but it wasn't important enough
13 for me to retain.

14 Q Okay.

15 A So today, I couldn't say what it is.

16 Q Okay.

17 A But generally, I can tell you that in my
18 experience in these notes, is that sometimes there is
19 extensions even on the front or the back. And I don't
20 know what significance that plays. And the same thing
21 with the left-hand connotations. I just don't know --

22 Q Okay.

23 A -- what significance they have.

24 Q All right. Now, going down below the block of
25 bold typeface, you have the date and the city?

1 **A Yes.**

2 Q The city is Maitland, correct?

3 **A That's what it says, yes.**

4 Q Okay. And then you've got a property
5 address --

6 **A Correct.**

7 Q -- below that as well?

8 **A Correct.**

9 Q Do you know why the property address city is
10 different than the city indicated next to the date on
11 the first page of the note?

12 **A On that first line or -- let me make sure I**
13 **understand the question.**

14 Q Yeah. Would you agree with me that Clermont
15 is not Maitland?

16 **A I would agree that they're not -- I don't know**
17 **where these places are. I don't know if they are close**
18 **to each other. I would have to assume they're not the**
19 **same place. They are different places. It's described**
20 **differently.**

21 Q Okay. Is it common with regard to Washington
22 Mutual notes for the city to be different than the
23 property address location?

24 MS. CREWS: Object to form.

25 **A Well, I think that would depend on what the**

1 date and the city designation -- especially specifically
2 the city in the top is where -- what this is describing
3 is the top line is describing where the document was
4 executed. And so I don't know the answer to the
5 question. I'm just theorizing, I guess, as to why they
6 would be different.

7 So I don't know why it says Maitland at the
8 top. So I couldn't even tell you. So that would mean I
9 can't tell you why it's Clermont in the second line.

10 Q (By Ms. Mack) Okay. I was wondering perhaps
11 if there was some, you know, policy or procedure you
12 knew that would explain why they were different
13 locations.

14 A I couldn't tell you. Maybe there's some
15 additional -- there is not a notarization. So maybe the
16 mortgage has a notarization that says where the -- maybe
17 that's where the loan was closed, actually signed. You
18 know, I --

19 Q I'll get the mortgage for you so we don't have
20 to guess. How's that?

21 A Could be a number of reasons why. That may be
22 the branch where the loan was originated from.

23 Q Okay.

24 MS. CREWS: I was looking. It just says the
25 county. It doesn't say which city.

1 MS. MACK: We're going to mark the mortgage as
2 Exhibit 4.

3 (Defendant's Exhibit 4 was marked.)

4 Q (By Ms. Mack) And that is a copy of the
5 mortgage that was produced by your counsel to me in
6 preparation for this deposition.

7 A Yeah, it just makes reference to Lake County.

8 Q Okay.

9 A On the front part of the mortgage is a stamp
10 from I've seen is the closing -- the title office that
11 closes in Maitland.

12 Q Okay.

13 A So it looks like this is where the document
14 was prepared.

15 Q Okay. Well, while you've got the mortgage in
16 your hand, if you could turn to Paragraph -- let me get
17 a copy of it. It's probably easier if I take a look at
18 your copy, and I can tell you what paragraph to look at.

19 Let's look at that for a second while my
20 expert is looking for the particular paragraph. Let's
21 go back to the note which is Exhibit 2.

22 A Okay.

23 Q And the paragraph I would like to talk about
24 is Paragraph 8. It's entitled Obligations of Persons
25 Under the Note. I'm sorry. Paragraph 9 on Page 3.

1 Do you see it?

2 **A Yes.**

3 Q Okay. Are you familiar with Paragraph 9?

4 **A I haven't read it yet. I'll read it really**
5 **quickly and tell you.**

6 **I've now read it.**

7 Q Okay. What is your understanding of what
8 Paragraph 9 --

9 MS. CREWS: Object to the extent it calls for
10 a legal conclusion.

11 You can answer.

12 **A I think it speaks for itself. It's pretty**
13 **plain English. It states that the persons who sign the**
14 **note either as -- in basically all capacities;**
15 **guarantor, surety or endorser, basically have the**
16 **obligation to perform under the -- under the note.**

17 Q (By Ms. Mack) Okay. Now, on the Waisome
18 note, the signature on the note, there's only one. And
19 that's indicated as being Mr. Waisome. With regard to
20 the endorsement of Ms. Riley, the endorser under
21 Paragraph 9 would also be obligated under the note?

22 MS. CREWS: Object to form. It also calls for
23 a legal conclusion.

24 **A That's what the paragraph says. I don't know**
25 **that the -- I mean, Cynthia Riley is not identified as**

1 an endorser in her stamped signature. I don't know if
2 they're intended to be the same party. In other words,
3 I don't know that the endorser as defined in Paragraph 9
4 is Ms. Riley.

5 Q (By Ms. Mack) Okay. Let's see. With regard
6 to any system or accounting, whether it's on a database
7 or on paper, if that's even used anymore, what does
8 JPMorgan Chase use to account for a promissory note as
9 an asset on its books?

10 MS. CREWS: Object to form.

11 A I don't think I understand your question.

12 Q (By Ms. Mack) Okay. Do you know what I mean
13 when I say "asset"?

14 A I -- I really have -- well, let's say no.
15 Define what you're -- define what you're using the term
16 "asset" to describe, and I'll adopt it and answer the
17 question.

18 Q Well, what is your -- what's your -- do you
19 understand what the term "asset" means at all?

20 A Well, I have a couple of definitions that I
21 could, you know, use for asset. In -- in my day-to-day
22 work, an asset loan is a loan that is owned by Chase.
23 That's the working definition I come in contact with.
24 But if I was saying personally what my assets are, I'm
25 talking about things that I own that possibly could be

1 **liquidated into capital. So it's my -- my worth or**
2 **my -- you know, monetary description.**

3 Q Okay. So with an asset, like, you could --
4 okay. Let's just use a simple example. A car that
5 doesn't have any lien on it, that would be an asset
6 that, if you owned it, it would be an asset that was
7 worth whatever it was worth.

8 A **I would agree with that.**

9 Q Would you agree with that?

10 A **Yes.**

11 Q So if you wanted to, say, borrow money and use
12 the car as collateral, you wouldn't give the car to the
13 bank you were borrowing the money from. You would
14 pledge it.

15 Do you understand what I mean by that?

16 A **I do.**

17 MS. CREWS: Object to form.

18 Q (By Ms. Mack) Okay. Do you know if this note
19 in this case was ever pledged as opposed to sold? And
20 do you know the difference?

21 MS. CREWS: Object to form.

22 A **I have not seen any indication that that was**
23 **pledged at any point.**

24 Q (By Ms. Mack) What would you look at to
25 determine if it had been pledged? Or what -- if this

1 loan had been pledged, what screen would show if it had
2 been pledged?

3 MS. CREWS: Object to form.

4 **A As far as I know, there's nothing in the**
5 **servicing platform that would contain the information**
6 **because it's really not related to the servicing of the**
7 **loans. It's something that's a separate and removed.**
8 **If the bank wants to leverage their assets, it's not**
9 **something that would be retained in MSP and the**
10 **servicing platform, as far as I know.**

11 Q (By Ms. Mack) Okay. What -- okay. So do you
12 know -- do you know who would have that information at
13 either -- well, at JPMorgan Chase?

14 MS. CREWS: I'm going to object because I
15 don't think it's related to any topic that we have
16 listed in our court order.

17 MS. MACK: Are you going to instruct him not
18 to answer?

19 **A And the question is who would know?**

20 Q (By Ms. Mack) I'm just trying to, you know,
21 unpack the whole concept of the purchase and assumption,
22 which would be A under the order. The information
23 related to the chain of custody, which would be B.

24 MS. CREWS: I don't see what -- whether a bank
25 has pledged certain assets of its portfolio, or

1 whatever, what that would have to do with the FDIC
2 transfer or the chain of custody of servicing of
3 this loan.

4 Q (By Ms. Mack) Well, with regard to the chain
5 of custody, would you agree with me that when you sell a
6 note as opposed to keep it as an asset, you physically
7 transfer the paper?

8 MS. CREWS: Object to form.

9 **A If we sold the loan, we would generally**
10 **physically transfer the paper because the new owner is**
11 **going to want to have possession of that.**

12 Q (By Ms. Mack) Okay. Now, are you familiar
13 with the concept of pledging a note as collateral as
14 opposed to selling it?

15 **A I -- I understand the concept as you described**
16 **it. I don't know this to be a practice of Chase or**
17 **WAMU. I've never come to -- I've never worked on a case**
18 **or been advised that this is a practice of Chase or**
19 **WAMU.**

20 Q Okay.

21 **A So, really, the concept, I understand. The**
22 **practice, I don't know if it goes on or not.**

23 Q Okay. So you don't know if that happened in
24 this case with either WAMU or Chase, if this loan was
25 ever pledged as collateral?

1 A There is nothing in the -- there would be
2 nothing that I would have access to that would
3 memorialize such a transaction because it's not related
4 to the servicing of the loan. And, again, I've never in
5 five years of working for the combined businesses been
6 aware of any such practice or been advised of any such
7 practice taking place. I don't know that it goes on.
8 I've never heard of it.

9 I mean, your description to me today is the
10 first time I've ever even heard of it. So if it
11 happens, I would be very surprised. I've never heard of
12 it before.

13 Q Do you read any of the Security and Exchange
14 Commission filings for either WAMU or JPMorgan Chase?

15 A Do I read them?

16 MS. CREWS: Objection to form. What does that
17 have to do with anything?

18 A I've read them as it relates to cases I have
19 prepared for, but I don't read them as -- you know, it's
20 not something I wake up on Sunday morning and read, no.

21 Q (By Ms. Mack) Okay. Did you read the
22 Levin -- we call it the Levin Report, but I believe it's
23 called the Anatomy of a Financial Crisis. A large part
24 of it was dedicated to what caused the failure of WAMU?

25 Did you happen to read that?

1 **A I did not.**

2 **Q Okay. Thanks.**

3 All right. With regard to assets, what is
4 your understanding of mortgage servicing rights? Are
5 they considered assets?

6 MS. CREWS: Object to form.

7 **A Whether the servicing rights are considered**
8 **assets?**

9 **Q (By Ms. Mack) Yes.**

10 **A I don't know whether or not servicing rights**
11 **would be considered assets by the bank.**

12 **Q Okay. Now, with regard to the purchase and**
13 **assumption agreement, do you know what certain assets**
14 **were purchased by the bank?**

15 **A My understanding is it was a whole bank**
16 **purchase. So pretty much everything under -- in my**
17 **understanding, was purchased. The -- my understanding**
18 **of the whole backs of things -- it's easier -- I think**
19 **it is easier to define the things that were not**
20 **purchased as opposed to things that were, because it**
21 **would be outweighed, clearly.**

22 **Certain things, in my knowledge, that were not**
23 **purchased were certain -- certain loans that were**
24 **involved with certain types of litigation that the FDIC**
25 **sought to retain. So, again, I'm working in the**

1 mortgage servicing. I don't know what -- and WAMU was a
2 large bank which had other divisions which I am
3 completely unaware of, so those whole -- the whole bank
4 purchase included those things as well.

5 But as far as what was not included as far as
6 mortgage servicing was, to my knowledge, things that
7 were tied up in litigation that the FDIC saw better of
8 and wanted to hold onto and manage themselves.

9 Q Okay. Do you know if Washington Mutual -- or
10 sorry -- JPMorgan Chase serviced those loans the FDIC
11 retained?

12 MS. CREWS: Object to form.

13 A I haven't seen any, but I would have to say I
14 don't know.

15 Q (By Ms. Mack) And "I don't know" is a good
16 answer, because I prefer "I don't know" to guessing.

17 What accounting or financial records did
18 Washington Mutual have that evidenced Mr. Waisome's note
19 as an asset on the books and balance sheet of Washington
20 Mutual prior to the FDIC takeover?

21 MS. CREWS: Object to form.

22 A Again, I think the answer is I don't know.

23 Q (By Ms. Mack) Okay. What accounting and
24 financial records does Chase have of Washington
25 Mutual -- so this would be Washington Mutual records or

1 accounting records, financial, any type of record --
2 that would have been created by Washington Mutual and is
3 now in Chase's custody that would prove that
4 Mr. Waisome's note was an asset of Washington Mutual at
5 the time that the FDIC took the bank over?

6 MS. CREWS: Object to form.

7 A Well, let me go back to your previous question
8 because in asking your current question, I think I -- I
9 think I may know what you're looking for or at least
10 have some information.

11 If we go back to the previous question which
12 was what records did WAMU have prior to the FDIC
13 seizure, they were working in the same servicing
14 platform as Chase. So the records would have been
15 retained there as far as whether or not Mr. Waisome's
16 loan was an asset loan or investor loan. They would
17 have -- they have a document facility which would have
18 housed the original mortgage, all the collateral docs
19 that would have basically shown that that was in our
20 possession and shown -- you know, it would have been
21 proof of ownership at the time.

22 And then really rolling that all forward,
23 Chase purchased and assumed all of the records. And
24 just to give you an idea, like, we have copies of all
25 the checks for all the payments that Mr. Waisome made in

1 the two years that his loan performed. Those are,
2 clearly, WAMU records that passed on to Chase. So I
3 think those would have qualified as records that would
4 have shown that we were, indeed, at the very least
5 servicing the loan.

6 And then forward, again, when we talk about
7 post purchase by Chase through the FDIC, we would
8 have -- we take possession of the note, the mortgage,
9 the original collateral documents and all of the -- of
10 the credit file and all of that. The information in the
11 systems that WAMU was using is the same thing that Chase
12 was using. So I think as I previously testified, we
13 maintained the system separately up until a period of
14 time until pretty recently in the last year where
15 eventually they were converged into one.

16 So, really, the servicing never went through
17 any major changes. The data is the data, the past
18 unchanged from WAMU to Chase.

19 Q (By Ms. Mack) But I think we've already
20 established that you can have a servicing of a loan and
21 not own it.

22 A Certainly.

23 Q Okay.

24 A But the servicing platform and the servicing
25 records are going to reflect ownership. And that's, I

1 think, what we are getting at, is that the ownership is
2 shown as being WAMU and Chase throughout. There is no
3 indication that it was ever sold to another owner.

4 Q Can we agree that the FDIC did not take over
5 the Washington Mutual holding company?

6 MS. CREWS: Object to form.

7 A Can you -- I don't know what you mean by
8 "holding company."

9 Q (By Ms. Mack) What's your understanding of
10 the FDIC's receivership of Washington Mutual? For
11 example, did it include the Washington Mutual mortgage
12 securitization corporation? Or was it just Washington
13 Mutual Bank, FA? Or was it Washington Mutual Bank, FSB?
14 All the above? More? Less?

15 MS. CREWS: Object to form.

16 A I haven't memorized the document which
17 probably spells out the entities and leaves out those
18 that were not included in that. So my answer would be I
19 don't know. I don't have a full at -- on-demand
20 recollection of every entity of WAMU that was taken over
21 by the FDIC and at which point.

22 Q (By Ms. Mack) Fair enough. Okay.

23 And are you -- have you had the opportunity
24 since you've been working in the last five years of
25 working on a loan where the collateral file was at the

1 bank at the time of seizure, okay, the note, mortgage
2 and the title policy, the originals, and they were not
3 actually owned by the bank?

4 MS. CREWS: Object to form.

5 **A Where they were -- where they were being**
6 **housed by the bank and not owned by the bank?**

7 Q (By Ms. Mack) Correct.

8 **A Absolutely.**

9 Q Okay. So how did you determine that that --
10 say it was a -- let's just for purposes of this next
11 couple of questions, if Washington Mutual had originated
12 a loan and then securitized it into a Washington Mutual
13 trust --

14 **A Yes.**

15 Q -- the trust documents provided that the
16 Washington Mutual Bank, FSB would be the custodian of
17 the documents, the collateral file, so they would be
18 housed in the bank. Okay?

19 **A That's correct.**

20 MS. CREWS: Object to form.

21 Q (By Ms. Mack) However, if they were -- if
22 they were sold to a trust, then the trust would own the
23 loan including the note, correct?

24 **A Correct.**

25 Q But they would -- the originals would still be

1 at the bank; is that correct?

2 A It depends on the designation of the trust.
3 And typically these PSAs designate who the custodians
4 are going to be of the documents. Generally, the
5 servicer of the loan is going to be the custodian. But,
6 you know, that's the general practice. But there are
7 cases where the custodian is going to be different from
8 the servicer. But in most cases, I would say 9 out of
9 10, 99 percent of the time when we were servicing the
10 loan and the loan was owned by a trust, we're also going
11 to be charged with document retention and custodianship.

12 Q Okay. So in that scenario, that hypothetical
13 scenario, how would you be able to determine if the loan
14 was owned by a trust as opposed to being an asset of the
15 bank?

16 A A couple of different -- well, MSP is going to
17 tell you who the investor is, if there is an investor
18 and if there's a separate owner other than WAMU or Chase
19 at the time, whoever it may have been. And then
20 secondly, there is also a system that we use to
21 determine loan ownership and specifically servicing
22 guidelines as it relates to -- I'll use it for relating
23 to default -- that tells me, like, the name it
24 foreclosed in. So it's going to name the owner and
25 whose name to foreclose in. So there's a number of

1 other systems that are used to, you know, document who
2 the owner is.

3 Q What's the name of that system that you just
4 described?

5 A I know it as LISA. I think it's an acronym
6 for something else, but I forget. I can't remember
7 exactly what it is.

8 Q LISA? Is there any other system besides LISA
9 at MSP that you could look at to determine if there was
10 an investor?

11 A There -- you may -- depending on the
12 individual loan, if you have access to the MERS
13 registration, you know, I would be able to determine
14 ownership through MERS. MERS was not a party to this
15 one, but I'm just saying in general MERS, LISA, MSP.

16 I think our -- I think the document -- the
17 Docline system I made the reference to earlier may also
18 reference ownership, but I -- but I may be wrong on that
19 one.

20 Q Okay.

21 A I think that you can run certain reports out
22 of that database that will produce ownership
23 information. But I know certainly MSP, which is the
24 go-to system of record, is going to show clearly without
25 any question who the owner is.

1 Q Okay. What I -- I guess what I'm looking for
2 is did Washington Mutual -- did Washington Mutual have
3 any proprietary system, either database or paper, to
4 determine who owned a loan, owned the note?

5 MS. CREWS: Object to form.

6 A I would consider -- I would consider MSP a
7 proprietary system because each individual servicer has
8 their own client. So they're not -- it's not cookie
9 cutter. You can customize it. So I would consider it
10 proprietary and I would say that would be your -- a
11 prime example of a system that will show you who the
12 investor and who the owner is on every single loan
13 that's documented in MSP.

14 Q (By Ms. Mack) Okay. And so with regard to
15 Chase, the MSP system, is that the only proprietary --
16 and when I say "proprietary," I mean it's something
17 owned by Chase and that only Chase and its employees or
18 counsel have access to?

19 A That would show that same information?

20 Q Yes.

21 A It's the -- well, I'm not sure if LISA is the
22 proprietary system or not. I -- but I would say that
23 will also show you. The MERS is not really proprietary,
24 I don't believe. So that's the one I'm aware of, or
25 those would be the two I would be aware of for the most

1 part. I don't know that there's not any others. I just
2 know that, you know, affirmatively they -- I can tell
3 you from those records that, you know, who the owner is.

4 Q Okay. All right. Other than Washington
5 Mutual employees and now JPMorgan Chase employees, would
6 there be any other folks that could input data into
7 either MSP or LISA that would change the identity of the
8 investor or any of those types of information?

9 MS. CREWS: Object to form.

10 A I don't know if there's going to be any other
11 employee -- any other employees of any other companies
12 that would have the ability to do that, no. I just
13 don't know.

14 Q (By Ms. Mack) Do you know if -- if either
15 Washington Mutual or JPMorgan Chase keeps a log, a
16 computer log, of access to either MSP or LISA or
17 Docline?

18 A Yes. Actually, there are very strict controls
19 over who has access. Not everyone who walks in the door
20 at Chase can access these systems. They have to be
21 ordered with specific privileges. For instance, if you
22 want someone to have read only privileges, they can be
23 read only. If you want them to have edit privileges,
24 they can have edit privileges. It runs the gamut. We
25 have to affirm every year that our -- that our accesses

1 are appropriate for our position. We have to affirm for
2 our employees, if we have any direct reports, that, you
3 know, their accesses are appropriate for their position.
4 They are constantly being reviewed, and they're always
5 looking for ways to limit access to the bare minimum of
6 what is needed to get your job done.

7 Q Who -- if I wanted to get a list of access to
8 the Waisome collateral file or servicing history, who
9 would I -- or what department would that be kept in, if
10 that's how you keep it? And what is it called?

11 MS. CREWS: Object to form.

12 A Well, you're dealing with multiple systems
13 maintained by some inside people. Some of it is in
14 partnership with LPS Services. And I would say from the
15 MSP standpoint, because I think that's, you know,
16 heavily partnered with LPS, it's probably LPS who would
17 provide us a list. If we needed a list of everyone who
18 has ever touched the loan in MSP and the individual
19 identifiers, they would probably be able to run a report
20 and tell us that.

21 The other system such as, like, Docline and
22 who has got access to that, that would probably be
23 internal. And that system, as far as I am concerned, is
24 run by the custodianship, Chase custody services. So
25 Chase custody would provide a report on who has accessed

1 the file room to pull up the room or who has accessed
2 the loan for whatever reporting they were looking for
3 and so on. So it would be the administrators of the
4 particular systems.

5 Q (By Ms. Mack) Okay. Any other systems that
6 you haven't just mentioned that I would -- for
7 log-keeping purposes?

8 A There are -- again, because there are certain
9 folks who can access view only and there are certain
10 folks who can change, when you are looking at things
11 like iVault, which is the imaging system, you really
12 can't change anything there. It's just a picture of
13 what document you're looking at.

14 So, certainly, I am sure you can get a list of
15 the people who have accessed the loan from that point,
16 but the purpose would be I don't know what, because they
17 can't change anything or manipulate anything there.
18 They probably do have a list of people who can upload
19 images to the loan records into iVault, which is handled
20 still out of Monroe, which is Chase custody services.

21 Q In Monroe, Louisiana, right?

22 A Right.

23 Q Okay. Now, with regard to the placement of
24 the endorsement, have -- let me just back up for a
25 second.

1 In this case, are you aware of the initial
2 pleading by plaintiff, the complaint that was filed and
3 served?

4 **A All of the pleadings or just a specific**
5 **pleading?**

6 Q The first one. The one that started the
7 lawsuit.

8 **A I believe I have seen and read it. I mean, I**
9 **don't know it through and through.**

10 Q Okay.

11 **A I think there was -- what sticks out to me, I**
12 **think, there might have been a lost note claim in there**
13 **somewhere.**

14 Q Do you know -- do you remember if there was a
15 note attached?

16 **A To the original one?**

17 Q To the initial complaint.

18 **A I don't think so.**

19 Q Okay.

20 **A I don't know for sure, but I don't think so.**
21 **Why would they do that if they have a -- well, maybe a**
22 **copy. They may have, but I don't know.**

23 Q Okay. Are you aware that one of the issues in
24 this case is whether Ms. Riley's endorsed -- endorsement
25 on the promissory note existed before the lawsuit was

1 filed?

2 **A I understand that to be a point of contention**
3 **in the case, yes.**

4 Q Okay. Do you know what document or system you
5 would look at to determine when Ms. Riley's stamp was
6 placed on the promissory note in this case?

7 MS. CREWS: Object to form.

8 **A I am not aware of any system or document that**
9 **is going to memorialize when her stamp was placed on the**
10 **note.**

11 Q (By Ms. Mack) Do you know if Washington
12 Mutual had any system in place for tracking when a note
13 was endorsed?

14 **A I would say generally there were systems and**
15 **processes in place that define when it should be**
16 **endorsed as a matter of the normal business practices,**
17 **but not specifically as to the moment they -- or even**
18 **the week or month it may have been physically stamped.**

19 Q Those practices, were they written?

20 **A I've never seen the written -- I've never seen**
21 **them, so I don't know.**

22 Q Would you agree with me that Washington Mutual
23 bank's business practices were not sound?

24 MS. CREWS: Object to form.

25 **A I would probably not agree with you as to the**

1 loan servicing portion. As to whether or not their
2 decisions on the types of mortgages they may have been
3 writing, I think that may be a conversation separate and
4 apart from what we were doing as a servicer. But
5 servicing, certainly, is not impacted by the types of
6 loans that were underwritten. They service the same,
7 regardless.

8 Q (By Ms. Mack) Okay.

9 A So, again, your question was were WAMU's
10 business practices unsound. And I think that would be a
11 very general and broad, sweeping statement that doesn't
12 apply to servicing in particular.

13 Q Now, with regard to the mortgage and
14 underwriting practices specifically, do you have an
15 opinion about the soundness -- safety and soundness of
16 those --

17 MS. CREWS: Object to form.

18 Q (By Ms. Mack) -- parts of the business?

19 MS. CREWS: Are you talking about origination?

20 MS. MACK: Well, yeah. I mean, origination,
21 underwriting. It's going to all fall into that
22 whole category.

23 MS. CREWS: He's not here to testify about
24 anything that happened at origination.

25 MS. MACK: You don't think this falls under

1 general information and facts related to the loan
2 and borrower as maintained in the plaintiff's
3 business records?

4 MS. CREWS: If he can answer the question,
5 that's fine, but he -- I don't think he is going to
6 know about specific things about origination.

7 MS. MACK: Okay. Well, we have facts relating
8 to the endorsement of the note and WAMU's typical
9 business practices relating to loan originations and
10 endorsement.

11 MS. CREWS: And he can testify to that topic
12 if you want to ask him about that.

13 Q (By Ms. Mack) What do you know about WAMU's
14 typical business practices relating to loan origination?

15 A **Well, I know quite a bit. That's a very broad**
16 **question. Are you looking for something --**

17 Q Yeah.

18 A **-- in particular or --**

19 Q The --

20 A **Loan origination is a long process and**
21 **involves a lot of steps.**

22 Q I'm probably going to want to get some
23 documents out so I can ask this next round of questions.
24 Give me a second.

25 Actually, while I'm looking for those,

1 Mr. Nardi, I'm going to ask you some more questions
2 about the mortgage itself, which is Exhibit 4.
3 Specifically, Paragraph 10, 18, 20 and 22.

4 So here you go.

5 **A 20 and 22?**

6 **Q Yes.**

7 **A Okay.**

8 **Q Okay. With regard to Paragraph 10, are you**
9 **familiar with what mortgage insurance is?**

10 **A Yes.**

11 **Q Okay. What is your understanding of mortgage**
12 **insurance?**

13 **A My understanding of mortgage insurance is**
14 **depending on the requirements of the lender, the**
15 **borrower may be required to pay an additional amount on**
16 **top of the regular mortgage payment that is not --**
17 **what's the word -- doesn't apply to their payment --**
18 **doesn't apply to their mortgage. It's basically a fee,**
19 **for all intents and purposes, that will basically ensure**
20 **losses that the lender, if the lender remains the owner**
21 **or -- you know, basically, you know, if I had to use the**
22 **term "party in interest" to the loan. Like I say, any**
23 **losses that may occur from the borrower defaulting on**
24 **the payments early, you know, or basically a loan not**
25 **performing.**

1 Q Okay.

2 A **That's my understanding.**

3 Q Now, do you know the difference between lender
4 placed mortgage insurance and private mortgage
5 insurance?

6 A **I've not heard the term "lender placed
7 mortgage insurance," so -- and maybe the terms are
8 getting mixed up. Usually, like, forced placed
9 insurance relates to property coverage, not insurance
10 related to the performance of the loan.**

11 **PMI versus MPI, I don't know if that's the
12 question you are asking, mortgage insurance, you know,
13 PMI versus MPI.**

14 **Is that the question you're asking?**

15 Q Well, it depends on what lender you are
16 working for, I guess, because there's -- I think MPI and
17 lender placed mortgage insurance have been referred to,
18 in my experience, interchangeably.

19 A **Okay. I haven't heard and I didn't want to
20 confuse the issue. So I'll --**

21 Q Thank you. I appreciate that.

22 A **-- assume you are not referring to actual
23 coverage of the property --**

24 Q Correct.

25 A **-- and you're talking about -- do I know the**

1 difference between those two? Let me -- I have to run
2 some definitions in my head, so hang on.

3 Q No problem. Take your time.

4 A I don't deal with the issue very often, so
5 I -- my understanding is probably fairly rudimentary. I
6 have an idea in my head about MPI as it relates to --
7 for some reason, FHA loans pop in my head. So I'm not
8 sure if it only relates to FHA loans or not. And then
9 PMI relating to other types of perhaps privately owned
10 loans. So I don't -- I don't think I have a really good
11 working --

12 Q Okay.

13 A -- definition or a way to divide those in my
14 head.

15 Q What's your understanding of FHA loans?

16 A Well, in -- and this is just because I've
17 recently researched some case that had an FHA loan. The
18 loan to value or -- the borrower didn't have enough to
19 make the 20 percent down payment on the loan, so you
20 basically had a larger than 80 percent loan to value.
21 They were financing, you know, 90 percent of the loan.
22 So basically the -- the backer, the guarantor of the
23 loan, required that they pay an additional, like, \$98 a
24 month. That didn't apply to the mortgage payment but
25 basically covers an insurance policy that, you know,

1 that basically said it will cover you in case there is,
2 you know, a payment default or some issue with the loan.

3 And then even further, I researched that after
4 a period of time, the borrower or -- the borrower can
5 basically have that removed once they hit a certain
6 percentage of equity in their home or a certain number
7 of years goes by.

8 So my understanding is very specific to this
9 case. There is probably a lot of other nuances that I
10 am not aware of, but that's -- that's what I learned in
11 order to --

12 Q How did you --

13 A -- to become knowledgeable.

14 Q How did you determine that the loan was FHA
15 insured?

16 MS. CREWS: Are we talking about this loan?

17 THE WITNESS: No, we're --

18 MS. MACK: I'm asking him what his
19 understanding of FHA because he was describing it in
20 terms of the insurance.

21 A How was I able to determine if it was an FHA
22 loan? I could look at origination documents, and it
23 will easily -- I think it's right on the application.
24 It will say FHA on it.

25 Q (By Ms. Mack) Okay.

1 A So it's pretty easily identifiable. And
2 systemically, I think it's there as well. I just can't
3 tell you where in MSP I would look at it. But from my
4 research, I was looking at origination documents which
5 clearly identified the loans as FHA.

6 Q Okay. Now, the -- do you know if
7 Mr. Waisome's loan was an FHA loan?

8 A I would have to look at the application again,
9 but I don't -- I don't think it was. It would only take
10 me a moment to look.

11 Q Do you know --

12 A It was a cashout refi, so I don't know that it
13 could be an FHA loan. I'm almost positive it couldn't,
14 but I could be wrong.

15 Q Okay. So do you -- okay. So let me back up.
16 Are FHA loans identified by loan number or is
17 it an indication on the loan file? Let me ask you --
18 tell you why I'm asking you this question. This is one
19 of the documents that was produced to us in preparation
20 for this deposition.

21 A What's the question?

22 Q Okay. The question is: Well, first, have you
23 ever seen that document before?

24 A I have not, but it was probably in a big pile
25 of documents that I had.

1 MS. MACK: We're going to mark that as -- I
2 think 5 is the next number.

3 (Defendant's Exhibit 5 was marked.)

4 Q (By Ms. Mack) The document we've marked as
5 Exhibit 5 was a document produced in preparation for
6 this deposition. It indicates that there is an FHA
7 lender identifier number associated with this loan.
8 That's exactly what it says.

9 Do you know what that means?

10 A I don't.

11 Q Okay. Do you know who would know what that
12 means?

13 A I don't know anyone -- I mean, not off the top
14 of my head, I don't know who would know.

15 Q Okay.

16 A I'm sure I could find out, but I've not --
17 looking at the term FHA lender identifier, it -- it
18 appears that it's identifying a lender that is
19 associated with FHA -- FHA funding by a certain number.
20 So, again, I'm only looking at this for what it is. It
21 looks like it's identifying a lender by number. I'm
22 sure there are a lot of lenders who work with the FHA
23 processes that have to be identified uniquely, so it
24 could be that.

25 Honestly, I don't know for sure. I would have

1 to do some additional research. It would be nice to
2 say, yeah, that's WAMU's FHA lender identifier, but I
3 just don't know that to be the case.

4 Q Okay. So what would you look at to determine
5 if that was the lender identifier number as opposed to
6 an FHA loan identifier number?

7 A I wouldn't -- I wouldn't even know where to go
8 look. I would basically start to talk to who I think
9 would be in the know --

10 Q Okay.

11 A -- regarding FHA loans.

12 Q All right. But you think that you could get
13 an answer?

14 A I'm sure I could.

15 Q Okay.

16 A I'd have to find somebody knowledgeable enough
17 and hopefully with this -- you know, this is, obviously,
18 a 2007 document, so this would be a Chase document --
19 excuse me -- a WAMU document. So I would probably
20 identify or try to find someone who was working FHA
21 loans at the time.

22 Q When -- with WAMU?

23 A Correct.

24 Q Okay. Let's see here. Are you
25 familiar who -- who would be -- who would be the people,

1 as you put it, in the know? Do you have people you are
2 thinking of as we're sitting here today?

3 A Well, not in particular. I have -- working in
4 and around Chase legal, you tend to find people who
5 worked in other parts of the business at some point. It
6 helps when you get people that are just not legal
7 experts. You need to have people who are experienced in
8 loan servicing and, you know, all areas of originations
9 and loss mitigation. And so what I do is just try to
10 maintain a network of people that I can go back to and
11 say, Hey, I've got this issue and I've got a question.
12 Can you tell me what this was about? Basically just
13 network and be able to verify that some way through
14 business records.

15 See, a lot of these questions just come up
16 like this one. What is this? Well, I don't know what
17 this is, but I can backtrack and find what the number
18 represents and then go back and find somewhere in the
19 system of record where I can verify the information is
20 what someone has told me that it is.

21 Q Okay. All righty. So if we're talking about
22 the origination of this loan, then it's fair to say that
23 you don't know everything about it. You would have to
24 go talk to some other folks?

25 A Well, I --

1 MS. CREWS: Object to form.

2 A -- can tell you what -- as far as the
3 origination goes, what's included in the documents. I
4 think everything is well-documented in the origination
5 file. I mean, it's all there. I've seen copies of the
6 application, what the loan was intended to do, what --
7 I've seen copies of the closing documents.

8 So it's all well-documented, so there is
9 nothing I couldn't answer as far as the originations for
10 this loan goes, you know, given the amount of
11 documentation that we have. I wouldn't necessarily have
12 to go to anyone else. I would need to refer to
13 documents and business records.

14 Q (By Ms. Mack) Okay. And would one of those
15 business records be Optis?

16 A I haven't heard of Optis before.

17 Q So if I asked you questions about Optis Center
18 regarding this loan, you wouldn't know anything about
19 it?

20 A Optis Center? No, I wouldn't.

21 Q It's a proprietary WAMU software.

22 A Okay. What was it used for? You're asking
23 the questions.

24 Q I was going to ask you. But since you don't
25 anything about it --

1 **A I don't know anything.**

2 Q -- I'm kind of stuck there.

3 Okay. Well, I'm glad I didn't ask a bunch of
4 questions and you said "I don't know." That would have
5 wasted a bunch of time.

6 MS. MACK: Let's see what time it is. 10 to
7 12:00. I have a big chunk of questioning, and I'm
8 trying to decide when to get to it because it's all
9 regarding the same stuff. And sometimes I can do
10 some smaller things.

11 Q (By Ms. Mack) Going back to the insurance
12 questions.

13 **A Okay.**

14 Q Do you know if there was any insurance at all,
15 FHA, PMI, MPI --

16 **A I don't recall.**

17 Q -- regarding the alleged default and what
18 would happen in the event of alleged default?

19 MS. CREWS: Objection. Form.

20 **A I don't recall seeing anything in the**
21 **documents that would reflect there was some type of**
22 **insurance premium being paid by Mr. Waisome or by anyone**
23 **or if there was any coverage in the event of default or**
24 **anything like that. I would certainly like to say for**
25 **sure I would like to definitely see the documents --**

1 usually the origination documentation will describe any
2 type of insurance premium the borrower had to pay, and
3 then remove from that if there was anything that the
4 bank was paying, which is generally not the case. It's
5 usually the borrower paying for the insurance. I would
6 just review the system of record. But in my review up
7 to this point, nothing.

8 Q (By Ms. Mack) Okay.

9 A Nothing that I have identified shows there is
10 any insurance paid.

11 Q Okay. So going on to our mortgage, I think
12 we've got -- 18 is next -- the next paragraph. With
13 regard to Paragraph 18, if the borrower wanted to
14 transfer the interest in the property, they had to get
15 permission from the lender.

16 Would you agree with me that's what that
17 means?

18 A I believe that the paragraph clearly
19 contemplates transfer of the property and the
20 obligations of the borrower under the mortgage to
21 consult with the lender ahead of time, yes.

22 Q So for purposes of transfer, it would be
23 important for the borrower to know who actually owned
24 the note or, I guess, the deed of trust? They reference
25 the deed of trust as well.

1 MS. CREWS: Object to form.

2 A I just want to make sure I understand the
3 question. It would be important for them to know who --

4 Q (By Ms. Mack) The owner of the note, because
5 the mortgage follows the note. And so if you're trying
6 to transfer the interest on the property pursuant to
7 Paragraph 18 under the mortgage, you would have to know
8 who owned the note.

9 MS. CREWS: Object to form.

10 A I don't know that -- I mean, it doesn't say
11 that here. It doesn't say you need to identify or
12 inform the note holder. It just identifies the lender.

13 Q (By Ms. Mack) Okay.

14 A So I'm not going to interject --

15 Q Okay.

16 A -- words there.

17 Q How about Paragraph 20?

18 A 20? Do you have a question?

19 Q I do. I just didn't know if you need to
20 review it first.

21 A Go ahead.

22 Q The sale of the note, change of loan servicer.
23 What is your understanding of the -- of the loan sale?
24 Is that something -- I think you already said that the
25 borrower does not need to be apprised of the loan sale.

1 MS. CREWS: Object to form.

2 A I will try and just recap my previous answer.
3 As far as the servicer goes, clearly, there is a need
4 for the borrower to know who their servicer is because
5 that's who they make their payments to. That is who is
6 handling all of the customer service level issues and
7 basically all the interactions with the customer.

8 As far as who owns the loan, they are not
9 necessarily going to have contact with the owner of the
10 loan itself. As I gave an example before, if the loan
11 has been securitized and now is in -- you know, involved
12 in a trust, Joe Borrower is not going to pick up the
13 phone and talk to Wells Fargo as the trustee. They are
14 still going to be contacting Chase as the servicer for
15 whatever issues that might come up in the life of the
16 loan.

17 Q (By Ms. Mack) How would Mr. Waisome, if he
18 wanted to speak with his lender -- the owner of his note
19 under Paragraph 20, before, say, suing them, okay, if
20 Mr. Waisome hypothetically wanted to speak with the
21 owner of the -- you know, the note -- not the servicer,
22 but the owner --

23 A Okay.

24 Q -- under the second paragraph of Paragraph 20
25 in the mortgage, the borrower has a duty to actually

1 know who the owner is and touch base with them before he
2 sues them.

3 MS. CREWS: Object to form.

4 A As far as finding out who owns your note, I --
5 I've never had to do it personally, and I have really
6 not run into a situation where I have had to answer a
7 question like that before. But there's no reason the
8 borrower can't call their servicer and ask who owns
9 their mortgage or owns the note, you know, who the
10 investor is. It's not secret information. It's not
11 locked down.

12 Q (By Ms. Mack) Are you aware that Mr. Waisome
13 attempted to determine who the entity was in this case
14 prior to the lawsuit being filed?

15 MS. CREWS: Object to form.

16 A I'm aware of some communication with the bank.
17 I don't know when it was in relation -- I don't recall
18 when it was in relation to the suit, and I don't
19 remember specifically him asking for who is -- who the
20 owner was. But I'm not saying it wasn't there. I'm
21 just saying I recall some communication specific -- very
22 specific and detailed questions being asked. I don't
23 recall what timeframe it was in relation to the suit or
24 whether or not he specifically asked, Is there an
25 investor, who is it?

1 Q (By Ms. Mack) But if he had --

2 A Yes.

3 Q -- would that have been something you would
4 expect would have been answered?

5 A There is absolutely no reason not to answer
6 the question. Like I said, it's not -- now, the
7 question is how -- if the question is who is my -- who
8 owns the note, certainly, there is no need to hide that.
9 You can just answer the question.

10 Now, if you asked, How do I contact such and
11 such, then the question may not be answerable because
12 Wells Fargo as the -- and, again, I'm going to go back
13 to the Wells Fargo as trustee for WAMU pass-through
14 certificates. They're not going to have contact
15 information for the borrower. They are not going to
16 take the borrower's call. It's not their job. They are
17 not -- they are basically removed from the borrower
18 through -- by the servicer.

19 The servicer is there to answer any questions
20 and take care of anything that can be handled. There is
21 no relationship between, really, the borrower and the
22 underlying owner of the note at that point while the
23 loan is performing or is in some type of, you know,
24 default status, wherever the life of the loan. That's
25 why the servicer is the servicer. They are handling

1 **that relationship in lieu of Wells Fargo as trustee.**

2 Q But under Paragraph 20, the borrower has an
3 affirmative duty -- and I'm reading the paragraph -- to
4 contact the lender prior to commencing any type of a
5 judicial action over an alleged breach. And if
6 Mr. Waisome had written these letters before he was
7 sued, seeking to contact that lender, that owner, do you
8 know if he was given an answer?

9 MS. CREWS: Object to form.

10 A I believe the answer is -- there is a specific
11 process. And if it's -- if this is the specific
12 instance I'm thinking of, it's pretty well-documented
13 that there were responses initially. And then I believe
14 that the answers may have come through counsel because
15 of -- I'm not -- again, this is my lack of understanding
16 of the exact timing. But I think if we're represented
17 by counsel, a lot of these requests come through after
18 the point or they are being processed to the point where
19 we are then represented by counsel. So the answers
20 would have been funneled through counsel.

21 I can't say definitively whether or not he was
22 answered directly by the bank or if the questions were
23 answered through communications with our counsel at the
24 time. And as far as being able to contact the lender, I
25 think I pointed out a section of the documents that

1 identifies the lender as anyone who has a note at the
2 time or -- you know. So the lender is really, you know,
3 in this case, the servicer. The servicer is the lender.
4 They are one and the same. So he would have been
5 contacting the same people. There was no separate
6 servicer or separate lender.

7 Q (By Ms. Mack) Okay. Well, if I could just
8 point your attention to Page 1 of the mortgage.

9 A Sure.

10 Q The lender is defined as Washington Mutual
11 Bank, FA.

12 Would you agree with me?

13 A Yes, it is.

14 Q Okay. Are you aware of the fact that
15 Washington Mutual Bank, FA did not exist after April 4,
16 2005?

17 MS. CREWS: Object to form.

18 A No.

19 Q (By Ms. Mack) No? But hypothetically, if
20 Washington Mutual Bank, FA was no longer an entity named
21 Washington Mutual Bank, FA as of April 4, 2005, who
22 would Mr. Waisome then contact?

23 MS. CREWS: Object to form.

24 Q (By Ms. Mack) Okay. Let me just give --

25 A Well, I mean, the answer is the folks who are

1 servicing his loan, the people who are sending him
2 statements every month for his loan, and the people who
3 are sending him letters about his loan status. It's the
4 same folks he had been dealing with in the two years
5 prior to his default.

6 I don't think it was a big -- yeah. The same
7 folks he had had been dealing with two years prior to
8 his default.

9 Q Okay. So if the -- if Mr. Waisome was dealing
10 with an entity other than Washington Mutual Bank, FA as
11 loan servicer, then from your answer, you believe that
12 those two entities would be one and the same?

13 MS. CREWS: Object to form.

14 A I don't think I said that. I am just pointing
15 out the obvious that he wouldn't necessarily find
16 someone else to tell about whatever issues that had come
17 up. If he was going to sue -- and, again, I'm still
18 kind of -- I'm referring back to Paragraph 20 when you
19 said he has an obligation to inform the lender that he
20 is going to sue. If he's had no other contact with
21 another party, there is no reason for him to go out and
22 seek another party to inform. He has been dealing with
23 the right folks all the time.

24 As to whether or not these parties are one and
25 the same, I didn't say that. And I don't know whether

1 Washington Mutual, FA existed at the time. I know that
2 Mr. Waisome was making payments to Washington Mutual and
3 was getting correspondence from Washington Mutual. And
4 basically if his loan was in all other forms and manners
5 being serviced by Washington Mutual, there would be no
6 reason to think he needed to go anywhere else.

7 Q (By Ms. Mack) Are you aware of the fact that
8 this loan was originated through NAMCO?

9 A I'm sorry?

10 Q Do you know who NAMCO is?

11 A NAMCO? I don't.

12 Q So if I told you that Mr. Waisome's loan was
13 originated through NAMCO and then transferred to
14 Washington Mutual Bank, you wouldn't know anything about
15 that?

16 MS. CREWS: Object to form and beyond the
17 scope.

18 A I don't know. I haven't seen the reference to
19 NAMCO yet. The -- Washington Mutual did a lot of what
20 is called correspondent lending, so they may have --
21 and, again, I have not seen NAMCO before. But I know
22 that WAMU didn't have branches and locations everywhere
23 in the country, so they did a lot of correspondent
24 lending. And a correspondent lender will start to
25 process the loan with the contract with Washington

1 Mutual that says, Hey, you can write loans for us and
2 you can use our paperwork. And we will agree to
3 purchase those loans and basically fund those loans as
4 long as you meet all the criteria.

5 But I don't see any documents -- I haven't
6 seen any documentation where NAMCO was listed as a
7 lender. The note and the mortgage show Washington
8 Mutual, so --

9 MS. MACK: That will be marked as Number 6.
10 (Defendant's Exhibit 6 was marked.)

11 A Go ahead.

12 Q (By Ms. Mack) Mr. Nardi, did you have an
13 opportunity to read Exhibit 6?

14 A I did.

15 Q Okay. And does that refresh your recollection
16 or help you understand why I asked you questions about
17 NAMCO?

18 A Well, I think it's pretty clear the letter is
19 from Washington Mutual identifying a purchase they made
20 of Dime Bancorp and explaining the relationship between
21 NAMCO and Washington Mutual. Sure.

22 Q Okay. So, now, with regard to the origination
23 of the loan, what is your understanding of the position
24 that NAMCO, a subsidiary of Dime Bancorp, had with
25 regard to the origination of this loan?

1 MS. CREWS: Object to form.

2 A Will you repeat the question?

3 Q (By Ms. Mack) Yeah. What's your
4 understanding of NAMCO's role with regard to the
5 origination of this loan?

6 A Well, I think the document has to speak for
7 itself. It simply states that WAMU purchased Dime
8 Bancorp, and NAMCO is a subsidiary of them. And it goes
9 on to describe that this letter is informational only
10 and doesn't change any terms and conditions to your loan
11 application or written commitments previously issued --

12 THE REPORTER: You're going too fast.

13 THE WITNESS: I'm sorry.

14 A This will not --

15 MS. CREWS: Do you want to just read it into
16 the record?

17 THE WITNESS: Sure.

18 A Dear Mr. Waisome, as you may be aware,
19 Washington Mutual, Inc. acquired Dime Bancorp, Inc. and
20 its subsidiary companies. One of Dime Bancorp's
21 subsidiaries, North American Mortgage Company, NAMCO.
22 As part of this acquisition, NAMCO's assets and
23 liabilities were transferred to Washington Mutual Bank,
24 FA, Washington Mutual, a subsidiary of Washington
25 Mutual, Inc., so that Washington Mutual is now

1 conducting business under the names Washington Mutual
2 and NAMCO, a division of Washington Mutual as a
3 result -- excuse me -- as a division of Washington
4 Mutual.

5 As a result of these transactions, the
6 mortgage loan application you filed with NAMCO will now
7 be processed by a Washington Mutual Bank, FA. This
8 letter is for information purposes only. There will not
9 be any changes to the terms or conditions of your loan
10 application or any written commitments previous issued
11 to you by NAMCO. You may, however, receive information
12 or documents regarding your loan application from us
13 either under the -- under either the name NAMCO or
14 Washington Mutual as we continue the integration of our
15 company -- excuse -- the companies.

16 Please direct any questions you may have to
17 customer service at 1-866-WAMU-YES. We appreciate this
18 opportunity to serve you and thank you for utilizing the
19 power of yes with Washington Mutual.

20 Q (By Ms. Mack) Okay. Thank you, Mr. Nardi.

21 A Sure.

22 Q With regard to the letter that's been marked
23 as Exhibit 6, would you agree with me that the letter
24 references the prior commitments and terms and
25 conditions of the loan applications submitted to NAMCO?

1 A I think it says that there would not be any
2 changes. It doesn't refer to them specifically.

3 Q My next question is: Where are those
4 commitments and loan applications?

5 MS. CREWS: Object to form.

6 A The only loan application I'm aware of is
7 the -- I think the one that's already been produced. I
8 think this letter, although very informative, leaves out
9 the timeframe in which Dime Bancorp was purchased by
10 WAMU. It may very well be years prior to the actual
11 application. In fact, there is a date at the bottom of
12 the letter that's dated September 4, 2002.

13 So it would -- it may not be such a -- such a
14 jump to show that this transaction actually took place
15 five years prior to the origination of this loan, so Mr.
16 Waisome may never actually have gotten anything under
17 the name NAMCO. And this letter was just for
18 informational purposes only as it points out, not that
19 he actually received documentation or commitments or
20 loan applications or any documentation under the name
21 NAMCO.

22 I'm just pointing that out as a possibility.
23 I don't know that to be the case. I only know that the
24 documentation that I reviewed, to my knowledge, has been
25 exclusively Washington Mutual documentation.

1 Q (By Ms. Mack) But in light of what you just
2 read in that letter, it could actually be NAMCO under
3 the name Washington Mutual, right?

4 MS. CREWS: Object to form.

5 A I -- I don't understand the question at all.

6 Q (By Ms. Mack) Okay. Well, I think the letter
7 indicates that you could have a NAMCO loan that would be
8 called Washington Mutual.

9 MS. CREWS: Object to form.

10 Q (By Ms. Mack) It speaks for itself. I'll
11 move on.

12 Are you aware of any other loan numbers
13 associated with Mr. Waisome's loan other than the one
14 that we've identified in the promissory note?

15 A I am not.

16 Q Okay. The next round of documents are
17 documents that were not provided to me during discovery.
18 However, they do concern this loan.

19 MS. CREWS: Is this going to be a composite?

20 MS. MACK: Yes.

21 MS. CREWS: Okay.

22 MS. MACK: We want to mark it.

23 (Defendant's Exhibit 7 was marked.)

24 Q (By Ms. Mack) Mr. Nardi, have you had an
25 opportunity to review Composite Exhibit 7?

1 **A Yes.**

2 Q Okay. Have you ever seen those documents
3 before?

4 **A I don't believe so, no.**

5 Q Do you know where they came from?

6 **A I don't. I haven't seen them before, so --**

7 Q Okay. That was a bad question. Sorry.

8 Would you agree with me that the account
9 number indicated on those documents is different than
10 the account number indicated on the promissory note and
11 mortgage?

12 **A Absolutely.**

13 Q Okay. And would you agree that the number is
14 not just truncated, it's just completely different?

15 **A It's an entirely different one.**

16 Q Do you know, as you're sitting here today as
17 the corporate representative for JPMorgan Chase as the
18 acquirer of assets of WAMU, why there are two account
19 numbers?

20 **A Well, I can't say with any specificity. I can
21 give you examples of why that might be.**

22 Q Okay.

23 **A First of all, I would like to point out we're
24 looking at -- like, the first page is an unsigned
25 authorization for release of information. Let's say**

1 that Mr. Waisome applies for a loan and decides that,
2 you know, I think I can get a better deal on another
3 lender, stops that process and starts it with another
4 lender and says, you know what? I don't like the way
5 you guys are doing business. He goes back to the
6 original lender and says, I want to do this loan again.
7 He is going to have two different loan numbers because
8 the first time he originates, he's assigned a loan
9 number. And the second time he originates, he is going
10 to get a loan number.

11 Again, these documents -- which, again, I
12 don't know where they came from or what loan they are
13 referring to -- could have been a separate origination.
14 So that would be like if I was to -- you know, in a
15 vacuum, I would say that probably the most likely
16 scenario was that there was two tracks going on. He
17 applied at either two different times, or maybe there
18 were two different types of loans. Maybe he was
19 applying for revolving line of credit and then reapplied
20 for refinance. I don't know, because I don't know where
21 these documents came from.

22 But there are a lot of -- not an infinite
23 number of explanations. But in a vacuum, I couldn't say
24 specifically why this has a different loan number on it.
25 With additional research, I'm sure I could probably

1 provide you an answer.

2 Q Okay. The loan number in the format that is
3 indicated on Exhibit 7, it appears to be a different
4 type of format. And I'm just going to ask you if you
5 have ever -- if you have any idea why the format is in
6 this format without having the three numbers at the end.

7 MS. CREWS: Object to form.

8 Q (By Ms. Mack) And if you don't know, I'm
9 just -- you know, just let me know.

10 A No. And just to kind of give you an idea,
11 when I deal with loans and anyone in the company who
12 deals with loans on a day-to-day basis, they are always
13 10-digit loan numbers. These last three digits on
14 Exhibit 2 are not used. I don't know what they are
15 there for to begin with, but they are not used. The
16 10-digit identifier is how we use.

17 So although I agree they are in two different
18 formats in -- let's see -- Exhibit 2 as opposed to
19 Exhibit Number 7, I'm sure there's probably other
20 documents which will show just the 10-digit loan number
21 on the document itself. Let's see if it's got a loan
22 number on this letter.

23 So there's examples where it would most likely
24 actually -- if you looked at the documents in totality,
25 you would most likely see the 10 digits as opposed to

1 **the 13 digits with the hyphen.**

2 Q Okay. And we are -- I think we are going to
3 see some of those documents that have the 10 digits on
4 the note. So you think -- and I'm not asking. You can
5 clear it up later. But you think that might be the
6 reason there is the difference in the two, other than
7 the numbers themselves?

8 A **No, no. The fact that they are both 10 digits**
9 **indicates to me that these are, you know, assigned loan**
10 **numbers. They are generally 10 digits long. They**
11 **are -- whether or not -- as far as formatting, the only**
12 **difference between Exhibit 2 and Exhibit 7 is that this**
13 **hyphenated last three digits is not present. But**
14 **otherwise, the formatting of the 10-digit section, there**
15 **is no formatting differences.**

16 Q Okay.

17 A **It's just 10 digits of numbers.**

18 Q Okay.

19 A **There is no formatting at all.**

20 Q Okay. Fair enough. All right.

21 MS. MACK: Now would be probably a good time
22 to break because the next --

23 MS. CREWS: Okay.

24 MS. MACK: -- group of questioning is going to
25 be about numbers and stuff that you guys produced.

1 It's going to be the account stuff.

2 MS. CREWS: Okay.

3 MS. MACK: Lunch?

4 MS. CREWS: Sure. Are we off the record?

5 MS. MACK: I'm sorry. We are off.

6 (A recess was taken.)

7 MS. CREWS: Before you start, if we can put
8 this on the record. To figure out why that loan
9 number was different, you asked about Document
10 Number 7. And he figured out what that was, if you
11 want him to explain.

12 MS. MACK: Great.

13 A I did some research while eating lunch, and it
14 appears that this -- these documents are a part of a
15 larger document group which contemplate a completely
16 different mortgage, an actual fixed rate mortgage which
17 Mr. Waisome applied for at some point. That's why the
18 loan number is different. It would have been a
19 completely different transaction. It never actually
20 consummated. So the documents we have are very few. I
21 think some of these documents were included in what I
22 viewed. There's some additional documentation. But
23 it's a completely different type of mortgage, so it's
24 not related to the actual mortgage that closed.

25 Q (By Ms. Mack) Okay. And you didn't happen to

1 find out what that 097 is, did you?

2 **A No, I did not. I was actually more interested**
3 **in this because I thought this might have been more of**
4 **an interesting topic, the extension.**

5 Q Thank you. I appreciate that. Thank you very
6 much.

7 **A No problem.**

8 Q Okay. These are documents, Mr. Nardi, that --
9 actually, unfortunately, I punched a hole, so I'm going
10 to have to share mine with you. Actually, those are the
11 documents, but I'm going to actually ask --

12 MS. MACK: Is there a way we can get a clean
13 copy of this?

14 (Discussion was held.)

15 (A recess was taken.)

16 Q (By Ms. Mack) Mr. Nardi, have you ever
17 seen -- we're going to mark this as Exhibit 8, this loan
18 history.

19 (Defendant's Exhibit 8 was marked.)

20 Q (By Ms. Mack) Have you ever seen a loan
21 history like this before?

22 **A I've seen loan histories like this before,**
23 **yes.**

24 Q Okay. And we're going to -- I'm going to ask
25 you what the numbers mean as we go line by line. If you

1 look at the top left corner of Exhibit 8, there is a
2 number. It's I9081-721.

3 **A Yes.**

4 **Q Do you know what that means?**

5 **A I do not.**

6 **Q Do you know who would know what that means?**

7 **A I don't.**

8 **Q Okay. Now, if you go across that same line
9 past the Washington Mutual Bank, FA where it says, Loan
10 history YTD, that's year to date, right?**

11 **A It appears to be representing year to date,
12 yes.**

13 **Q Okay. Now, the next thing is that INV. What
14 does that mean?**

15 **A Well, usually when I see the letters INV
16 together with a code behind it, it generally indicates
17 an -- it's indicating an investor or ownership
18 indicator. It's a code to indicate who owns the loan.**

19 **Q Okay. And what does All mean next to the INV?**

20 **A I don't know what it means, but it would
21 probably be a code to identify, like I mentioned, the
22 owner or investor on a given loan.**

23 **Q Where would we find what All means?**

24 **A I don't know if the information is within MSP,
25 but there are records kept as to individual loan**

1 investors and what their designations are as far as
2 within MSP.

3 Q Now, if the investor was Washington Mutual,
4 would All mean Washington Mutual?

5 A The code would probably designate Washington
6 Mutual. I don't know that to be the case because I
7 don't know what All was at the time, and those codes can
8 change. So conceivably from 2007 when WAMU had investor
9 code All identifying itself as the investor or the
10 owner, to what would be represented in the system today
11 would be different. So I would have to go back and
12 determine and research how WAMU identified itself in
13 these loans. So I can't say for sure because I just
14 don't know for sure.

15 Q Okay. Now, the next indication is CAT. What
16 does that mean?

17 A Category.

18 Q And 058? What does that mean?

19 A Again, I don't know what the code means, but
20 generally that would categorize the loan as a specific
21 type, if it was FHA, Fannie Mae, Freddie Mac. It could
22 have connotations as to whether it was a fixed or
23 adjustable rate.

24 So anything that -- anything that anyone
25 wanted to put down as the code or anything that the bank

1 wanted to describe it as, a code would be assigned to
2 that descriptor and put into the category.

3 Q And I know I asked you if there was, like, a
4 master -- a key for all of these codes.

5 A Uh-huh, yes.

6 Q And you said that you weren't certain or --

7 A I said I know that the records are kept as to
8 what the codes meant at any given time. I don't know
9 where it's located. I know it's not -- I don't think
10 it's within MSP specifically. But I think that given
11 enough time to do research, I could determine and
12 provide the list or codes.

13 Q Okay. Do you know if there is some reason why
14 it's not provided to, say, someone like me who is coming
15 to ask your deposition questions about documents like
16 this? It would make our life a lot easier if we had a
17 key.

18 A I think it -- well, I think there's probably a
19 number of things. But probably the most important thing
20 is these codes change from time to time, especially
21 since the records we are looking at right now would have
22 been produced by WAMU, and it's not 2007 anymore. So
23 not only do we have several years of time elapse, but
24 also the ownership has changed.

25 So what WAMU has used as Code A11 may not

1 **translate directly to what Chase was using for All. So**
2 **the answer is time and changes. These things are not**
3 **static.**

4 Q So if I wanted to get those, say -- when I say
5 "key," I mean, like, the translation for each of the
6 codes that we're talking about -- I would want to ask
7 for a date range and indicate --

8 A **That would be the best way, yes. I'm sorry.**

9 Q I'm just trying to figure out how to get the
10 information. Thank you.

11 A **The best way to determine investor by code in**
12 **a given date time would be to ask specifically for that**
13 **because it's going to change in the transition from WAMU**
14 **to Chase, because we would have had a different investor**
15 **code on ours.**

16 Q Gotcha. Now, going over on that same line, we
17 have INV number. Now, correct me if I'm wrong, but it
18 appears to be the account income.

19 A **As far as I can tell, yes, it is the account**
20 **number.**

21 Q Why is it called INV number?

22 A **Inventory number. I mean, it may not always**
23 **be referred to as a loan number.**

24 Q So INV for purposes of All and INV for
25 purposes of the INV number, INV doesn't mean the same

1 thing? Is that what you're telling me?

2 **A That would be correct.**

3 Q Okay.

4 MS. CREWS: Why make it easy?

5 MS. MACK: What's that?

6 MS. CREWS: Why make it easy?

7 MS. MACK: Yeah, really.

8 **A Well, these types of transactions histories**
9 **are very difficult to read and understand if you're not**
10 **doing it all the time. And there are several --**
11 **actually, you will probably find several different**
12 **versions of transaction and payment histories that have**
13 **come out of the same exact system. The formatting is**
14 **just a little different.**

15 So some people get used to reading certain
16 ones, and some people never get into it. This isn't one
17 I particularly am fond of and would refer to if I was
18 trying to study up on a loan. I would try to find one
19 that was a little neater and wasn't as header intensive.
20 But there are a lot of things that are not applicable.

21 Q (By Ms. Mack) Do you know what the T13 means
22 next to the date?

23 **A I don't.**

24 Q Okay. Then down here going to the next --
25 well, it says Page 90118. Is that -- I know it's the

1 page number because if you turn to the next page, it
2 says 90119.

3 Does this mean that there are 90,117 pages
4 before this?

5 **A Well, the short answer is yes. The longer**
6 **answer is this is most likely a purged history which**
7 **would have gone into a set of documents that would have**
8 **included unrelated pay history. So at some point, there**
9 **is going to be a header break where you'll see documents**
10 **that are from different borrowers' loans before and**
11 **after that. So this is a -- this is a, like I said,**
12 **what I would consider like a purged document. These**
13 **are -- these are representations of what is on the**
14 **electronic system.**

15 **Q** Let me ask you with regard to -- okay. So
16 this is -- okay. So this is -- there's probably -- this
17 is the part of the history that pertains to
18 Mr. Waisome's --

19 **A Correct.**

20 **Q** -- loan.

21 **A Correct.**

22 **Q** So if we were going to ask you, Mr. Nardi,
23 could you go -- and, obviously, through your counsel.
24 But we would like to know -- we want every piece of
25 paper that has Loan Number 3018341986 in your files.

1 How long do you think it would take to retrieve that?

2 A Given what I know of the document retention
3 and processes, retrieval processes and the age of this
4 loan, probably not more than about a week because the --
5 even the documents that are in cold storage, what's
6 called like -- and these are all kept in Monroe. So
7 even if a document is very aged, we do keep things, at a
8 minimum, seven years past the loan being paid off or
9 whatever the end result -- the end of life of loan.

10 Q Okay.

11 A So even those documents are kept seven years
12 after that. I can still order docs on one of these, you
13 know, dead loans, and it wouldn't take more than a week
14 for them to go into this roomful of boxes of files and
15 pull out this stuff and get it to me.

16 Q Okay.

17 A So within a week. And most of the stuff is
18 actually at my fingertips. I can log into an imaging
19 system and pull off probably 95 percent of every
20 document that was ever produced on the loan. The things
21 that are not always at my fingertips are going to be
22 things like the transaction histories, things that would
23 be too lengthy just to scan into the system
24 continuously.

25 The note, the mortgage, the -- you know, all

1 the documents from origination, those are static
2 documents. They don't really change. But these things
3 change because the transactions are continuous. There's
4 charges for insurance. Borrowers make payments or, you
5 know, whatever takes place. It's all, you know, in a
6 large set of documents.

7 Q Okay. Going on to the next lines. And things
8 that I know, I will skip over. So let's see. This
9 is -- going to the line below the address, the one that
10 begins with First Mortgage, if you go all the way over,
11 it has a due date of 1/1/2008.

12 Is that the next payment due date as of the
13 date that this was printed, which appears to be
14 12/31/2007? Is that what that is?

15 A Let me read into the document a little bit.

16 Q Sure.

17 A Unless I am incorrect, I believe that January
18 1, 2008 is actually the date that is due now. I
19 probably want to look at a copy of the breach letter to
20 determine that, but I don't think it's actually the date
21 the loan was due for as of -- well, December 31, '07.
22 Then, you know, in this case, it would -- okay. It
23 would make sense because this document is dated December
24 31st, and January 1st is clearly a future date and,
25 really, a very near future date. So it very well could

1 be.

2 I guess I'm hesitant to say because this
3 document -- this document in -- you know, if it was
4 requested the year before, it could say 06. Or if
5 it's -- if this date is not actually the date the
6 document is produced. And, for instance, I can go back
7 and query a transaction history given a given window.
8 So it would give me the date, a transaction history in
9 that window and show me when it's due for today.

10 So it -- you know, it will show you what is
11 going on today, but given a given window. But it makes
12 sense in this particular instance that the due date
13 here, it was reflective as of December 31, '07.

14 Q Now, if you go down to -- and I'm not going to
15 mark this up. I just want to make sure we are on the
16 same page here. Let me see.

17 Down to -- I'm reading upside down, which is
18 always interesting. There we go. These two columns
19 right here that say DT and BM, what do those mean?
20 Start with DT.

21 A Sure. Let me see. I'm going to read the
22 whole line across to see if it starts to make sense --

23 Q Sure.

24 A -- in what they are accounting for in each of
25 these little buckets here.

1 Q Sure.

2 A The descriptors are not really helping me out
3 too much. The rest of that line is pretty clearcut, but
4 the DT BM don't give me enough information to be able to
5 tell you for sure.

6 Q Going -- okay. Let's go back to the line
7 right above it, because I have a question. What does
8 ESC BAL mean?

9 A That would typically refer to escrow balance.

10 Q Okay. The REST ESC?

11 A Restricted escrow balance.

12 Q How about REPL RES?

13 A I don't know.

14 Q Okay. What about the HUD BAL?

15 A I don't know.

16 Q Okay. If you go past all the way to the right
17 of that same row, there's a PRT, and then OF and M.

18 Do you know what those mean?

19 A Well, I think first of all, they're three
20 separate fields, PRT, OF and M. Even though it looks
21 like it may say PRTOFM, it's actually three different
22 fields. I don't know what they mean.

23 Q Going back to the line right below that, P &
24 I, that's principal and interest, right?

25 A Correct.

1 Q Okay. And then CO TAX is county taxes?

2 A Yes.

3 Q All right. HAZ INS is hazard insurance?

4 A Yes.

5 Q And I think MIP is that mortgage insurance we
6 were talking about earlier?

7 A Yes.

8 Q And LIEN? What does that mean?

9 A If you continue on down the line, it seems to
10 indicate that there are some other potential insurance
11 policies. Like, you may be -- I know, for instance, you
12 can actually purchase, strangely enough, a life
13 insurance policy attached to your home mortgage that
14 will pay off your mortgage in the event you die
15 midstream or whatever.

16 So it looks like if you follow -- I mean, if
17 you are following these things, these are identifying
18 different insurances that are attached to the loan. I
19 can't say what the -- what the lien insurance might be
20 or whether or not that is actually the descriptor, but
21 it kind of follows the trend here that these are
22 describing different types of insurance, but I can't say
23 with certainty.

24 Q Do you know what BSC stands for?

25 A No.

1 Q How about REP RES?

2 A **No.**

3 Q And the DT and the BM, we already established
4 you don't know what those mean?

5 A **Yes.**

6 Q Going to the next line, first original
7 mortgage is the note amount, 584?

8 A **Yes.**

9 Q Okay. And then there's no second mortgage.
10 Principal balance is the note amount, right?

11 A **Correct.**

12 Q Okay. And INT IND? What does that mean?

13 A **I believe that's the -- the interest**
14 **indicator. From my recollection, it indicates whether**
15 **or not it's a fixed or an adjustable rate loan.**

16 Q Okay. What about the CAP FLAG?

17 A **I don't know.**

18 Q Okay. MTGR SSN, that would be (inaudible).

19 THE REPORTER: Say it again, please?

20 MS. MACK: Sorry.

21 Q (By Ms. Mack) MTGR SSN would be the
22 mortgagor's SSN?

23 A **Correct.**

24 Q Okay. DEF INT BAL?

25 A **That looks like deferred interest balance.**

1 Q Okay. From the negative amortization?

2 A I'm not sure if this note calls or
3 contemplates negative am, but very possibly.

4 Q Okay.

5 A The amount that would have been basically
6 building up towards the negative amortization, if he had
7 been paying that amount.

8 Q And I think you told me that before you came
9 to this deposition, you had not read the note or you
10 were not completely familiar with it right off the top
11 of your head or something like that?

12 MS. CREWS: Object to form.

13 A I hadn't seen the original note. I've seen a
14 copy of -- I've seen a copy of the note, but not the
15 original.

16 Q (By Ms. Mack) Okay. I just want -- I didn't
17 know if you needed to look at it to see if it was a
18 negative am loan.

19 A I can take a look at it. It's usually spelled
20 out in the paragraph --

21 Q Yeah.

22 A -- pretty -- pretty upfront.

23 Q Okay.

24 A It's not hidden anywhere.

25 Q Okay.

1 **A** **If you would like me to take a look, I can**
2 **tell you.**

3 **Q** **Yeah. If you could, go ahead. I want to try**
4 **and nail that down, if we can.**

5 **A** **Sure. Paragraph 3, Subsection (e)**
6 **contemplates additional -- additions to unpaid principal**
7 **each month that I -- that my monthly payment is less**
8 **than the interest that has accrued on my loan, the**
9 **unpaid interest shall be added to my principal balance**
10 **as provided in Section 3(b).**

11 **So it does contemplate what I would consider**
12 **negative amortization. I'm not sure it actually says**
13 **the words "negative am," but that's my understanding of**
14 **the principle of it.**

15 **Q** **Now, would you have reviewed that before you**
16 **verified the complaint in this case?**

17 **A** **Read the note?**

18 **Q** **Uh-huh.**

19 **A** **Yes.**

20 **Q** **Okay. Going on to the next part of that line,**
21 **sir, there is a GPM ORG. Do you know what that means?**

22 **A** **I don't.**

23 **Q** **All right. Going down below that next -- the**
24 **next line that starts with ASSUM DT, can you tell me if**
25 **that's where those columns begin and end, if you know?**

1 Or is it just all one section from ASSUM to NUM?

2 A I think those are separate columns as far as
3 fields. Let's say fields.

4 Q Okay.

5 A ASSUM/DT would be a field.

6 Q What does it mean?

7 A (Witness shakes head.)

8 Q You don't know?

9 A I could only -- I could only speculate. I'm
10 pretty good at deciphering the truncations they use, but
11 this one looks like an assumption date or something to
12 that effect.

13 Q Okay. XFER-DEED?

14 A Correct.

15 Q What does that mean?

16 A I don't know for sure. If I was to use my
17 best deduction, transfer date or transfer deed.

18 Q Okay.

19 A If there was any information put in there,
20 they would have.

21 Q What about FHA SEC/NUM?

22 A Again, I think that contemplates if this was a
23 loan that has a separate identifier for either an
24 investor or other interested party. For instance, when
25 we service Fannie Mae and Freddie Mac, they have their

1 own loan numbers they work off of. So we have to keep a
2 record of how to address them on their loan numbers
3 because we can't send our loan numbers and say, Hey, can
4 you answer a question on this? They are going to say,
5 That's not our loan number. Send us our loan number.
6 So if that makes sense. So if we have to keep track of
7 a secondary loan number, that is a field where we keep
8 it up.

9 Q Okay. Lender -- LIP -- sorry. LIP PAYOFF.
10 What does that mean?

11 A I don't know.

12 Q How about FC-TRK-SW?

13 A I don't know.

14 Q How about YE-ACQ-RPT/DATE?

15 A I can -- the first or the middle, clearly, is
16 contemplating a date of some sort. ACQ would be
17 acquisition date, but the YE and the RPT, I'm not sure
18 exactly what those are. So if there is some acquisition
19 dates or dates to memorialize acquisition, that would be
20 there. But I'm not sure what YE or RPT is.

21 Q How about SALE ID?

22 A I don't know what -- what that means. Again,
23 I don't want to speculate. I just don't know.

24 Q Okay. How about EXEMPT?

25 A I don't know.

1 Q Okay. How about PLGD LN?

2 A **I don't know.**

3 Q Do you know what the B means underneath it?

4 A **I don't.**

5 Q Okay. Could -- do you know if that stands for
6 pledged loan?

7 A **I don't.**

8 Q If you'd just go over to the next page real
9 quick of Exhibit 8.

10 A **Sure.**

11 Q Do you see how there's like letters down here
12 at the bottom?

13 A **Well, that's convenient.**

14 Q Unfortunately, it's not quite as informative
15 as we would like.

16 A **Now that I'm looking at it, you're right.**
17 **It's not exactly helpful.**

18 Q Do you know what BSC is?

19 A **BSC, you're talking about --**

20 Q Yeah. B equals BSC. And then --

21 A **BSC? I don't.**

22 Q Okay. Going back to Page 1 of the Exhibit 8,
23 there's PMT OPT. What does that mean?

24 A **It looks like it's contemplating a payment**
25 **option. Some of these loans had some interesting**

1 features, like pick a payment and -- a lot of that stuff
2 has gone away nowadays, but pick your payment option.

3 Q Do you know if this was a pick a payment loan?

4 A I don't recall off the top of my head whether
5 it was a pick your payment loan because I have a pretty
6 narrow definition of pick your payment loan. Usually
7 it's pretty well-spelled out in the origination
8 documents, but I don't -- if I -- you know, I don't want
9 to say for sure yes or no right now. It's not what I
10 believe is a traditional pick your payment loan.

11 Q Would it be something that you would find in
12 the promissory note?

13 A Very possible.

14 Q Do you want to look?

15 A Sure. I wouldn't -- in my definition of pick
16 your payment note, I really wouldn't consider this a
17 pick your payment note -- a pick your payment option.
18 The pick your payment ones I have seen usually give you
19 three choices.

20 This one is really saying this is the minimum
21 you have to pay that we will accept. You can make more.
22 You're not required to. But that's not really pick your
23 payment because you are really not given a choice.
24 You've got to make at least this payment.

25 And some of these pick your payment loans, you

1 can make, really, any payment you want for a period of
2 time. And then, you know, things will eventually
3 adjust. And depending on what choice you made, you may
4 have a good outcome and you may have a bad outcome. But
5 let's just say you have an outcome at a certain point in
6 time.

7 Q Okay.

8 A This one I wouldn't call a pick your payment.

9 Q Okay.

10 A The more you pay, the better off you will be,
11 obviously, but I wouldn't categorize it as a pick your
12 payment loan.

13 Q Okay. Let's see here. The next thing is CALC
14 METH. Does that mean calculation method?

15 A It appears to be contemplating, you know, at
16 least the option of documenting some calculation method.
17 I don't know. There is so much -- there's so much not
18 there, but I can certainly say that it's -- the field
19 there is to be able to identify some calculation method.
20 What they're calculating, I don't know, but a
21 calculation method is certainly what it's intended to
22 indicate.

23 Q Okay. The next field appears to be equity
24 line of credit --

25 A Right.

1 Q -- ELOC?

2 A Right.

3 Q And the next field looks like bankruptcy?

4 A Correct.

5 Q Okay. And then the next field CH/DT? Change
6 date maybe?

7 A I -- when we get down to less than three --
8 you know, three characters, it's really hard to make
9 that jump.

10 Q Okay.

11 A So I don't want to speculate.

12 Q All right. Fair enough.

13 Going to the next line, you've got payment
14 periods, 12. Like, 12 months?

15 A Well, basically that it's due once per month.

16 Q Okay.

17 A So 12 payments a year.

18 Q As opposed to, like, biweekly?

19 A Right.

20 Q Okay.

21 A You know, some of these loans are set up so,
22 you know, there's all different types of payment periods
23 or -- you know, we require two payments a month. It's
24 all dependent on the note.

25 Q Right.

1 A But generally, for most loans, you are going
2 to see 12 monthly periods.

3 Q And next to that field is 1098 DET HIST.
4 1098, I think, is what, tax related, like IRS?

5 A I believe the 10 -- if I am not completely
6 incorrect, 1098 is the -- I think it's the interest
7 statement that is sent out to the borrowers every year
8 showing how much interest they paid. I'm pretty sure.

9 Q Okay.

10 A I could be wrong. There's all -- there's
11 another document that is sent out if the borrowers
12 realize -- well, if they gain, but if --

13 Q Oh, right. 1099?

14 A You can be taxed on --

15 Q Right.

16 A -- you can 1099 for the value of your home if
17 certain -- the planets have to align. It doesn't happen
18 very often, but basically you can incur taxes on
19 basically the remaining unpaid balance of your loan
20 given a certain set of circumstances, but I think that's
21 a different form. I believe the 1098 is the interest
22 form.

23 Q Okay. So then points paid and then -- points
24 paid, I would assume means points paid. Is that --

25 A Yeah.

1 Q Okay.

2 A **That's spelled out.**

3 Q RPTG, reporting year?

4 A **Yes, ma'am.**

5 Q SUPPR MICR STMT? What does that mean?

6 A **I believe that refers to any special statement**
7 **types that may have to go out.**

8 Q Oh, okay.

9 A **Like for the hearing -- not hearing impaired.**
10 **For sight impaired or language indicators, things like**
11 **that, may be require -- maybe contemplating the special**
12 **requirements.**

13 Q What about the DI NOT RPT YR?

14 A **I have -- I don't know.**

15 Q Okay. Next to that is REAS. Is that like a
16 reason?

17 A **Yeah. I think there's a reason and a cause.**
18 **The next two are reason and cause. But they may relate**
19 **to that previous.**

20 Q The DI NOT?

21 A **Yeah, which I don't think I can define.**

22 Q What about the RI HDR SW next to CAUS?

23 A **I don't know.**

24 Q Okay. I think the next one is pretty
25 self-explanatory.

1 A Uh-huh.

2 Q How about REO STAT/COMPL DT?

3 A I believe that field is contemplating, you
4 know, if -- if the loan ever enters into REO, what the
5 status is, whether or not it's a completed, sold out of
6 REO for instance.

7 Q Down in the next line below that is IOE credit
8 YTD/WH.

9 A I'm trying to think if I have seen that
10 before.

11 Q Is that interest on escrow?

12 A You know, I think that would be a great guess,
13 but I couldn't say for sure. But I know that -- that in
14 some cases -- I don't know if all cases -- the escrow
15 balances run pretty high, depending on the values of the
16 property and the taxes paid. So there may be some
17 interest that runs, especially if there comes a time we
18 have to hold escrow for a longer than normal period of
19 time. Then you may have to credit some interest there.
20 But I don't want to -- I don't want to say for sure and
21 be wrong, so I'll say I don't know.

22 Q What about the SW WH balance?

23 A I don't know.

24 Q Okay. IORE credit year to date?

25 A It would make sense to me that would be

1 interest on restricted escrow --

2 Q Okay.

3 A -- which would be a different type of escrow
4 holding. I'll give you an example. If the house burns
5 down and the insurance company cuts a check, it goes to
6 restricted escrow as opposed to regular escrow.

7 Q And I think you said you don't know what the
8 SW WH balance means.

9 CONSTR CD? Is that construction?

10 A You know -- and I can -- if we go back to the
11 previous ones. I think it was withholding and state
12 withholding.

13 Q Oh, okay.

14 A So those might be amounts that are held back
15 for tax purposes --

16 Q Oh, okay.

17 A -- which is why they probably don't want to
18 have any interest on escrow paid because then it just
19 complicates things even further than that, because you
20 have to pay interest -- or you have to pay taxes on that
21 interest. But that seems to me to be a pretty good
22 explanation of state and federal withholding on those
23 interest amounts.

24 Q Okay. What about CONSTR CD?

25 A Usually that will indicate whether or not the

1 loan was a construction loan, and it may actually have a
2 certificate -- whether or not the loan was actually
3 issued a certificate for completion.

4 Q Okay.

5 A Because usually they -- they won't -- the
6 construction loans are separate. They are not boarded
7 until they are completed. So when they come into the
8 servicing realm, they become a permanent loan and no
9 longer a construction loan, but they want to memorialize
10 that it was at some point a construction loan.

11 Q Okay. No Purge Flag Slash/Year. What does
12 that mean?

13 A Well, generally, these loans -- the servicing
14 platforms have limited capability to hold data in the
15 life system for long periods of time. So generally, if
16 I go into any given loan in our system, the loan may
17 have been on our books for 10 years, but I'm only going
18 to get live system information probably about 12 to 24
19 months back, depending on the volume of notes and
20 transactions. Transactions are generally 24 months.
21 Notes could be as little as six months or they could go
22 back. It depends on volume. So they're measured
23 differently.

24 So at some point, they will purge the system
25 of old data. It doesn't just go away. It's not

1 deleted. It's just moved off the live system into what
2 we call, you know, archives or cold storage. So in
3 order to get access to that, you just need to put in a
4 request, and they can either load it back up into MSP or
5 they can give you something like this, which is, you
6 know, a printout.

7 Q Okay.

8 A So basically we can also flag it so stuff
9 doesn't get purged. Like, if there is a reason we need
10 to be able to retain the documents in the live system
11 for a period of time, we can flag it. So for instance,
12 if I'm -- if I'm loss mitigation and I am working with a
13 borrower, the notes on the system are only going to go
14 back -- like my customer service notes and my
15 memorialization of conversations may only go back, you
16 know, for the first 300 entries. Well, I can put 300
17 entries in in six weeks, but that doesn't mean I want
18 the stuff six weeks older purged. So I can flag it and
19 say, I want everything kept on for two years so I can
20 refer back to notes and it's not falling off the system,
21 and I am not repeatedly having to go back and pull stuff
22 out of archives.

23 Make sense?

24 Q It makes sense. Yeah. So if you want, you
25 can look at all your flag stuff and --

1 **A Right.**

2 Q -- do a search of the flag stuff.

3 **A Right. And litigation has the same -- the**
4 **same thing too, because we want to be able to view stuff**
5 **and not have to go back and constantly pull archived**
6 **data. So we have to flag it so it doesn't fall off the**
7 **system.**

8 Q Thank you.

9 BNKRPT, bankruptcy status --

10 **A Bankruptcy status.**

11 Q -- right?

12 Okay. I'm glad I got that one right.

13 **A Yeah.**

14 Q Then LAST DEF DUE, it looks like that's the
15 last payment date because of the 37.

16 Am I right or wrong? It's a guess.

17 **A 2037?**

18 Q Well, that --

19 **A September --**

20 Q Since the loan originated August 29th --

21 **A I would have to look at an amortization table.**

22 Q Okay.

23 **A It makes sense that would be about the last**
24 **payment due because the first payment was -- let's see.**
25 **September 2012, 30-year --**

1 Q No, it was --

2 A Oh, I'm sorry.

3 Q The first payment was due September of 2007.

4 I think that's the first --

5 A The change date.

6 Q -- change date.

7 THE REPORTER: You're talking over each other.

8 MS. MACK: Sorry.

9 A So that would make sense. That would make
10 sense. September of 2037 would be the last payment.

11 Q (By Ms. Mack) Underneath that, REC CORP ADV
12 BAL?

13 A Recoverable corporate advanced balances.

14 Q What is a recoverable corporate advanced
15 balance?

16 A There are certain -- there are certain
17 expenditures that a servicer has to undertake in order
18 to service a loan properly. Some of them are
19 recoverable from the borrower and some of them are not.
20 The ones that are recoverable from the borrower are kept
21 track as such; that, you know, in the event of a
22 default, they can be recovered through -- basically they
23 can be recovered through the judgment process. Okay?

24 Then there's nonrecoverables, which are going
25 to be things that if there is a backer like Freddie Mac

1 or Fannie Mae, we can go to them and say, We've serviced
2 this loan for you and we've done what we were supposed
3 to do. We have to spend this much money. We can't get
4 it back from the borrower, or you're not going to be
5 able to get it back from the borrower in a judgment, so
6 we need you to pay for those things.

7 So there's going to be a recoverable and a
8 nonrecoverable, and that's really -- from the borrower's
9 point of view, is can we recover this from the borrower
10 under the law, yes or no.

11 Q Okay. Now, you had the -- sorry. The next
12 thing is this third -- the third, 3rd. Does that stand
13 for third?

14 A It does.

15 Q Okay. And recoverable corp advanced balance.
16 Now, is that a third-party recoverable corporate
17 advanced balance?

18 A Right. In some cases, there are expenditures
19 taken on by third parties. And I can give you a random
20 example. If we're attending to a property that's been
21 abandoned -- and, you know, those are attractive to
22 vandals and basically just fall into disrepair in
23 general. So we'll have -- contractors will go out there
24 and fix things, and basically they are given certain
25 allowables to get things done. And then they will send

1 it back to us for billing.

2 So there are certain things recoverable from
3 third parties that we didn't pay directly, but some of
4 them -- you know, LPS Field Services had to pay a field
5 contractor to go mow the lawn or something. We don't
6 see a lot of that because most of that does come back
7 through LPS billing directly. But sometimes we get --
8 things get kind of urgent. Like, the code enforcement
9 has been out there and they're going to tear down the
10 property if we don't do something the next day.

11 Q Where if -- if this was a -- can you tell from
12 looking at this document if LPS did spend any money that
13 would be recoverable by Chase --

14 MS. CREWS: Object to form.

15 Q (By Ms. Mack) -- on this loan?

16 A From this document?

17 Q Yeah. I mean, I know it says 0.

18 A This document is pretty limited.

19 Q Okay.

20 A And also, I think, given it's a snapshot of
21 what is a very specific point in time, I think as well.

22 Q Okay.

23 A So I don't think on this document I could tell
24 for sure. This wouldn't be where I would look anyhow.

25 Q Okay.

1 A I would be looking in other areas with an MSP.
2 There's very specific areas that tell me who we paid to
3 do what. So there will be areas where I can see what we
4 paid attorneys to do what, what we paid LPS to do what.
5 So that's memorialized in different areas.

6 There are also -- you know, we can look at
7 work orders and invoices and things like that that will
8 tell me what's been paid. So this wouldn't really be my
9 go-to place. This is a -- I mean, I think if this was a
10 larger snapshot, we could probably tell because I think
11 it contemplates dollars and cents here in the document.
12 But I think it's too narrow of a view.

13 Now, if we took the same snapshot today, I
14 think -- well, here's another. Depending on the status
15 of the property, if it's occupied, they are not going to
16 go mow their lawn. They may do inspections to determine
17 occupancy, which they bill -- they bill, I think, 6 or
18 \$8 per time they go out. So there would likely be in
19 the event of a delinquency in 60 days an inspector go
20 out there.

21 So if this document contemplated the entire
22 lifetime of the loan, there would probably be some
23 charges there that would be under third-party, or they
24 may be -- they may be there from LPS. I'm not 100
25 percent sure. But there would be other places that I

1 **would look anyway because they're where I would go look**
2 **for that information.**

3 Q Who puts the numbers in, like -- okay.

4 Assuming -- and I know that, you know, that Mr. -- that
5 the Waisome house is occupied. But -- okay. So if
6 you -- if Chase wanted to see if it was occupied, they
7 would send a -- would they send a message to LPS Field
8 Services to -- I mean -- I'm sure they don't just do it
9 one loan at a time, but, like, I don't know, a
10 geographical area they would say to -- how would they
11 transmit that --

12 MS. CREWS: Objection.

13 Q (By Ms. Mack) -- direction to LPS that, We
14 want you to do this?

15 A **We will run a report of all the loans that are**
16 **in delinquency at any given point in time.**

17 Q Okay.

18 A **We will scrub those loans for loans that don't**
19 **qualify for occupancy checks, like -- like if it's**
20 **investor loan and an investor doesn't require it until**
21 **they're 120 days past due and they are only 60 days past**
22 **due, that gets scrubbed and it doesn't go out.**

23 Q Okay.

24 A **So eventually it gets to the point where we**
25 **have a list of loans that need an inspection. They will**

1 forward that to LPS. It's generally uploaded to their
2 LPS desktop, which is their web-based software that we
3 contact and communicate with them through. They will
4 get that.

5 And from their end, you know, basically they
6 have these contractors locally. So they will figure out
7 who is our contractor local to this loan. They will
8 send them the information, We want you to go do a
9 drive-by inspection to determine occupancy. And they
10 will go do the drive-by inspection to determine
11 occupancy. That contractor will then report back to
12 LPS, and LPS will report back to us and send out
13 whatever billing is necessary.

14 Q Do they -- do they report back -- do they call
15 you up or use the MSP system?

16 A They will report back through the LPS D system
17 with results.

18 Q The what?

19 A LPS D. LPS is the company, and LPS D is the
20 desktop.

21 Q Okay.

22 A It's our communication software with them.

23 So they will transmit that back to us. So we
24 can go on LPS D and view it, but it's also loaded into
25 MSP as well. So I go into -- I have to remember the

1 property. PIR1 property inspection results. And I can
2 view the property inspection results. It will tell me
3 vacant or occupied. It will tell me how much they
4 billed for it and what day they completed the
5 inspection.

6 Q Is PIR1 a screen name?

7 A That's a screen name within MSP.

8 Q Okay. Now, you had been -- when we were --
9 when I was talking to you about the advances, you said
10 there was another screen you could go into that would be
11 more -- it would be easier to determine to answer my
12 question.

13 Is that the SER1 screen?

14 A SER1 screen is really kind of a general loan
15 status screen. It's where you can look at loan balance,
16 what the escrow condition is, what the -- when the loan
17 is due for, how much is due currently to either
18 reinstate or -- if it's a performing loan, it will say
19 what the next due date and show everything.

20 SER1 is really kind of a starting point
21 snapshot of what is going on. It's not going to show
22 the history of, let's say, transactions from
23 inspections. In order to see inspections, I would go to
24 PIR1. If I was looking for other more detailed
25 expenditures, I could go to -- it's kind of -- it's

1 escaping me. There are other screens which will show
2 advances made for, like, attorney's fees if there's --
3 if one is in litigation, what we paid in attorney's
4 fees.

5 There is going to be screens that show other
6 contractors that we've retained, like BPO or appraisal
7 services. Things like grass cuts or if we had to reroof
8 a house because the house was destroyed in a hurricane
9 or something. So those things are memorialized in other
10 screens other than SER1. SER1 is not -- it's not
11 formatted in such a way, nor was it ever designed to
12 contain transactional entries like that.

13 Q Okay. How many screens do you have access to
14 on MSP? And what are they called?

15 A All of them? And I couldn't name all of them.

16 Q Okay. If --

17 A I have access to everything in MSP.

18 Q You do have access --

19 A Yeah.

20 Q -- to everything?

21 If you wanted to review all the screens in the
22 Waisome loan or regarding the Waisome loan on MSP, do
23 you know what they are called as far as like SER1, for
24 example, and what they represent?

25 A I know -- well, I know the screens that I need

1 to use --

2 Q Okay.

3 A -- because I have to use them as part of doing
4 my job duties. There are screens that exist that I just
5 don't ever use because I never have any need to.

6 So to answer the question -- well, I don't
7 know what all the screens are called because there are
8 way more screens than I ever use on a day-to-day basis.
9 And I -- I -- I hope that answers the question. I have
10 access to it all, anything I need in MSP, but I don't
11 need access -- like, I don't need access to certain
12 things. For -- I'm trying to think of an instance of
13 something in MSP that I really just don't have any use
14 for.

15 You can look up -- rarely do I ever use, like,
16 hazard insurance information like HAZ1. I can look up
17 who the current hazard carrier is and what they are
18 paying and when their last -- when their insurance
19 expires, but I rarely use it because I don't have a need
20 to have access to it.

21 Q Okay.

22 A But, like, you know, the screens that I would
23 use every -- you know, pretty much every time I access a
24 loan investor screens, I need to know --

25 Q What are those calls?

1 A **MAS1, INV1.**

2 Q INV? I think you told me what MAS1 was. And
3 then INV1?

4 A **It's a subscreen of MAS1.**

5 Q Okay.

6 A **That shows the investor information. I can
7 look at -- you know, if there's -- if the loan has been
8 bought and sold, I can look at acquisition dates. I can
9 look at --**

10 Q What about -- have you ever seen a screen
11 called P190?

12 A **Yeah. I think it's a -- it's a
13 transactional -- I'm not sure if it's relegated to
14 payments only, but it's a transactional screen that
15 shows transactions. I think it's just the -- if I'm not
16 mistaken, I think it's just payments, but I could be
17 off.**

18 **There's a couple of -- there's several
19 different ways you can make MSP produce to you a
20 transaction history, and you can -- you can have that be
21 all transactions or you can limit it to just certain
22 types of transactions.**

23 Q Okay. So any other screen that you can
24 remember off the top of your head that you would look at
25 for purposes of the Waisome loan?

1 A It would be depending on what I was looking
2 for. The ones that I definitely accessed, I definitely
3 accessed SER1 and I definitely accessed the MAS1 and
4 INV1 screen. I accessed some of the customer service
5 notes just to see how far back they went, loss
6 mitigation notes, the loss mitigation history.

7 Q Anything else?

8 A I'm trying to think. I think I went into PL5
9 online letter writer that tells me what correspondence
10 has gone out to the borrower in the course of the loan
11 lifetime. That's all I can think of right now.

12 Q Okay.

13 A I mean, there are a lot of other screens and
14 things that I just don't -- like, I don't really get
15 into a lot of escrow analysis, but there are escrow
16 analysis on MSP.

17 Q Okay. Going back on our sheet, I think that
18 the next entry -- the next field is foreclose, FORECL
19 WKST?

20 A Uh-huh.

21 Q Is that the end of that field?

22 A It's actually a combined field, I think.

23 Q With the next --

24 A Right.

25 Q With the field next to it?

1 A It stands for closure workstation code
2 reinstatement date.

3 Q Okay.

4 A So they're related. Foreclosure workstation
5 code would tell you the current status of the
6 foreclosure workstation and describe that. Depending on
7 the status of the loan, different workstations with MSP
8 would be activated. If the loan goes into foreclosure,
9 the foreclosure workstation is activated. So it opens
10 up different tracking mechanisms within MSP to determine
11 where the loan is in the foreclosure process.

12 And the same thing when the loan starts into
13 loss mitigation. The loss mitigation workstation will
14 be activated, and it will track the loan through loss
15 mitigation.

16 So at some point, the loan will come out of
17 loss mitigation or out of foreclosure and go into
18 someone else's basically area. So whether it be REO
19 after the foreclosure sale or loss mitigation fails or
20 succeeds, there is a definite, you know, lifetime to
21 these workstations.

22 So this thing is contemplating the foreclosure
23 workstation code, whether it's active or not active or
24 what have you. And the reinstatement date would
25 contemplate the date the loan reinstated to bring it out

1 of the foreclosure workstation.

2 Q Now, going next to that is INIT ESC, and it's
3 got a 9 underneath it. Do you know what that means?

4 A I don't.

5 Q Okay. Do you know what the INIT ESC means?

6 A You know, I'm not sure it's actually the same
7 field either.

8 Q Okay.

9 A I don't know what they mean, but I don't know
10 they are the same field.

11 Q Okay. What about STMT CODE? Do you know what
12 that means?

13 A I think it's also referring to some state --
14 some mortgager statement coding. I'm not going -- I'm
15 not sure if it's for language or special needs or what
16 it is, but it looks like it's contemplating some type
17 of -- or some mortgages opt out of the statements
18 altogether and would rather get an e-mail.

19 Q Gotcha.

20 A So that might be opt out for statements. I
21 don't know, but it looks like it's contemplating that.

22 Q Okay. Now, the next thing is DATE. It's got
23 9/8/07 it. What does that mean?

24 A I think -- well, from what I am looking at
25 here, I think that's the -- that's the statement code

1 **date. I think that relates back to whatever statement**
2 **code is in place, if any, what date it was.**

3 Q LOSS MIT STATUS/COMPL DATE.

4 A **Right.**

5 Q And that means loss --

6 A **Loss mitigation status and, you know,**
7 **completion date. So whatever date that workstation was**
8 **closed out.**

9 Q Okay. The next, like, line of -- I'm going to
10 ask you about the ones that are not really clear. The
11 PROC, does the date that is underneath the PROC -- is
12 that one field?

13 A **I'm sorry. Would you repeat the question?**

14 Q That's okay.

15 Do you see how it says due and then PROC?

16 A **Yeah.**

17 Q Okay. So underneath due is date, and then
18 underneath PROC is also date.

19 A **Right.**

20 Q Are those each fields? Like, is it due date
21 PROC date?

22 A **Right.**

23 Q Okay.

24 A **Process date or -- you might hear it called**
25 **PROC, but it's the (inaudible).**

1 THE REPORTER: I can't hear you with your back
2 to me.

3 THE WITNESS: I'm sorry.

4 A It's due date and process date. Some people
5 will say PROC date, but it's kind of jargon. PROC date
6 means process date.

7 Q (By Ms. Mack) What about the TP next to it?

8 A It's actually a -- TP and TR are actually two
9 parts of the same thing. The three digits put together
10 when you see TP TR 142, 170 --

11 THE REPORTER: Slow down. I really cannot get
12 you going that fast.

13 THE WITNESS: I'm sorry.

14 A The TP and TR fields are really two parts of
15 the same field. When we read these internally, I would
16 look and see transaction 142, 170, 171. Those are what
17 we refer to as transaction codes. So they actually
18 identify the type of transaction within the system.

19 And then there is another digit. I think the
20 S2 number is like a sequence number or something like
21 that. It's not really something that we use a lot. But
22 the TP and TR are actually what we refer to together as
23 transaction codes. And I wouldn't -- honestly, I
24 couldn't tell you what the TP and TR stand for
25 separately. But I can tell you that internally, they

1 are used together to identify a transaction. So 171,
2 you know, 351, 173, those indicate a transaction.

3 Q (By Ms. Mack) So if you go back to due date
4 and next to it PROC date, are they related to the
5 transaction code?

6 A The process date is related to the transaction
7 code because the process date is actually the date that
8 the transaction is processed. The due date is actually
9 the date as of the day of the process code -- the
10 process date is the date that the loan is due for at
11 that point in time.

12 So the reason they're handled separately is
13 because you can have a payment come in two months after
14 it's due. It's going to have a process date of the date
15 it's received and processed, but it's going to apply to
16 a due date in the past. So you will see that those
17 dates, depending on the line, will differ. So you will
18 have a due date one day and a process date that is a
19 different date. They are not always the same date. But
20 the due date always refers to the date that the loan is
21 due for at that particular time.

22 Q Okay. Now, is there a master list of
23 transaction codes?

24 A There actually is a master list of transaction
25 codes.

1 Q Okay. Is it called Master List of Transaction
2 Codes?

3 A You know, I think it's just called -- we call
4 it a Trans Code List or --

5 Q Okay. Do you --

6 A -- Transaction Code List.

7 Q -- know what these transaction codes mean off
8 the top of your head?

9 A The ones are usually -- if it starts with a 1,
10 it's usually some type of transaction that is going to
11 affect the balance of the loan, a balance related. So
12 it may be a payment. Like, I think, like, 173s are
13 payments. And then there's -- it gets really
14 complicated. There's like -- there's probably 20
15 different codes that relate to payments. There is like
16 the payment that comes in that is coded as a regular
17 payment where the loan is current and it's applied to
18 the loan. That may be like a 173. I haven't done this
19 in a long time as far as coding payments. And then
20 there might be a 172 which might be a loan payment that
21 is coming in while the loan is in default or under loss
22 mitigation.

23 So there's a bunch of different codes that are
24 related to just payments. And then a bunch of other
25 codes that are not payment related, they might be escrow

1 codes. But every transaction has a -- basically has,
2 like, a first digit code which, again, I think 1 is
3 like -- it's either payment related or related to the
4 balance. And then you get some that start with 3s or
5 other numbers that may be unrelated to payments but
6 related to escrow or some other. I haven't seen a trans
7 code list in a long time.

8 Q Okay. Well --

9 A And here's another -- here's another little
10 lump is that, again, we are dealing with -- the snapshot
11 in time here is 2007. So today's trans codes may be
12 completely changed and different, so we may be in a
13 different ball field altogether.

14 Q Okay.

15 A But those are transaction codes.

16 Q Thank you. I appreciate that explanation.

17 With regard to -- if you go all the way to the
18 right side of the piece of paper under -- or I should
19 say -- sorry. Next to Other Amounts, there is a CFD
20 DCT.

21 A Yes.

22 Q Is that a field? One entire field?

23 A Yeah. The way -- the way -- and this is why I
24 don't like this particular format of these transaction
25 histories is because at a certain point, you have things

1 reading kind of left to right at the top of the page.
2 And now you can see more like a column effect. So this
3 header, the CFD DCT is one field, and so like basically
4 it accounts for everything in the column right below it.
5 And it stays true throughout basically the second
6 two-thirds of this document.

7 Q Okay. What does the -- do you see underneath
8 Other Amounts there are like an AB, AC, AE and AF?

9 A Yes.

10 Q Okay. Now, if you go down to the second page,
11 there's AE, AB, AC and AF as well. Are those supposed
12 to tell me what those letters mean?

13 A Let me take a look.

14 Are you talking about the little legend here?

15 Q Yeah. On Page 2 of 8.

16 A That's what I was looking for. Oh, I see. It
17 looks like the legend does account for -- I'm looking
18 for AB. Okay. Yeah, AB, AC, AE and AF on the first
19 page. So it looks -- it appears it does translate to
20 the definitions provided on the second page.

21 Q Okay. Now, the definitions provided on the
22 second page, AB says it equals deferred interest paid.

23 Is that paid by the borrower?

24 A From the -- well, just looking at the first
25 transaction in the -- that has that breakdown, it looks

1 like a 171 trans code. So it's some type of -- it
2 appears some type of payment is made, because it
3 contemplates the amount received. I don't know that it
4 says received from the borrower, so I think that's
5 really kind of the question is whether or not this is
6 paid by the borrower.

7 Is that your question?

8 Q Yeah.

9 A I don't know.

10 Q You can't tell?

11 A No. If I knew off the top of my head what 171
12 was, it would probably tell me if it was a borrower made
13 payment or whether or not the money was being
14 transferred from a different pool of money within the
15 loan. But 171 is certainly going to affect the balance,
16 but I don't know if it's actually received from the
17 borrower.

18 Q Okay. AC appears to stand for LIFE DEF INT.

19 Does that mean deferred interest?

20 A It looks like just a further truncated
21 deferred interest category, but I don't know what the
22 life stands for.

23 Q Okay.

24 A But it looks like it's referring to some type
25 of deferred interest, but I don't know what the life is.

1 Q And AE, which is deferred INT LTD PD, is that
2 deferred interest loan to date? I don't know.

3 A It very well may be. And this does -- I think
4 this is showing the very first payment on the loan, if I
5 am not incorrect. So it would kind of make sense that
6 those numbers would be the same since they're all the
7 first payment.

8 Q Okay. Yeah. If I was a betting person,
9 that's what I would have thought.

10 Okay. AF, following the same logic, is
11 probably life deferred interest loan to date. Or did I
12 miss something?

13 A Yeah, that would make sense.

14 Q Okay. All right. Let's go to Page 2. If you
15 could look over at where it says Status Amount at the
16 top of the page.

17 Do you see that?

18 A Yes.

19 Q What does that MPL ID AE01 mean?

20 A I don't know.

21 Q Do you know what status amount means?

22 A I'm going to read the rest of the headers to
23 see. Off the top of my head, I don't know. I think
24 I've done the research on that before, and I'm sure I
25 can provide it in pretty short order. I just don't

1 **recall what it is off the top of my head.**

2 Q Okay. The -- it's been -- I've been informed
3 that there are specific manuals for MSP by bank or
4 servicer, depending on -- for example, Chase. Does it
5 have its own MSP manual to help decipher maybe not this
6 type of document, but if -- I know -- we have one like
7 that that y'all produced from Chase, so it looks like
8 this except it says Chase at the top.

9 **A Right.**

10 Q Do you have a -- is there a manual that you
11 either have access to or were trained on or using,
12 trained with, that would tell you how to use MSP and
13 understand the screens --

14 MS. CREWS: Object to form.

15 Q (By Ms. Mack) -- and the codes?

16 **A I've never seen a Chase manual. And, again,**
17 **this kind of -- and the reason is I've known how to use**
18 **MSP from previous jobs. So the use of MSP really**
19 **doesn't change all that much. The changes are really**
20 **more specific to the codes and things that we have**
21 **mentioned and different -- the very small details that**
22 **each individual servicer uses. So I've never actually**
23 **had to be trained by Chase on MSP because I've known how**
24 **to use it, so I've never seen a manual.**

25 **I think that there are certain online**

1 resources I can go to to get, like, the trans codes, so
2 a current list of trans codes and definitions or, like,
3 an investor code list that is current. So there are
4 certain online resources, but I don't know of the
5 existence of a manual because I've never been through
6 MSP training at Chase or WAMU because the system
7 knowledge I had was in place prior to working for either
8 company.

9 Q Okay. So I think you already answered this,
10 but I have to ask you anyway. Have you ever -- even
11 going before WAMU to when you first started using MSP,
12 did you ever use a manual called Introduction to Systems
13 and Resources?

14 A No.

15 Q Okay. What about Getting Started in MSP?
16 Have you ever used it or even seen it?

17 A Not that I recall, no.

18 Q Okay. How about --

19 A And I started using MSP in excess of eight
20 years ago --

21 Q Okay.

22 A -- at some point. So it's been a while since
23 I was initially training. And a lot of my training,
24 just like anywhere else, is kind of on the job. You
25 don't necessarily work out of a manual. You work with

1 somebody who knows more than you and pick up from there.

2 A certain amount of knowledge is just gained
3 over time through experience and using different
4 screens. And you can go through a whole career and
5 never have accessed the screens that I would use because
6 your job function just never required you to. So there
7 are very few, you know, people who just have complete
8 knowledge of MSP. From a working perspective, you're
9 not going to know everything about it unless you work in
10 every single part of our business.

11 Q Okay. Researching Transaction History. Have
12 you ever seen the manual or --

13 A Researching -- no.

14 Q Using the Common MSP Screens? Have you ever
15 heard of that one or seen it or used it?

16 A Not like a training schedule or anything like
17 that.

18 Q How about Reviewing --

19 A No.

20 Q Sorry.

21 A No.

22 Q I didn't mean to cut you off.

23 A I was trying to think of anything else that I
24 may have seen reference to.

25 Q How about Reviewing Supplemental Loan Data?

1 A No.

2 Q It's a manual, apparently, Chase uses.

3 A Okay.

4 Q How about Amount Due Affidavit Director
5 Script?

6 A Amount Due Affidavit Director Script? I'm
7 familiar with the director script and the purpose of it,
8 and I -- I don't actually run the script myself. I have
9 access to basically what is the end result product of
10 that script, but I --

11 Q What is the purpose of the script?

12 A The purpose of the script is to get basically
13 the system to generate the figures that are going into
14 an affidavit of a debts due and owing. A debts due and
15 owing are basically a sworn document that is going to
16 say, This is what is due at this time so that we have a
17 systematic record so it memorializes the request and
18 puts it in the record. So the person who is going back
19 and reviewing the loan records can compare what is going
20 into that sworn document.

21 They will have the sworn document in their
22 hand. They will review the director script product,
23 which is where the numbers came from that are in this
24 document now, and then compare that with what is on the
25 live system in MSP. So it's basically a way of just

1 making sure that what we are producing to the court is
2 100 percent accurate beyond any shadow of a doubt.

3 Q Now, with regard to other sworn documents such
4 as -- you know, in Florida, we have verified complaints
5 now. Do you have a similar script or program for
6 preparing a verified complaint?

7 A No. No. The script in MSP is simply just
8 running numbers out of the servicing platform based upon
9 every transaction and the history. A verified complaint
10 is a completely different animal altogether.

11 Q Okay.

12 A It includes things that are beyond the scope.
13 The MSP is good, but it's --

14 Q It's not that good? Okay. I just have a
15 couple of more questions, and then we can take a short
16 break.

17 Okay. Do you know, Mr. Nardi -- let me ask a
18 quick question here about this. This is also a document
19 that was produced in discovery. It looks like a BPO
20 that would have been ordered by Chase.

21 MS. CREWS: This isn't the full document,
22 right?

23 MS. MACK: No, it's just a piece. I just want
24 to -- I'm going to ask a real quick question about
25 it, and we will probably come back to it.

1 That will be 9. Just the first sheet will be
2 9.

3 (Defendant's Exhibit 9 was marked.)

4 Q (By Ms. Mack) My question has to do with this
5 number up here in the top right corner. Do you know
6 what that is?

7 **A The WAM120229-02499-2?**

8 Q Yes.

9 **A I do not know what that number is.**

10 Q Okay.

11 MS. MACK: If we can just take a five-minute
12 break.

13 (A recess was taken.)

14 Q (By Ms. Mack) Mr. Nardi, this is -- you can
15 probably just move that over to the side, and then we'll
16 go back to Number 9.

17 MS. MACK: This will be Number 10.

18 (Defendant's Exhibit 10 was marked.)

19 Q (By Ms. Mack) This is -- do you recognize --

20 MS. MACK: I'm sorry. I should have handed it
21 to you first. It's something y'all produced.

22 MS. CREWS: Okay.

23 Q (By Ms. Mack) 3270 Explorer, a screenshot.
24 Is that off of the MSP system?

25 **A Yes.**

1 Q And we'll label these two pages Exhibit 10.

2 Is that a screen that you use in your job?

3 A These are actually -- this is two different
4 screens entirely.

5 Q Oh, okay.

6 A This isn't the same screen at all. One is
7 a -- one is actually just a portion of the -- a larger
8 series of screens. So let's take the first one right
9 here. It says PAY4 at the top left. That is actually a
10 payoff calculation screen. You basically start at -- if
11 I was going to calculate a payoff or get the system to
12 generate me a payoff to where I could send it to the
13 borrower, if they ask for a payoff and want to know how
14 much it costs to pay off their loan, if I am customer
15 service, I go to PAY1, which basically says you are
16 going to request a payoff. Are you sure you want to
17 proceed? Then I say -- I press, like F1 to proceed.
18 And it says, What date do you want this to go through?
19 So I put in my as-of date, and I hit F1.

20 And the next screen takes me to -- actually,
21 it's usually pretty long because I don't know if
22 everything is here. This one is probably pretty -- let
23 me see. Depending on the number of expenditures, that
24 may be one or two pages. I've seen some take three.
25 But basically you get a breakdown of, like, what the

1 principal balance is, escrow advances. Everything would
2 be good through a certain date. Maybe a couple of
3 pages.

4 And then, you know, on the screen it will say,
5 Do you want to fax this? Mail this? Press F1 to mail
6 it, and it will go out to the primary mailing address
7 and so forth. So this is actually just setup screens
8 that are used to generate payoff demands.

9 Q Okay.

10 A So the next page is actually an escrow
11 analysis page. So that's ANA1.

12 Q Okay.

13 A And I have used most of these. I don't use
14 them a lot. Generally, I'm dealing with -- when I'm
15 going to deal with litigated loans, I want to deal with
16 the director script provided payout information for the
17 loan, which will cover, like, any attorney's fees and
18 stuff. I don't -- the PAY4, at least in this instance,
19 I'm not sure if it would have included the attorney's
20 fees or other type of fees that would have accumulated.
21 So I would use the actual director script, which is the
22 affidavit of amounts due and owing script, because that
23 would give me everything in a nice little breakdown
24 format.

25 Q Okay.

1 **A This one, not so much. So I do use this one,**
2 **but not as much as the other one. I'm familiar with it.**

3 **The escrow analysis screen, I do use from time**
4 **to time. It's not something I use every day. But**
5 **these -- this is actually two separate screens.**

6 MS. MACK: Maybe we can call the PAY4 screen
7 10 and maybe the escrow analysis 10A, please.

8 (Defendant's Exhibit 10A was marked.)

9 Q (By Ms. Mack) If you could look through that.
10 It's something -- this is also -- these are all
11 documents produced from -- from your attorney, so --

12 MS. CREWS: I produced this?

13 MS. MACK: Yeah.

14 Q (By Ms. Mack) If you could just take a look
15 at it and tell me if that is all one document.

16 **A Well, the first indication is the first page**
17 **is dated 1 of 4 and the last page is dated 4 of 4, so it**
18 **appears to be the same document.**

19 MS. MACK: Let's call that 11.

20 (Defendant's Exhibit 11 was marked.)

21 Q (By Ms. Mack) What is that, Mr. Nardi,
22 Exhibit 11?

23 **A Well, it's entitled Income Report Card, and**
24 **it's representative of what I tend to see in loss**
25 **mitigation efforts, trying to determine if the borrower**

1 is going to be able to keep their house through some
2 type of loss mitigation. So they -- generally the
3 information that is used to populate these types of
4 reports and is furnished by the borrower, we will ask
5 them either on the phone or send in documentation of
6 their income, and then we will be able to place them to
7 these types of reports, which will give us an indication
8 of, you know, combined with other considerations whether
9 or not the borrower is going to be able to retain and
10 what type of modification I might be able to get them.

11 Q What other considerations are -- what other
12 things are considered besides the income report card if
13 a borrower is seeking some sort of forbearance or
14 modification?

15 MS. CREWS: Object to form.

16 A A number of things. As an example, whether or
17 not the home is occupied by the borrower, whether it's
18 their residence or not. That's usually a pretty
19 important factor. Their -- their other obligations.

20 Q (By Ms. Mack) Like kids?

21 A Well, you know, children -- cost of living for
22 them, you know, what their output is for maybe their
23 child care or private school, whatever those things are.
24 They also might have healthcare considerations to take
25 into account. Basically all their -- really, the whole

1 financial situation is taken into account. But, you
2 know, specifically things like that. How much they are
3 paying in rent -- I shouldn't say rent. How much they
4 are paying for child care, how much they are paying for
5 the utilities. You know, if they have medical bills
6 that have to be paid. So it's all taken into account.

7 Q I'm sorry to go back to 10A real quick, but I
8 just realized I meant to ask you about Chase Home
9 Finance, LLC, which is indicated. And I believe that
10 it's on actually 10 and 10A.

11 Why is it Chase Home Finance and not JPMorgan
12 Chase Bank, NA?

13 A Well, at the time of this document, which
14 appears to be April of 2010, Chase Home Finance, LLC was
15 the mortgage servicing division of JPMorgan Chase Bank,
16 NA.

17 Q Okay.

18 A They have since been reabsorbed into the bank
19 proper, which I think was last year, maybe May, midyear
20 or so. So Chase Home Finance existed as the servicing
21 arm. They no longer exist today.

22 Q Okay. Thank you.

23 Thank you for explaining Number 11. And let
24 me ask you about the next set of documents.

25 A I'm ready.

1 Q Oh, okay. Do you recognize --

2 MS. MACK: We'll mark that as Exhibit 12.

3 (Defendant's Exhibit 12 was marked.)

4 Q (By Ms. Mack) With regard to Exhibit 12,
5 Mr. Nardi, have you ever seen that document before?

6 A I believe I have seen it before, yes. And
7 I've seen similar documents typically prepared in
8 anticipation of or in the process of some type of loss
9 mitigation review.

10 Q Okay. And could you just tell me what -- does
11 the document have a name that y'all call it in Chase?

12 A Well, it's entitled Reconciled Market Value,
13 so this would probably just fall into valuations. You
14 know, some type of -- this isn't a full BPO. This may
15 be taking information from a larger document that is
16 provided by a broker, but it doesn't include photos and
17 other things you would see in an appraisal or BPO.

18 Q The full-on BPO and appraisal, those are done
19 by third-party contractors?

20 A Generally, yes.

21 Q Okay. So the document we've labeled as 12,
22 was that created by Chase?

23 A It says this is for Chase internal business,
24 so -- I'm looking at the document and, I mean, it's
25 consistent with documents that I know to be produced by

1 Chase, yes.

2 Q Okay. And I -- that was -- does it appear to
3 be, is what I meant to ask you.

4 The indication with regard to the fair market
5 value, is yours dated September 1, 2011, by any chance?

6 A That says prepared on 18 March 2011.

7 Q Okay. Would there have been a series of those
8 Chase -- Exhibit 12s prepared, like, at various dates?

9 MS. CREWS: Object to form.

10 A There may be -- well, yes. Potentially, yes.
11 There may be a couple of factors that apply. One might
12 be depending on the amounts of the loan and the numbers
13 at play, there may be a requirement for multiple BPOs to
14 be done. So if it's over 500,000, they may want at
15 least two independent reviews. If it's over a million,
16 they may want three. So that type of thing.

17 Then secondly, depending on the length of time
18 that the review goes on, the loss mitigation review,
19 they may require updated values because the market is
20 pretty volatile. So if they do -- if they start loss
21 mitigation in January of a given year and it gets to,
22 you know, March or April or June, they may want some new
23 values because in six months, the market may have
24 drastically changed for the better or for the worse.

25 Q (By Ms. Mack) Okay. The market value in

1 March of 2011, the fair market value, is that indicated?

2 **A Yes. It does say -- it reflects an as is and**
3 **as repaired, 315,000.**

4 Q 315?

5 **A 315.**

6 Q Okay. If you can go down to the next box
7 under current information.

8 **A Yes.**

9 Q The loan identifier appears to be the loan
10 number.

11 **A Correct.**

12 Q Okay. Now, it says next to that, Channel, and
13 it's FFIEC.

14 Do you know what FFIEC stands for?

15 **A I don't.**

16 Q Do you know what channel means?

17 **A When I see the word "channel" as it refers in**
18 **regards to these loans, I -- in my mind, it typically**
19 **triggers on the lending channel that it came through,**
20 **you know, where this loan came through as far as where**
21 **it came from.**

22 **For instance, if it was a loan that was**
23 **brokered by a third party authorized to do business for**
24 **Chase that purchased loans, or whether it was done at**
25 **the branch level, or if it was a phone call they made to**

1 the 1-800 number because they don't have branches in
2 their area.

3 So that's what comes to mind when I hear
4 channel, but I can't say from this document, because I
5 don't prepare them, what channel is actually referring
6 to.

7 Q Okay. What about Servicing ID? It's blank on
8 mine, but what does that usually stand for?

9 A I made reference to it earlier. If there is
10 another party interest, let's say, for instance,
11 Fannie Mae or Freddie Mac, they will have their own
12 assigned loan number. So, again, that's my -- that's my
13 best -- I don't want to say guess, but, really, I don't
14 know exactly what that Servicing ID is for. It
15 certainly could be for, you know, the underlying
16 investor or owners and individual identifier for that
17 loan.

18 Q Okay. Next to Servicing ID is System. And it
19 has a P next to it. Do you know what --

20 A Mine has an S next to it.

21 Q Oh, does it?

22 A Yeah.

23 Q Okay. Well --

24 A But I wouldn't know what it was for anyway.

25 Q You don't know. Okay.

1 CMS Doc ID is underneath Servicing ID. Do you
2 know what that means?

3 **A I don't.**

4 Q Okay. And next to that is an investor number,
5 and it's got A01 next to it.

6 **A Right.**

7 Q Do you know what that stands for?

8 **A I don't know what the A01 stands for, no. I**
9 **don't have a current list or a list at the time of this**
10 **transaction of investors.**

11 Q Okay. But yours -- does yours say A01?

12 **A It does.**

13 Q Okay. Well, if the investor -- if this was an
14 asset loan on March of 2011, would it say investor
15 number and Chase's investor number?

16 **A If it was -- can you repeat the question?**

17 Q Sure. The date on your -- on your document is
18 March of 2011?

19 **A Right.**

20 Q Okay. So in March of 2011, it's the
21 plaintiff's position that -- at least according to their
22 pleadings, that they owned the loan -- or, sorry, the
23 promissory note, and they were the investor in the loan.

24 So if in March of 2011 Chase was the investor
25 in the loan and owned the note, would the investor

1 number be representative of Chase?

2 **A** **I wouldn't see any reason why it wouldn't be.**
3 **I don't know why -- for instance, I couldn't tell you --**
4 **there would be no reason that, for instance, Fannie Mae**
5 **or Freddie Mac number would be there.**

6 **Q** **Right. But you don't know what A01 stands**
7 **for?**

8 **A** **I don't.**

9 **Q** **Okay. Now, the next -- there's -- underneath**
10 **the box that's called Intended Use, there are**
11 **origination comments.**

12 Do you see those?

13 **A** **Yes. Yes.**

14 **Q** **Okay. Now, the origination comments appear to**
15 **be a after-the-fact review of the appraisal done at**
16 **origination.**

17 Would you agree with that?

18 MS. CREWS: Object to form.

19 **A** **Let me read the comments.**

20 **Q** **(By Ms. Mack) Sure. Yeah.**

21 **A** **I mean, it does reference the original**
22 **appraisal. It does reference the date. It does**
23 **contemplate the fact that there are -- they used it**
24 **within the acceptable practices and guidelines and that**
25 **it's consistent with what, apparently, looking -- a**

1 look-back review was true -- you know, true to be the
2 case at the time. So there was no value
3 misrepresentations suspected. So that's what the
4 paragraph states.

5 Q Okay. Do you -- okay. So do you know if that
6 was something that was -- if that was an issue for this
7 particular property? Or do you know if that was, you
8 know -- being an issue, I mean, when they're -- they're
9 looking -- I think you call it look-back at the
10 origination appraisal.

11 Was there something that would have caused
12 this review? Or was that something that is done in --
13 with loans that are in default that have these kinds of
14 reviews done?

15 MS. CREWS: Object to form.

16 A Well, part of the process of going through
17 these loans -- and there's a constant kind of quality
18 assurance going on and quality reviews. So when they
19 are going back and they are doing things like loss
20 mitigation, it's a prime opportunity to discover all
21 types of things, you know, from -- anything from, you
22 know, the borrower didn't give us their actual income
23 information, or the appraisal was inflated or, you know,
24 any number of things that may have skewed the decision
25 to make the loan.

1 So this is just a normal course of action.
2 This is a normal process for us to go back and look at
3 because, again, this document is created in the hopes we
4 can modify the loan for the borrower. So if we can find
5 out that someone wasn't giving us the right information
6 and the house wasn't actually worth 800 grand in 2007,
7 that might give us more ability to be flexible in our
8 modification terms. Because if we find it was actually
9 worth more than 800,000 or significantly less, it would
10 certainly impact our ability in really getting the loan
11 modified to a point that was reasonable.

12 Q (By Ms. Mack) Okay. Do you know if -- that
13 Mr. -- Mr. and Mrs. Waisome's loan was ever evaluated
14 for a modification?

15 A I think not only were they mod -- or
16 evaluated, they were offered a trial modification and
17 decided not to engage in that.

18 Q Okay. And so the trial modification, do you
19 recall what program it would have been under?

20 A No, I don't.

21 Q Okay. All right. If you could just turn to
22 the next page of Exhibit 12. And does yours have a box
23 called Original Appraisal Integrity section?

24 A No.

25 Q Okay.

1 **A It's not on the next page and not on the**
2 **following page that I can see. Is it at the top of one**
3 **of those boxes like there?**

4 Q Yeah. You don't have a box like that?

5 **A There is nothing like that.**

6 Q Okay. All right. I'm going to switch with
7 you. I just want to make sure I don't have any more
8 questions.

9 MS. MACK: I'm sorry, Rachel. I did not mean
10 to leave you out.

11 (Defendant's Exhibit 13 was marked.)

12 **A I'm ready.**

13 Q (By Ms. Mack) Okay. Mr. Nardi, is that
14 another one of those like Exhibit 12?

15 **A Yes.**

16 MS. CREWS: Object to form.

17 Q (By Ms. Mack) Whatever Exhibit 12 -- I don't
18 know what you called it.

19 **A It's titled Reconciled Market Value, and it**
20 **appears to be the same type of document.**

21 Q And the reason why -- I'm sorry.

22 **A Go ahead.**

23 Q The reason I'm having a problem with what the
24 title of the document is is because that's just the top
25 box.

1 Is that what you guys call it?

2 A I mean, this would just fall under
3 valuation -- valuation reports or summaries of
4 valuations provided to us by third-party appraisals or
5 BPO brokers.

6 Q Okay. That valuation report we marked as
7 Exhibit 13, it appears to be it's dated September of
8 2011, correct?

9 A It is.

10 Q Okay. So that's after Exhibit 12 in time,
11 correct?

12 A That is correct.

13 Q Okay. And it looks like the price -- or the
14 appraised value, I should say, of the property has gone
15 up a little bit.

16 A It is currently -- according to this
17 particular broker or appraisal, it is 330.

18 Q Okay. Now, is there something else that you
19 would look at, perhaps a BPO, to determine why there was
20 the change in the value in the six-month, more or less,
21 period between the two valuations?

22 A Is there something that -- well, first I would
23 take into consideration that we're dealing with a
24 \$20,000 difference in opinion. These reports are based
25 upon individual opinions. So opinion is just that. The

1 market is going to decide what the value of the property
2 actually is. These are individual opinions. So I
3 wouldn't necessarily have any reason to go back and
4 question a difference of \$20,000 over six months, you
5 know, positive or negative because I have to have an
6 understanding that these are opinions of professionals
7 in their field.

8 Q Okay.

9 A So I have to take everything with a grain of
10 salt. I don't have any firsthand knowledge of the
11 market that this guy is going into to analyze.

12 MS. MACK: Just off the record real quick.

13 (Discussion off the record.)

14 Q (By Ms. Mack) Just a couple of more questions
15 on that document. The next page, it looks like the
16 appraisal -- origination appraisal, there were no -- and
17 I'm paraphrasing because I don't have it in front of me.
18 But it appears that there were, again, no discrepancies
19 in the original appraisal that were noted by this
20 valuation expert for Exhibit 13.

21 A That's correct.

22 Q Okay. Now, that -- this Exhibit 13 has that
23 box about the interior appraisal on Page 2?

24 A Yes.

25 (Conclusion of Volume 1 of 2.)

IN THE CIRCUIT COURT OF THE
FIFTH JUDICIAL CIRCUIT, IN AND
FOR LAKE COUNTY, FLORIDA

CASE NO.: 2009 CA 005717

JPMORGAN Chase BANK, N.A.
as Successor in Interest to
Washington Mutual BANK,

Plaintiff,

VS

SHERONE D. WAISOME, et al,

Defendant.

* * * * *

DEPOSITION OF: LAWRENCE NARDI, VOLUME 2 OF 2

DATE TAKEN: MAY 9, 2012

TIME: 9:03 A.M.

PLACE: 121 SOUTH ORANGE AVENUE
SUITE 800
ORLANDO, FLORIDA

REPORTED BY: CINDY CONNER, CSR, RPR AND
NOTARY PUBLIC

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A P P E A R A N C E S

RACHEL CREWS, ESQUIRE
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APPEARING ON BEHALF OF THE PLAINTIFF

JACQULYN MACK, ESQUIRE
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APPEARING ON BEHALF OF THE DEFENDANTS

ALSO PRESENT: Mr. Sherome Waisome
Mr. Nye Lavalley

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1 (Beginning of Volume 2 of 2.)

2 DIRECT EXAMINATION (continuation)

3 BY MS. MACK:

4 Q Do you know why one has that interior
5 appraisal box and the other one doesn't? The other one,
6 meaning Exhibit 12?

7 A Bear with me just a moment.

8 Q Sure. That's fine.

9 A You're talking about the -- you mentioned
10 interior appraisal section. I'm sorry.

11 Q I'm going to have to stand over you.

12 A That's fine. I just want to make sure I'm
13 looking at the right section.

14 Q Original appraisal integrity section.

15 A Oh.

16 Q I'm sorry. I totally butchered that.

17 A Why one would have it and the other wouldn't?

18 Q Uh-huh, yes.

19 A Well, let me look at the -- I mean, if I was
20 looking at these two documents, the value
21 misrepresentation and original appraisal integrity
22 section would be, to me, interchangeable. They may have
23 just changed the verbiage in the document from March to
24 September to reflect a different heading for that
25 section.

1 Q Okay.

2 A But they -- they look to, you know,
3 contemplate the same thing, is whether or not there was
4 integrity in the original appraisals that we were given.
5 And I think if it was me, I probably would avoid terms
6 like "value misrepresentation" as sections in the
7 document like this. I would probably go with something
8 like integrity review or something like that versus --
9 so it could just be a new version of the document. I
10 don't know for sure. But they contemplate the same
11 thing.

12 Q Okay. The -- I'm sorry. That document -- I
13 have to lean over you. Your investor number on that one
14 is A01, and they are both the same. And I believe the
15 only difference is the system which you noted was --
16 it's S on Exhibit 12 and P on Exhibit 13.

17 A Yes.

18 Q Do you have any idea what it means --

19 A I don't.

20 Q -- now?

21 A I really don't.

22 Q Okay. All right.

23 The next document we have is going to be
24 another valuation.

25 A Okay.

1 Q Okay. Exhibit 14 is --

2 (Defendant's Exhibit 14 was marked.)

3 Q (By Ms. Mack) Now, just a couple of questions
4 about Exhibit 14. It's March of 2012, right?

5 A It is.

6 Q Okay. And the value is down to 310.

7 A Back to 310, yeah. Or 315, 310.

8 Q Yeah. Back down there again. Would you have
9 the same explanation as to why there's that change?
10 Just is it an individual appraiser issue? Or is there
11 something that you can see that would account for the
12 difference of \$20,000?

13 A Well, I think if you take it in their
14 totality, they are clearly -- I mean, you can look at
15 the top. One is -- the appraiser on one is David Ruiz.
16 The other one is Mark Lee. So, again, there is going to
17 be some differing opinion, naturally. I think if every
18 appraisal came to the same number, there would be
19 something wrong. You want to see some differences in
20 opinion.

21 Also, Exhibit 13 actually has -- even though
22 it lists 330 as repaired, it gives some additional
23 breakdowns as to other numbers. So there was -- there
24 was another -- there was an appraisal at 317. So,
25 clearly, there was some opinion changes -- or I should

1 say opinion differences between these brokers. But
2 that's pretty common. You are not going to find
3 everyone getting the same number.

4 As far as it going down, I don't think anyone
5 is surprised in a -- you know, in a period from
6 September to March, especially end of September of 2011
7 to '12, that the market continued to depreciate. Unless
8 there is something going on in that county that I'm not
9 aware of, I think it's pretty consistent with what is
10 going on everywhere. I'm not a property appraiser.

11 Q No, I know.

12 A I'm just telling you what I know from
13 reviewing these loans. We haven't really seen any
14 recoveries yet.

15 Q Keep our fingers crossed.

16 Okay. Number 14 has also an indication of an
17 investor. It's X99.

18 A It is.

19 Q What does X99 stand for?

20 A I don't know.

21 Q Would the investor have changed between
22 Exhibits 12 and 13 and 14?

23 A Not very likely, no.

24 Q Okay.

25 A The codes could have changed, but I would -- I

1 would certainly want to refer back to a code list that
2 would tell me what X99 is, what A01 is, if they are
3 somehow related or, you know, an explanation.

4 Q Okay.

5 A But I don't have the convenience of knowing
6 that.

7 Q So if we wanted to find out -- "we" being
8 myself and my client and expert, we would ask y'all for
9 a code list --

10 A Yeah.

11 Q -- that would explain those codes?

12 A Yes.

13 Q Okay. That's what we would call it, is a code
14 list?

15 A Yeah. I think it's a code list.

16 Q Okay.

17 A To be specific, there's other code lists.

18 Q That's the transaction code list?

19 A Yes.

20 Q Gotcha. Now, if you will note there, the
21 original application date of the loan -- I think it's
22 called loan orig ap date -- tell me that's a mistake,
23 please.

24 A Well, it's probably like if somebody didn't
25 put any information out there, so it defaulted 1/1 of

1 **1900.**

2 Q Because this loan did not originate in January
3 of 1900. Okay.

4 So do you know if that is a default field
5 value? Is it something that you can say, Hey, I've seen
6 that happen before?

7 **A I haven't seen that happen before. I was**
8 **looking back to these other two, and I think they are**
9 **filled in. So, you know, I don't work with these**
10 **documents on a daily basis, so I couldn't say with any**
11 **reliable firsthand knowledge, but --**

12 Q Fair enough. I appreciate it. Thank you.

13 Okay. We are going to move on to something a
14 little different, which is going to be your -- actually,
15 we're going back to the Explorer.

16 **A Okay. I'm ready.**

17 Q Okay. Those -- could you tell me, first of
18 all --

19 MS. MACK: Let's make that 15, first of all.

20 (Defendant's Exhibit 15 was marked.)

21 Q (By Ms. Mack) All right. What is Exhibit 15,
22 Mr. Nardi?

23 **A This is a print-off of the DD -- DDCH screens**
24 **called Corporate Advance History Screens. So these are**
25 **really just transactions for corporate advances for the**

1 loan. These go back -- these go back to, like, April of
2 '09, so I don't know if it's a full counting of all the
3 advances, but it's a pretty good chunk of them.

4 Q Okay. With regard to the advances, if you
5 could just go through each line of advances and tell me
6 what it stands for and who the advance was made payable
7 to and whether or not it was recoverable or not.

8 A Whether it was recoverable or not? I don't
9 know if I can answer that based upon this document.

10 Q Okay.

11 A I can do my best with the rest of your
12 question.

13 Q Okay.

14 A And you want to go through every page?

15 Q Every line. I could read them off to you, but
16 I think we can get through quicker if you go through the
17 lines of each date.

18 A Okay. We have Transaction Code 33 -- 633 SAP,
19 date March 2012, \$65. It says that escrow payee is
20 M-g-c-o-l-l-i-n-t-e. Payee is -- payee code is 85N16.
21 RSN, I think that's a reason code. REAP, and a
22 description is REO appraisal.

23 The next line is 633 --

24 MS. CREWS: He's just reading the document
25 which speaks for itself.

1 MS. MACK: Yeah. I'm going to ask for --

2 Q (By Ms. Mack) If you could tell me what
3 Transaction Code 633 means.

4 A I don't know.

5 Q Do you know who that payee is?

6 A There are so many payees in the system that I
7 couldn't tell you for sure. It's -- I mean, the
8 description is REO appraisal, so I think it's clearly
9 identifying an appraisal fee. And the escrow payee and
10 their code is probably part of their name or maybe part
11 of their business name.

12 Q Okay. If you could go to the next line,
13 please.

14 A Sure.

15 MS. CREWS: Is there a question about it?

16 MS. MACK: I don't know what they mean.

17 MS. CREWS: What what means?

18 MS. MACK: Well, I mean, we can go through it
19 the other way, if you want me to. I can go through
20 it line by line, if you want me to. I was just
21 trying to get through this a little faster.

22 MS. CREWS: I mean, what's the general
23 question?

24 MS. MACK: I would like to know the
25 transaction codes. The Albertilli, I can figure

1 that out. Okay? But, like, the REO appraisal that
2 you just identified, I have no idea what that was.
3 So the transaction codes, of course, I don't know
4 those either.

5 MS. CREWS: You're not going to -- are you
6 going to know any of the transaction codes?

7 THE WITNESS: I'm not going to know them off
8 the top of my head, no. We can get you a list.

9 Q (By Ms. Mack) Okay. Now, the Albertilli
10 ones, I know who those are.

11 **A Okay.**

12 Q Those are self-explanatory. But, like, the
13 payee's names that are not clear, maybe I should just go
14 through those and ask you.

15 **A Well, let me look at a few of them and see if
16 I can help you out.**

17 Q Mr. Nardi, do you see an advance for
18 \$246,965.35?

19 **A Would you repeat the number?**

20 Q 264 -- I'm sorry. 246,965.35.

21 **A I actually see several line items which
22 reflect that figure.**

23 Q What are those? I should say, what does that
24 number represent?

25 **A I don't know. I would have to do some**

1 additional research to find out.

2 Q Okay.

3 A It certainly wouldn't be a typical or
4 corporate advance. Normally, you wouldn't see an amount
5 like that. I mean, on very large loan balances -- which
6 this is larger than average, but this isn't \$15 million
7 large. You might see some large advances for insurance
8 on a big mansion someplace or, you know, that -- that
9 might reach, you know, five or six figures if you're
10 paying for a year of insurance, or maybe you're paying
11 back taxes or something like that.

12 But on these type of -- on these kind of
13 transaction lists, generally you're not going to see an
14 advance of \$250,000 on a 6- or \$800,000 loan. It's
15 generally not there. But I don't have an explanation as
16 to what this particular amount is accounting for. But
17 it seems to be being applied and unapplied throughout --
18 you know, for several lines throughout this transaction
19 history.

20 Q Yes. So if you were going to try and
21 determine what that amount was representing, where would
22 you go look?

23 A I wouldn't necessarily look -- well, I would
24 look in other transaction screens to see if I could sort
25 it out. Otherwise maybe, SER1 SHT to see if there are

1 transactions. I would go find what the Tran Code 745
2 was because it seems to be regulated to these particular
3 transactions. You don't see 745 throughout the rest of
4 this document, so -- you see a lot of six -- six codes.
5 There's a couple of large 745 codes earlier on in the
6 document, which I would probably also be looking at.

7 But basically the first thing I would start
8 with is the transaction code list to tell me what it's
9 supposed to be as far as the code goes, and then try and
10 drill down from there.

11 Q Let me give you -- just don't put that too far
12 away because I'm going to ask you some more questions,
13 but I think this might help. If you could just take a
14 look.

15 MS. MACK: That will be Exhibit 16.

16 (Defendant's Exhibit 16 was marked.)

17 Q (By Ms. Mack) Mr. Nardi, Exhibit 16.

18 A Yes.

19 Q Exhibit 16 is two pages of a larger group of
20 SER1 screen shots. However, those two pages do have
21 that figure, that \$246,000 and change figure.

22 A Right.

23 Q And I was wondering if those screen shots from
24 the SER1 view, I guess, would that help you understand
25 Exhibit 15?

1 A Well, to a certain extent, it may clarify it a
2 little bit.

3 Q How does it clarify it?

4 A Well, it incorporates the descriptor of
5 corporate advance adjustment, but also goes on to tell
6 me it's not -- it's not what they consider a
7 nonrecoverable corporate advance. So apparently, these
8 are adjustments being made in the account of some type
9 of nonrecoverable advances, apparently.

10 Q Okay. Now, if those advances were being made
11 or were -- do you -- does -- do you think those advances
12 affected this loan balance?

13 A The loan balance itself?

14 Q Yeah.

15 A No, because the corporate advances as -- as
16 escrow and as restricted escrow and other transactions
17 that are related to the loan aren't reflected in the
18 balance. So as far as I understand it, there would be
19 no effect on the balance of the loan. You wouldn't --
20 you wouldn't -- there is an exception to that at some
21 point if -- like in a modification instance, if we had
22 advanced \$30,000 for taxes and insurance and the
23 borrower couldn't repay us those escrow advances, we
24 might capitalize that into the loan -- the loan balance
25 under the terms of the modification.

1 **But as far as these transactions are**
2 **concerned, without some type of modification of the note**
3 **and the terms of the mortgage, no, they wouldn't just be**
4 **dropping in and out of the balance. These should be**
5 **accounted for separately and tracked separately than the**
6 **balance.**

7 Q Okay. And so would you need to look at, like,
8 a general ledger or accounting system database that
9 would show you what those corporate advance -- advances
10 were either applied to or why they are showing up in
11 Mr. Waisome's loan history?

12 MS. CREWS: Object to form.

13 Q (By Ms. Mack) I mean, how would that be tied
14 into Chase's balance sheet? I mean, if somebody is
15 advancing \$246,000 and change, that's a significant
16 amount of money.

17 Wouldn't you agree?

18 A **Sure. But I don't know if that's the case.**

19 Q Okay.

20 A **I think we are assuming some facts that are**
21 **not in evidence, as you would say. That -- it's clearly**
22 **showing an amount that is being adjusted. But we don't**
23 **know if that is the total amount of advances for the**
24 **life of the loan, which wouldn't necessarily be unheard**
25 **of if we've spent \$100,000 in litigation to the point of**

1 the transaction, and it has to be adjusted. And, again,
2 just a shot in the dark here, is that that could
3 represent the total sum of corporate advances, not a
4 single corporate advance. And I don't know the answer
5 to that question, which is why I can only speculate.

6 Q Okay.

7 A I wouldn't assume that was a single advance.
8 There would be no feasible explanation for a single
9 advance of a quarter million dollars.

10 Q On a loan this size, right?

11 A I'm sorry?

12 Q On a loan this size.

13 A On a loan this size, no.

14 Q A couple of more questions on Exhibit 16 while
15 we're on it. You'll note there is a date up here, and
16 it's 12/10/2009.

17 A Yes.

18 Q The 12/10/2009 is -- postdates the alleged
19 date of default, correct?

20 A I believe so, yes.

21 Q Okay. Would Chase have taken a principal --
22 sorry -- a charge-off at the end of 2009, and perhaps
23 that's what the amount of money the \$246,000 is for?

24 MS. CREWS: Object to form.

25 Q (By Ms. Mack) In your experience, have you

1 ever seen that happen?

2 **A** **I haven't seen it accounted for in a corporate**
3 **advance history. I think I -- and -- and, really, I**
4 **don't really pay much attention to charge-offs to begin**
5 **with. But, you know, compounding that, I don't know why**
6 **they would include it in the corporate advance**
7 **accounting. It wouldn't be the right place for it.**

8 **Q** All right. If you would just -- if you will
9 note, actually, going between Exhibits 15 and 16, if you
10 will look at Exhibit 15 at the top of the page under
11 borrower name, there is -- and next to corporate advance
12 history screen, there's that X99 again.

13 **A** **Yes.**

14 **Q** Do you -- in the context of Exhibit 15, do you
15 know why it says X99?

16 **A** **No.**

17 **Q** Okay. Now, if you go to Exhibit 16 again, you
18 look up at the top of the page under customer -- or
19 right next to customer service, there is that INV again.

20 Does that stand for investor on that screen
21 shot?

22 **A** **I believe it does.**

23 **Q** And there's A01/013.

24 **A** **Yes.**

25 **Q** So the A01 is -- it corresponds with some of

1 the valuation reports we have previously marked as
2 exhibits. But does the context of Exhibit 16 help you
3 identify what A01 or 013 mean?

4 **A Not really, no.**

5 Q Okay. The -- okay. I'll rest on that one.
6 Okay. We'll go on to the next ones.

7 With regard to the note codes, do you know
8 what the note code LMHAM means?

9 MS. CREWS: Object to form.

10 **A I don't have an example of the note codes**
11 **you're talking about. I don't -- can you define note**
12 **code or show me?**

13 Q (By Ms. Mack) I'll show you what I'm looking
14 at.

15 **A Okay.**

16 Q Are you ready?

17 **A Do you want it marked?**

18 Q Yes.

19 MS. MACK: We'll mark that as 17.

20 (Defendant's Exhibit 17 was marked.)

21 Q (By Ms. Mack) Okay. With regard to the
22 document I've just handed you, do you have a name for
23 that document? Have you seen anything like it before?

24 **A Let me just read a few things here.**

25 **It looks like -- I don't think I've seen this**

1 particular form before. I've seen ones like it. If
2 I'm -- it looks like a modification checklist of some
3 sort, someone going through to do some type of quality
4 check on a loan for -- maybe to see if they can push it
5 into, you know, certain modifications to be reviewed.
6 Or maybe it's in the process of modification, and this
7 is the checklist they have to go through for
8 premodification.

9 Clearly, it's a checklist. I think it --
10 there's a lot of loss mitigation-related items in here,
11 so it appears to be that it even contemplates HASP trial
12 on the checklist.

13 Q Now, HASP trial, what is that?

14 A I don't know what HASP stands for.

15 Q That's not a Chase program?

16 A I don't know that it's not a Chase program.

17 I'm not -- I don't work loss mitigation. It's not my
18 field, and so I don't know what HASP stands for.

19 Q Okay.

20 A It wouldn't surprise me. There's a lot of
21 programs of all sorts.

22 Q Okay. I'll ask you some more questions about
23 that in a minute. If you could just look in the middle
24 of the page, Mr. Nardi, there's going to be the codes
25 I'm going to ask you about, the LMHAM and the LMTMQA.

1 A Okay.

2 Q Is there a code list for this loss mit
3 document that we have marked as Exhibit 17?

4 A I don't know. I've never seen the document
5 before.

6 Q Do you recognize the codes, the LM --

7 A These are actually codes that go into MSP.
8 They don't -- they are not really tied to the document
9 so much.

10 Q Okay.

11 A When you go into the NOTS screen, which is
12 basically your general loan notes of all types --
13 customer service, loss mitigation, collections all go
14 into the NOTS screen -- you can type in these codes in a
15 field in that screen, and it will -- and depending on
16 what the code is designed to do, the code might generate
17 a preformatted text box for you. So you type in this
18 code, and it will basically put in something that says,
19 Borrower has completed Step 5 of 6, or whatever you want
20 it to do.

21 So basically it's a shortcut. Type in these
22 five digits, and it produces a note so you don't have to
23 type it in longhand. So a shortcut. You can do it that
24 way.

25 Q Okay.

1 **A** So they are basically looking for codes which
2 show that whatever these codes stand for, the steps have
3 been completed. I don't know what the codes really
4 mean.

5 Q Okay. Let me see that one more time.

6 **A** One looks like -- one looks like a loss
7 mitigation quality analysis. The other one, I don't
8 know. One looks like a loss mitigation quality
9 analysis.

10 Q There is one other question I wanted to ask
11 you about this. Yes. Okay. If you look under the
12 HASP -- actually, two lines up from the line you were
13 just looking at. It looks like it says MAS1/INV.

14 Are those the names of the screens that you
15 were telling me about that identify the investors?

16 **A** Yes.

17 Q Okay. And the "verify the investor" that is
18 indicated next to those screen codes, there's a list to
19 determine the numbers that the -- I mean, who the
20 investors are with regard to each number.

21 Is that --

22 MS. CREWS: Object to form.

23 Q (By Ms. Mack) -- what these folks would be
24 looking at?

25 **A** Can you repeat the question?

1 Q Okay. You see how -- I believe you told me
2 MAS1 --

3 A Right. MAS1 and INV1.

4 Q Those are investor disclosure screens?

5 A That's information within MSP that will show
6 you who the investor is.

7 Q And from another answer you gave me, there is
8 an investor code list.

9 A Correct.

10 Q Okay. So would someone that is going to try
11 and fill that document that you have in your hands out
12 that is marked as Exhibit 17 to complete it, would they
13 go to a particular list or is there just one list?

14 MS. CREWS: Object to form.

15 Q (By Ms. Mack) Let me ask it this way: You
16 talked about your -- you would look at an investor list.
17 Okay? You said you are not in the department or you
18 don't do loss mit, and that this document you have in
19 your hands, Exhibit 17, is a loss mit document.

20 A Correct.

21 Q So would the loss mitigation folks be looking
22 at a different investor list than you would?

23 A No.

24 Q I just needed to know if I needed to ask for
25 more than one. Okay. Thank you.

1 All right. Going back to -- I think we are
2 done with that one, Mr. Nardi. I'll take you back to
3 Number 15.

4 Okay. There are a couple of payees here that
5 I wanted to ask you about. If you look at the date
6 9/23/2010, there's two entries for \$12,800 --

7 **A Yes.**

8 Q -- in advances.

9 Can you tell me by looking at that document
10 who the recipient of the advance was?

11 **A No.**

12 Q Do you know what 10N14 means?

13 **A Where are you seeing that?**

14 Q It should be to the right of the amount.

15 **A Oh, I'm sorry. No, that's a payee code, but I
16 don't know what it means.**

17 Q Okay. And the CANV? Do you know what that
18 means?

19 **A It's a reason code I don't know.**

20 Q Okay. 12-month anniversary? Do you know what
21 that means?

22 **A No.**

23 Q If you keep going to March 29, 2010 -- and
24 we've actually put some yellow stickies on the numbers
25 we wanted to ask you about or near them.

1 It's an entry for \$135,000 times two, and the
2 date is March 29, 2010.

3 A Well, I want to actually go back a moment
4 because I think you might be misunderstanding. There's
5 two transactions for \$12,800.

6 Q Okay.

7 A But one is coming in and one is going out, so
8 they net 0.

9 Q Okay.

10 A The same thing applies to 135,000. It's not
11 two of the same transaction. One is coming in and one
12 is going out.

13 Q And what about the 9/24/2010, 246,000?

14 A So we're talking about these at the back?

15 Q Yeah.

16 A All right. So we have -- one is a negative,
17 and one is a positive. Another positive and another
18 negative, so we're still netted 0. There's two more
19 that one is positive and one is negative, still netted
20 0. They are all netted 0.

21 Q Okay. All right. And you -- you don't know
22 what that means as we are sitting here today, what those
23 entries --

24 A No. And I --

25 Q -- netting 0?

1 A -- wish I could tell you.

2 Q Okay.

3 A I don't have any idea.

4 Q Okay. Thank you. We can move on.

5 All right. Based on your training and
6 experience, does the mortgage in this case secure the
7 property or the promissory note?

8 A Does the mortgage secure the property or the
9 promissory note?

10 MS. CREWS: Object to form.

11 A Well, let me just define what -- I'll make it
12 easy because I don't -- I don't know if I answered your
13 question, so I'll try to answer it the way I think
14 you're asking it.

15 Q (By Ms. Mack) Okay.

16 A You have a note. It's a contract to -- we'll
17 lend you money, and you pay us back. This is the rate.
18 This is how much you have to pay each month and so
19 forth. The mortgage is the document which secures the
20 note. It gives us the ability to basically confiscate
21 your collateral which you pledged in the mortgage if you
22 do not perform under the terms of the note. So I think
23 that's what you are asking me, but I want to make sure I
24 answer the question.

25 Q Okay.

1 **A The note -- I think your original question was**
2 **does the mortgage secure the property. But the**
3 **question, to me, doesn't make any sense at all --**

4 Q Okay.

5 **A -- so that's why I answered the way I did.**

6 Q Thank you.

7 Can -- is there -- excuse me. Is there a
8 provision or a procedure in your company for the
9 borrower's agents, whether they are an expert or their
10 lawyers, to go inspect the collateral file that is
11 stored in -- I think you said Louisiana?

12 MS. CREWS: Object to form.

13 **A Would you repeat? I think I heard the**
14 **question.**

15 Q (By Ms. Mack) Yeah. I'm asking if there is a
16 procedure for the borrower's representative, whether
17 it's an expert or a lawyer, to go and inspect the
18 collateral file that you know of.

19 **A In Louisiana or just --**

20 Q Wherever it is.

21 **A -- wherever it is?**

22 Q Yeah.

23 **A Is there a provision? Well, I don't think**
24 **there is a provision in the contract with -- that you**
25 **signed into in your note or mortgages. I don't think**

1 there is any verbiage in any note or mortgage that gives
2 you the right to inspect your documents in the normal
3 course of business.

4 Now, under a performing loan, there is really
5 no need to for the most part. I think that any lender
6 wouldn't necessarily object to it so as far as it's
7 planned for in advance and that you just don't show up
8 in custody services and say, I want to see my note. As
9 long as you did it appropriately, I don't see why there
10 would be any objection to it.

11 However, I haven't seen any provision or
12 policies surrounding that. We'll -- like, I'll just
13 give you an example. I called my lender the other day
14 and said, I need a copy of my title insurance policy.
15 They faxed it to me within an hour. Generally that
16 information is available almost immediately.

17 Now, your question was specifically as to the
18 original.

19 Q Right.

20 A That takes some planning, because they are not
21 going to send it anywhere than if we're represented.
22 They are not going to release that just to anybody
23 because it's the note. It's the mortgage. So -- but I
24 haven't seen any provisions for that.

25 Q Okay.

1 **A But I imagine it would probably be something**
2 **that just needs to be planned ahead of time.**

3 Q Okay. Thank you.

4 Now, with regard to the MSP and accounting, do
5 you know if MSP has an interface with the general
6 ledgers that Chase would have for the Waisome loan?

7 **A I don't. I don't know.**

8 Q Okay. And -- I can't even read my writing.
9 Sorry.

10 How -- can you -- can you tell from -- is
11 there any provision in MSP for verifying whether a --
12 whether the original note has been either pledged as
13 collateral or sold or otherwise hypothecated?

14 MS. CREWS: Object to form.

15 **A I -- I don't believe that there is as far as**
16 **being sold. There are certain fields in MSP which will**
17 **show you acquisition information if we purchased the**
18 **loan from a previous lender or note holder. But as far**
19 **as the selling or securitization, so for servicing for**
20 **a -- one of the secured backed trusts, that's not the**
21 **place you would go to view that information, no.**

22 Q (By Ms. Mack) Okay. Can you -- can you tell
23 us how you would verify if the owner of the note had
24 retained possession of the note and ownership of the
25 note or if they had pledged it? Is there anything you

1 would look at? So, for example, if someone came -- this
2 is a hypothetical. If someone came up to Mr. Waisome
3 and said -- or sent him an acceleration letter, we own
4 your note and we are going to accelerate it, and he
5 called Chase up and said, I thought y'all owned my note,
6 what would you look at to see if, in fact, maybe Chase
7 had sold the note or perhaps maybe the note was sitting
8 in somebody's front seat and it was stolen?

9 MS. CREWS: Object to form.

10 A First of all, I would like to say this whole
11 pledging concept that you have discussed, I have no
12 knowledge of. I don't know -- I've never had any loan
13 that I've dealt with with Chase or WAMU where somehow it
14 was pledged and then -- so I have no definition of what
15 that means.

16 Q (By Ms. Mack) Okay.

17 A But let's just say that -- let's go with
18 something I do know. If we had sold it, there would be
19 a number of things that would -- that would tip me off.

20 First of all, why would it be in our system
21 anywhere? Why would we be managing the service of the
22 loan if we transferred servicing rights to somebody
23 else? So right off the bat, the question really doesn't
24 have any foundation in reality, because we wouldn't
25 continue to do work on a loan we no longer had any

1 financial interest in doing it on.

2 We don't service things for free. We charge
3 other entities service -- you know, fees to service.
4 You know, we service our own loans because those loans
5 we collect the interest on, that interest belongs to the
6 bank. So it's not a charity; it's a business. So if
7 we're doing -- there would be no instance where we would
8 be accidentally servicing someone's loan where it was
9 sold to someone else.

10 So the answer is, you know, the hypothetical
11 fails because we are not going to have a loan in our
12 system if we sold it off.

13 Q Okay. All right.

14 Do you know who actually maintains the
15 integrity of the data in the MSP system with regard to
16 Chase?

17 MS. CREWS: Object to form.

18 Q (By Ms. Mack) Specifically -- and when I say
19 "data integrity," do you know what I mean?

20 A Yes.

21 Q Okay.

22 A Well, I think data integrity is really on an
23 ongoing process. There is no -- there's no master
24 person who is doing it 24/7 seven -- you know, 24 hours,
25 seven days a week. Data integrity is a -- is a ongoing

1 process that involves all the people who are putting
2 information into MSP. And we're constantly using that
3 information. It is the system of record. It's what we
4 depend on. So if there is an error and it's discovered,
5 it's remediate and it's corrected.

6 Pretty much anything that goes into MSP that
7 is an error is going to be discovered immediately right
8 away because someone else is going to have to access
9 that same information and use it to really go about
10 their business. But I don't think -- I don't know of a
11 specific individual who is the master of record keeper
12 and, you know, determiner of all things accurate in MSP.
13 It's -- accuracy is based upon, you know, the actual
14 records, what is -- what is -- what is true of the loan.
15 I mean, individual errors are -- are catchable.
16 They're -- they're redeemable. You can go back and
17 correct things. It's just a --

18 Q So who would go --

19 A -- it's not one person.

20 Q I'm sorry.

21 A Sure.

22 Q Who would go back and correct them if you did
23 find an error? Would that be somebody like you or
24 somebody in the quality control department, if there is
25 such a thing?

1 A It depends on the error. If you are talking
2 an error in some type of -- like for me, if I am going
3 through a file that I know should be legal coded so that
4 customers are not receiving collection calls, I will
5 just correct the coding and fix it. That doesn't
6 require a committee or a meeting or anything like that.

7 Now, if you're talking about other types of
8 errors which would be significant changes to the loan
9 records -- which, coincidentally, I've never actually
10 run into myself, but I imagine significant loan records,
11 we would have to go back with folks that basically
12 administer the system and get those corrected and make
13 sure that everything that needs to be covered, depending
14 on the scope of the error. Because if it's something
15 that was, you know, a long time ago and would impact a
16 lot of things going forward, whatever the scope is, will
17 determine who we bring in on corrections.

18 Q Fair enough. Thank you.

19 Do third parties, other than Chase
20 employees -- or before Chase, WAMU -- do third parties
21 enter information into MSP other -- and what I mean
22 third parties, I mean anybody from loss mitigation like
23 broker person to LPS people --

24 MS. CREWS: Object to form.

25 Q (By Ms. Mack) -- to your attorneys.

1 **A** Attorneys certainly do not. Third parties do
2 not. I think the exception to -- it depends on how you
3 define third party. As I mentioned, the software is
4 licensed through the owner of the software. So I
5 imagine at some level or another, the owner of the
6 software, along with our knowledge, is going to be able
7 to make changes to the system. Maybe not loan level
8 individual changes like removing late fees or something
9 as small as that, but at some level, they can make
10 changes to the platform. That's what their job is.
11 Their job is to maintain that system and make sure it's
12 continually working.

13 **Q** Okay. And does the system itself perform
14 calculations such as the ones we have seen in the loan
15 history documents that we have gone over to date? Or is
16 that done manually and is it ever verified by an
17 individual as opposed to a computer?

18 And that was a compound question. Sorry.

19 MS. CREWS: Object to form.

20 **A** I think I get the question.

21 **Q** (By Ms. Mack) Yeah.

22 **A** And a lot of the transactions -- or a lot of
23 the calculations that we work off of, like a payoff
24 demand, that's systematic because the system is going to
25 have the balance, the escrow advances, the amount of the

1 interest that is running and all of that and be able to
2 produce that and save a lot of man-hours than trying to
3 do that manually, because the system is going to be more
4 accurate 99 times out of 100 -- probably more -- you
5 know, than a human trying to manually go through and do
6 amortization over a long period of time and other
7 calculations.

8 Q Now, the affidavit of indebtedness, in your --
9 in this case, you executed an affidavit in support of
10 plaintiff's motion for summary judgment.

11 Do you recall doing that?

12 A Yes.

13 MS. MACK: And we will mark that as 18.

14 (Defendant's Exhibit 18 was marked.)

15 Q (By Ms. Mack) Mr. Nardi, could you tell me
16 exactly what steps you went through to execute and
17 prepare that affidavit from beginning to end?

18 A From beginning to end?

19 Q Yes, sir.

20 A The -- well, let me first of all read through
21 it --

22 Q Oh, yeah. Absolutely.

23 A -- and make sure I have an understanding of
24 everything that was in this affidavit. This was like a
25 couple of months ago or something.

1 Q Yeah. No problem.

2 MS. CREWS: Do you want to see the exhibits?

3 THE WITNESS: Yeah.

4 A **Well, all of this is based --**

5 Q (By Ms. Mack) We could -- I'm sorry. I did
6 not mean to interrupt you.

7 MS. MACK: We could -- if you want to use your
8 copy, Rachel, we can.

9 MS. CREWS: To mark it?

10 MS. MACK: For the exhibit.

11 MS. CREWS: That's got exhibits with it.

12 MS. MACK: I wasn't trying to trick you.

13 THE WITNESS: I can go on either way.

14 Q (By Ms. Mack) We'll use the complete one as
15 long as Rachel doesn't mind us using your copy.

16 A **The individual section -- I mean, the first
17 one, as far as preparing -- I'm authorized by Chase to
18 sign any document basically, so I didn't really have to
19 do anything to prepare for Section 1 which is, you know,
20 authorizing myself. I was preauthorized to sign
21 documents.**

22 Q Could I ask you a question about that?

23 A **Sure.**

24 Q Do you have an authorization from either the
25 board of directors or whoever authorizes signatories to

1 perform?

2 A Not with me, but, yes, I do.

3 Q You do have one?

4 A Yes.

5 Q Is that authorization something that is a
6 onetime authorization or is it preauthorized every year?

7 A Basically, right. It's basically held in a
8 centralized repository. They keep a list of authorized
9 signers for the bank. My authorization is reviewed and
10 reupped every year that I am in a position that I need
11 it.

12 Q Okay. Thank you.

13 A Okay. So, really, Number 1 speaks for itself.
14 Number 2, I'm over 18 and competent. I have
15 access to the mortgage records. I reviewed
16 Mr. Waisome's mortgage records, and specifically the
17 hello letter, which I think is one of the exhibits in
18 here. I'm not sure. I think it's one of the early
19 ones. Checks that Mr. Waisome sent in after the date of
20 the hello letter. Basically MSP in general. Making
21 sure that the loan is on the system and that it's
22 consistent with what is in the affidavit that I'm
23 attesting to.

24 Bear with me a second.

25 I have personal knowledge that the

1 transactions in MSP are made at or about the time of the
2 transaction. I know that because I work in MSP every
3 day, and I've worked in MSP every day since I have
4 worked for Chase, and the business records are made at
5 or around the time they happen.

6 So Paragraph 4 talks about the letter in
7 question, the hello letter. I made sure that that
8 letter was actually in the system. It is. We provided
9 it. I verified that he made payments after that, both
10 through MSP and through verifying cancelled checks that
11 we received post that October 10th date. I also
12 verified in loss mitigation documentation that he was
13 offered a (inaudible).

14 THE REPORTER: I'm sorry. I didn't hear you.

15 THE WITNESS: I'm sorry.

16 A I also verified in loss mitigation documents
17 that the borrower was provided a trial modification plan
18 but did not choose to participate in the plan.

19 Q (By Ms. Mack) Okay. And that's the end of
20 the affidavit, right?

21 A That's the end of the affidavit, yes.

22 Q Okay. Let me ask you a couple of questions.

23 A Sure.

24 Q When you prepared the affidavit, specifically
25 Paragraph 3, did you review Washington Mutual's books

1 and records to see if the Waisome note was on the books
2 of the bank when the FDIC took it into receivership?

3 MS. CREWS: Object to form.

4 A I reviewed the systems of record that would
5 have reflected that, yes.

6 Q (By Ms. Mack) Okay. And is that all you
7 reviewed, as far as that question, to determine if the
8 Waisome loan was on the books of Washington Mutual at
9 the time the FDIC took the bank into receivership?

10 MS. CREWS: Object to form.

11 A Well, I really hear two questions. And one is
12 really the collateral, whether the note was in the
13 possession, or whether the loan was being serviced by
14 WAMU at the time.

15 And the answer is -- either way, is both.
16 Like I described earlier, WAMU was conveniently using
17 MSP, and Chase was conveniently using MSP. So when the
18 transaction -- when the transaction took place -- and I
19 was working for WAMU at the time. So I can tell you
20 that the loans that were in place at WAMU on September
21 25th of 2008 were the same loans that were in Chase's
22 possession on September 26th and going forward. I can
23 tell you that from firsthand knowledge.

24 Now, I, of course, didn't access Mr. Waisome's
25 loan in 2008. I wouldn't have a reason to. But the

1 **business records were the business records that were**
2 **transferred from WAMU to Chase.**

3 Q (By Ms. Mack) And so I think you answered the
4 question, which was you reviewed the MSP system to
5 determine if the loan was, one, being serviced by Chase
6 or WAMU -- excuse me -- and two, if WAMU owned the
7 promissory note?

8 A **Correct.**

9 Q Okay. So besides MSP, to answer -- to
10 determine those two things, did you look at anything
11 else?

12 A **As to whether or not it was owned and whether**
13 **or not it was -- well, I looked at other screens within**
14 **MSP as well which would have shown that Chase was the**
15 **owner. So MAS1 and INV1 would have shown that Chase was**
16 **the owner. The ownership would have passed from WAMU to**
17 **Chase through the FDIC in the purchase of their assets**
18 **by Chase.**

19 So there was nothing in my review that would
20 have shown me that everything other than WAMU owned the
21 loan and through the purchase of the WAMU assets, Chase
22 now owns the loan.

23 Q Okay. Well, through the exhibits we have been
24 through today, we've seen several investor numbers. And
25 I think that the investor number, as you've testified,

1 is going to identify the investor once you have that
2 list.

3 A Correct.

4 MS. CREWS: Object to form.

5 A Well, I think it will identify who the code --
6 who that code is designed to identify.

7 Q (By Ms. Mack) Okay. Right.

8 A Yes.

9 Q So if you saw all -- in reviewing the
10 documents in MSP to the documents -- sorry.

11 When you reviewed MSP to execute this
12 affidavit, did you research what the different investor
13 codes meant to see if, in fact, Washington Mutual did
14 own the promissory note at the time it was seized, if
15 Washington Mutual was just servicing it?

16 MS. CREWS: Object to form.

17 A I did not look at the code specifically, no.

18 Q (By Ms. Mack) Okay.

19 A I had sufficient business records and evidence
20 that I didn't even -- at the time of my review, there
21 was no reason to look at the investor codes specifically
22 or depend on them specifically. There was plenty of
23 other indications that WAMU was owner servicer and then
24 Chase became owner servicer.

25 Q Okay. Now, the records that you would have

1 reviewed to determine that, are they all attached to
2 your affidavit --

3 MS. CREWS: Object to form.

4 Q (By Ms. Mack) -- to review the ownership of
5 the note at the time of the seizure by the FDIC of WAMU
6 and the ownership after the seizure?

7 A The system of -- I mean, MSP, the system of
8 record, would -- there's a screen you can print off that
9 shows the current owner, but it doesn't -- there is no
10 look-back function on it. So that would probably be the
11 only other thing I can think of that I would have
12 reviewed. But it's not going to have a look-back
13 feature, so I can't look back to 2007 and see any
14 information. It's who is the current owner.

15 Q Okay. So if you don't have the ability to do
16 that look-back function in MSP, what would you have to
17 look at in order to determine if the investor remained
18 the same before the FDIC seized the bank and after the
19 FDIC seized the bank?

20 A You could look at archived records from WAMU,
21 and you have examples in here, screen prints from 2007
22 and 2008 prior to the seizure.

23 Q Okay.

24 A So those are the types of things you could
25 look at. Those were not things that I specifically

1 **looked at, but you could pull all of the records -- all**
2 **available screen shots from that timeframe, and that**
3 **information may be available there.**

4 Q You're aware from your prior testimony that
5 the issue of who owns this loan from my client's
6 perspective is a large one, are you not?

7 A **As to who owns the loan from your client's**
8 **perspective? I guess I understand the -- I understand**
9 **the concern, but I -- my belief is that it's unfounded**
10 **because if there was any question as to who owned the**
11 **loan, we wouldn't have continued to receive payments**
12 **after the purchase of WAMU assets by Chase.**

13 Q Let me ask you. Now, you've indicated that
14 the payments made -- there are three payments attached
15 to your affidavit, and they followed the hello letter, I
16 think you called it. But doesn't the hello letter just
17 indicate to Mr. Waisome that the servicing of his loan
18 was transferred to Chase?

19 A **I believe it does contemplate servicer.**

20 Q So wouldn't that be consistent with the
21 discussion we had earlier about the borrower's ability
22 to find out the owner and why it would matter or why it
23 wouldn't matter? I think you said that they don't
24 really need to know who the owner of the promissory note
25 is because it's only the servicer that matters because

1 they are the ones accepting the payments and dealing
2 with the borrower; is that correct?

3 MS. CREWS: Object to form.

4 A Are you asking me if that was my testimony or
5 are you asking me another question?

6 Q (By Ms. Mack) Well, I mean, isn't that true?
7 Isn't it true that you would not expect Mr. Waisome back
8 in 2008 to pick up the hello letter and say, I don't
9 believe that JPMorgan Chase owns this loan, and I'm
10 going to find out who does own the promissory note?

11 So why -- I guess what the question is, is:
12 What is the significance of Mr. Waisome making three
13 payments after he receives a hello letter telling him
14 that his servicing is transferred from WAMU to JPMorgan
15 Chase? What does it show?

16 A Well, I think -- well, I think the issue at
17 hand is if there was a concern about the ownership of
18 the note -- and I think you even said that is a major
19 concern of Mr. Waisome's. At what point did it become a
20 concern? And was that the reason he stopped making his
21 payments? And I would have to say that was not the
22 reason. He put in documentation that said there were
23 other reasons he is not making his payments, and it
24 didn't apparently become a concern until later on when
25 faced with the loss of the home, then suddenly it's an

1 issue. But that was months after the purchase of WAMU
2 assets by Chase.

3 So, again, I guess there's no specific
4 timeframe in which I -- I would ever expect any borrower
5 to go, You know what? I don't think I'm making payments
6 to the right people, or I want to know who my lender is
7 or who owns my note.

8 From a personal perspective, I don't know who
9 owns my mortgage. And it doesn't really matter because
10 in the end, I have to make the payments no matter what.
11 And who gets the beneficial -- who gets the benefits
12 from that in the end doesn't matter. What I know is I
13 have to make my payments. These payments are due. If I
14 don't make the payments, I forfeit the house. It's in
15 the contract, and I've pledged my signature to it. Who
16 the lender is in the end doesn't matter.

17 I happen to know that Wells Fargo owns my
18 loan, but it -- it doesn't jibe with the information
19 that Mr. Waisome provided to us. He didn't say, I'm not
20 making my payments anymore because you guys won't tell
21 me who my lender is. That's not what he said. He said,
22 I am not making payments anymore because I can't afford
23 to make my payments. The question of who owns my note
24 didn't come until further on down the line when it was a
25 little more convenient for Mr. Waisome to make the

1 **question.**

2 Q Well, without drawing conclusions as to
3 whether it was convenient for Mr. Waisome, really, we
4 are not here to do that right now. We're trying to
5 figure out the time line.

6 **A Okay.**

7 Q And one of the things that is puzzling is that
8 if Chase owned the loan and the promissory note was in
9 its possession because Washington Mutual owned the loan
10 and note before it was seized, then how come the initial
11 complaint was filed with a lost note count?

12 **A You know, that's --**

13 MS. CREWS: Object to form.

14 THE WITNESS: Sorry.

15 **A That's a good question. And it was an**
16 **unfortunate practice of certain firms we were working**
17 **with in that timeframe to file lost note affidavits on**
18 **all foreclosure accounts.**

19 MS. CREWS: Not affidavits.

20 **A I'm sorry. Not lost note -- lost note**
21 **claim -- what's the word I'm looking for? Lost note**
22 **counts --**

23 MS. CREWS: Count.

24 **A -- on a majority of their filings. That has**
25 **since been remedied and is no longer a practice that we**

1 accept. But at the time, it was something that was
2 going on. Regrettably so.

3 They were later on supposed to have been
4 dropping the count and basically remedying the issue,
5 but some of them were and some of them were not. I'm
6 not sure -- that's the best explanation I have is they
7 were really just filing it without any knowledge of the
8 actual condition of the note.

9 Q (By Ms. Mack) Okay. Do you know why the --
10 are you -- first of all, are you aware of discovery that
11 was produced in the early part of this case -- I want to
12 say it was the fall of 2009 -- where Mr. Waisome had
13 asked for a copy of his note, and one was provided, but
14 it was unendorsed? Do you have any knowledge of that?

15 A I have knowledge of -- well, I've got a couple
16 of answers to the question. I have knowledge he asked
17 for documentation throughout the course of the loan, and
18 maybe even more than one time. As to whether or not he
19 received an endorsed copy or unendorsed copy, I don't
20 know.

21 Q With regard to the request he made for
22 documents regarding his loan throughout the life of the
23 loan, are those the types of requests you would get from
24 somebody who was questioning whether or not they were
25 making payments to the right entity?

1 A My experience tells me that people -- and,
2 again, I have been working in default mortgages for
3 going on seven years or something like that. And a lot
4 of that has been time spent in litigation and
5 specifically contested foreclosure. So my answer is
6 going to be based upon my experience. And that is,
7 borrowers tend to get very interested in their loan at
8 the point where they have stopped making their payments
9 and would like to delay the process as much as possible.
10 So they tend to file -- if they are not able to be
11 represented, they tend to file large, nonsensical
12 objections and pleadings and all kinds of stuff to kind
13 of slow down the process. And that's my experience from
14 dealing with these contested foreclosures; that they are
15 not really interested in the facts. They are interested
16 in basically burying us in paperwork and delaying the
17 process as much as possible.

18 Q Okay.

19 A Regardless of what we send them, nothing is
20 ever good enough, it didn't show up, or endless reasons
21 and excuses. And that's my experience.

22 Q Okay. Thank you.

23 With regard to your affidavit, Mr. Nardi, did
24 you execute that in Texas?

25 A I did.

1 Q And do you live in Texas now?

2 A I do not. I was traveling in Texas on
3 business.

4 Q Okay. Is there a Chase office in Texas?

5 A Absolutely.

6 Q I'm sure there's a lot of them, but is -- is
7 it like one of those vaults or campuses like you have in
8 Jacksonville?

9 A It's actually a pretty large -- it's two
10 buildings, two really large buildings. We have
11 different operations out of -- this is in Lewisville
12 specifically. We have a big REO department there. We
13 have part of our Chase legal department, which is where
14 I was visiting, there. So I was visiting the Chase
15 legal department there.

16 Q Okay. In your experience with Washington
17 Mutual or Chase, have you ever handled loans that were
18 serviced in -- sorry -- serviced for the federal home
19 loan banks, any of them?

20 MS. CREWS: Object to form.

21 Q (By Ms. Mack) Do you know what the federal
22 home loan banks are?

23 A Are you referring to Freddie and Fannie or
24 somebody else?

25 Q No. Do you know what a federal home loan bank

1 is?

2 **A I don't think I do. I mean, well -- I don't**
3 **think I do.**

4 Q Okay. Is there any reason why a Chase
5 employee would inform Mr. Waisome that Washington
6 Mutual -- Washington Mutual Mortgage Securities
7 Corporation was the investor on this loan?

8 **A Not that I can think of, no.**

9 MS. CREWS: Object to form.

10 Q (By Ms. Mack) Okay. Are you familiar with
11 general ledger accounting systems like PeopleSoft,
12 Oracle or other similar software systems?

13 **A I've heard of them. I don't work with them.**

14 Q Okay. Do you know how the LPS-MSP system that
15 Chase uses interphases with Chase's general ledger
16 system?

17 MS. CREWS: Object to form.

18 **A I think you asked that before, and my answer**
19 **is still no.**

20 Q (By Ms. Mack) It's actually a little
21 different. Okay.

22 MS. MACK: Exhibit 18 -- off the record.

23 (Discussion off the record.)

24 MS. MACK: This will be Exhibit 19.

25 (Defendant's Exhibit 19 was marked.)

1 Q (By Ms. Mack) Mr. Nardi, Exhibit 19. Have
2 you ever seen a copy or maybe the original of Exhibit
3 19?

4 A I've seen copies before.

5 Q With regard to Exhibit 19, have you actually
6 been able to read it at any point since it was executed
7 in 2008?

8 A I've seen it on several occasions. I can't
9 say that I -- you know, this isn't, you know, my Sunday
10 morning read or anything. I read when I need to. I
11 read the portions applicable to the cases that I work
12 on, but I -- there's just too much information in this
13 and other documents that I must rely on. That's why,
14 you know, they say the document speaks for itself.

15 Q Okay.

16 A I don't have to speak for it or tell you
17 what's in it.

18 Q All right. I understand that. Okay. I'm
19 going to ask you some questions about it.

20 A Sure.

21 Q I just didn't know if you need time to read it
22 first.

23 A I'll read as we go.

24 Q Page 2. If you will turn to Page 2, please.
25 Page 2, if you could look at the definition of

1 accounting records.

2 **A Yes.**

3 Q Could you tell me where those accounting
4 records would be kept?

5 **A I could not.**

6 Q Who could?

7 **A I don't know.**

8 Q Okay. In this case, do you recall answering
9 interrogatories?

10 **A I do.**

11 Q Okay. Do you recall -- do you recall in
12 answering those interrogatories, what you did to try and
13 find the information that I asked for?

14 MS. CREWS: Object to form. You didn't ask
15 anything about -- I think you may be talking about
16 requests for productions, which are not verified.

17 MS. MACK: Hang on a second. You could be
18 right, Rachel.

19 MS. CREWS: Okay.

20 MS. MACK: I'm missing part of my file.

21 Let's go off.

22 (Discussion off the record.)

23 Q (By Ms. Mack) The accounting records that are
24 defined in Article 1 on Page 2 of Exhibit 19 --

25 **A Yes.**

1 Q -- you do not know where those exist or who
2 would know why they exist; is that correct?

3 A I don't -- well, these accounting records that
4 were -- well, this is just a definition, so this doesn't
5 say whose accounting records or anything. It just calls
6 for accounting records. So are we assuming these are
7 defined as WAMU's accounting records or the records that
8 were turned on over to Chase by WAMU?

9 Q Well, the accounting records, I think, are
10 defined. So, yeah, WAMU's accounting records.

11 A Okay. So my answer would still be I don't
12 know where they are housed and -- and let me go back.

13 As I described previously, WAMU was using the
14 same mortgage servicing package as Chase. So as far as
15 those records are concerned, they are what they are.
16 They are electronically kept, and they were transferred
17 to Chase intact.

18 If there are other accounting records outside
19 of that, I -- they're not accounting records I would
20 have any reason to access in my duties at Chase. If
21 they exist, I imagine they are probably held at some
22 management level well above me. I am not sure exactly
23 who those folks would be. And, again, that's just
24 assuming they exist outside of the servicing platform.
25 So that's my best answer.

1 MS. CREWS: And I don't know if this will help
2 going forward, but Mr. Nardi -- you know, the scope
3 of his deposition and what he can probably testify
4 to the categories here, he knows about the purchase
5 agreement that happened. He was employed there when
6 it happened. He knows it relates to this case and
7 how he can opine that Waisome's loan was actually
8 part of the assets that were taken over. But he's
9 not going to know -- he wasn't involved in the
10 brokering of this deal or anything like that.

11 MS. MACK: Right. I'm not going to ask him
12 questions about that. Thank you, Rachel.

13 Q (By Ms. Mack) Mr. Nardi, if you will go
14 further down in the definition section under assets.

15 A Yes.

16 Q Would you agree with me that the purchase and
17 assumption agreement contemplates a list of assets?

18 A It does. It defines assets.

19 Q Okay. And doesn't it refer to them as being
20 included on a schedule?

21 A Bear with me a second.

22 Well, it's not saying anything about schedule
23 in the definition of assets. Is there some other place
24 I should look?

25 Q Section 3.1 -- sorry. Section, not schedule.

1 **A** **It does say pursuant to Section 3.1, assets**
2 **owned by --**

3 **Q** **Okay.**

4 **A** **-- the subsidiary.**

5 **Q** **If you would turn to Section 3.1, please.**

6 **A** **Okay.**

7 **Q** **Okay. Would you please review 3.1, unless you**
8 **have a working knowledge of it without reviewing it?**

9 **A** **No, I'll take a moment.**

10 **Okay.**

11 **Q** **Where would we find the assets purchased by**
12 **the assuming bank that are indicated on Page 9 of the**
13 **purchase and assumption agreement?**

14 **MS. CREWS: Object to form.**

15 **Q** **(By Ms. Mack) I mean, where would we find the**
16 **Schedule 3.1(a) that's indicated in Section 3.1 of the**
17 **purchase and assumption agreement?**

18 **A** **I think I answered the question with previous**
19 **testimony, but I will do it again. I've never seen the**
20 **schedule reflected -- contemplated here. I've been**
21 **searching for it for some time in relation to other**
22 **cases I've been preparing for. And from what I can**
23 **tell, it never actually materialized. Through the**
24 **transaction, it was either too lengthy a document to**
25 **actually put on paper, or what have you. But I've never**

1 **seen it, and I've never come across anyone that has.**

2 Q Where did you look for the Schedule 3.1(a)
3 when you were looking for it?

4 A **Anywhere that I could. And, really, the quest**
5 **wasn't just in systems or repositories of MS documents.**
6 **It was research through contacting folks who may have**
7 **had contact with it in the past in working in different**
8 **cases. And so the search was exhaustive, not just**
9 **limited to documentation.**

10 Q Okay. If you would please look at the last
11 sentence of Section 3.1.

12 A **Yes.**

13 Q The indications on 3.1, that last sentence
14 that says, The assuming bank, JPMorgan Chase, purchased
15 all mortgage servicing rights.

16 Is that --

17 MS. CREWS: Object to form.

18 Q (By Ms. Mack) Is that your understanding as
19 well?

20 MS. CREWS: The document speaks for itself.

21 A **Again, I have to say the document speaks for**
22 **itself. I can only understand what the document says.**

23 Q (By Ms. Mack) Okay. Now, with regard to
24 Section 3.2, if you could please review that.

25 A **Sure. You want 3.2(a) or every section**

1 **there's --**

2 Q Start with Section 3.2(a).

3 **A Okay.**

4 Q Okay. Do you see how it reflects --
5 references a Schedule 3.2 which, apparently, is a
6 schedule that has the book value of the assets that were
7 purchased? Do you know where Schedule 3.2 is?

8 **A I don't. Unless it's attached to the**
9 **document, I don't.**

10 MS. CREWS: It is?

11 THE WITNESS: Is it?

12 **A Let me flip through the schedules. Okay.**

13 Q (By Ms. Mack) Okay. Page 35, right?

14 **A It is.**

15 Q Okay. And now, 3.2(d), would Mr. Waisome's
16 loan fall under 3.2(d)?

17 MS. CREWS: Object to form.

18 **A I -- well, I have to say I wasn't part of this**
19 **transaction or, you know, the part of the production of**
20 **the document, so I don't know that his loan would be**
21 **part of Section 3.2(d) or Schedule 3.2(d). It does**
22 **contemplate loans, but it doesn't really go into enough**
23 **specificity for me to feel comfortable saying that that**
24 **would be the case.**

25 Q (By Ms. Mack) Okay. Well, do you know who

1 would know that?

2 A Probably the folks who were involved with the
3 closing of the transaction. Probably Chase lawyers at
4 some level and Chase business managers at some level.

5 Q Okay. Do you have any names for me?

6 A No.

7 Q Okay. With regard to the purchase of an asset
8 such as Mr. Waisome's loan, where would I find the
9 information as to how much Chase paid for it or if they
10 did pay for it?

11 MS. CREWS: Object to form.

12 A I don't know that it exists. The document --
13 it kind of goes back to the document speaks for itself.
14 If the document -- if the loan is defined in here -- if
15 it falls into one of the categories of book value, then
16 it would be whatever the book value is. But I don't
17 know that there's a schedule that shows what was
18 specifically paid for the loan. My understanding is
19 that it was a whole bank purchase. We purchased
20 everything for one price. They didn't come down to
21 prices per loan.

22 And I will, again, draw your attention to the
23 fact that this transaction took place practically
24 overnight, so there wasn't time to go through millions
25 and millions of loans to determine what the purchase

1 price for each one of those loans was going to be. It
2 would be impractical, and it would, clearly, take more
3 than just a few hours or a couple of days, even.

4 Q (By Ms. Mack) Okay. I have a question about
5 3.3, which is on Page 10.

6 A Sure.

7 Q If you need a minute to review, just let me
8 know when you're done.

9 A Okay.

10 Q Okay. Where would we find a document with
11 regard to Mr. Waisome's loan that contains the language
12 contained in Section 3.3 of the purchase and assumption
13 agreement?

14 MS. CREWS: Object to form.

15 A I'm not aware of any document that would need
16 to contain or does contain that language, so I wouldn't
17 know where to find it either.

18 Q (By Ms. Mack) Have you ever in your duties of
19 being a loan analyst -- a loan operations analyst, have
20 you ever seen an FDIC bill of sale or a receiver's deed
21 or an assignment of mortgage or an allonge?

22 MS. CREWS: Object to form.

23 A For loans, I'm assuming you're talking about
24 the Fray WAMU loan that was subject to the purchase
25 here.

1 Q (By Ms. Mack) Right.

2 A No, there is no assignments of mortgage.
3 There's no allonges. There's no -- in the thousands of
4 loans that I have come in contact with that were a part
5 of this purchase, I've never once seen an assignment of
6 mortgage. There is simply not -- they don't exist. Or
7 allonges or anything transferring ownership from WAMU to
8 Chase, in other words. Specifically, endorsements and
9 things like that.

10 Q This would be actually specifically through
11 the FDIC and would contain the language that is in 3.3.

12 A No.

13 MS. CREWS: Object to form.

14 A I haven't seen the document.

15 MS. MACK: Well, I'm clarifying this and
16 talking about certain documents.

17 Q (By Ms. Mack) So you just don't -- you don't
18 think that is something that was performed --

19 MS. CREWS: Object to form.

20 Q (By Ms. Mack) -- as far as transferring the
21 properties in the manner indicated in the purchase and
22 assumption agreement?

23 MS. CREWS: Object to form.

24 A Again, I -- I don't know of any requirement or
25 process that was followed regarding the language in this

1 paragraph; that whatever -- that basically produced or
2 basically caused to affect new or certain documents
3 being added to those WAMU loans.

4 Q (By Ms. Mack) Okay. If you will just give me
5 a minute, I think we are almost done with the PAA.

6 Have you ever inquired of anyone at the FDIC
7 to determine if they have a loan schedule of loans that
8 would have been on the books of WAMU at the time of
9 failure that would have been acquired by JPMorgan Chase?
10 Not servicing rights, but the ownership of a promissory
11 note, beneficial interest, whatever you want to call it.

12 A Have I ever inquired of the FDIC? No.

13 Q Do you know if Chase has inquired of the FDIC?

14 A Not related to the ownership or beneficial
15 status of the loans. We've made inquiries as to the
16 whereabouts or existence of the schedule of loans or
17 assets, which is something that they have not been able
18 to provide either. So not -- not specifically related
19 to the document that you mentioned.

20 Q Okay. Mr. Nardi, do you have a copy of -- oh.
21 I think you already answered this, but who is your
22 supervisor right now?

23 A My supervisor is Cassie Freeman.

24 Q Could you spell Ms. Freeman's name, please?

25 A C-a-s-s-i-e F-r-e-e m-a-n.

1 Q Is she located in Jacksonville?

2 A **No, she's not.**

3 Q Where is she located?

4 A **Columbus, Ohio.**

5 Q And is that where you are working out of now?

6 Or is --

7 A **I work either -- I'm either on the road or**
8 **work from my home. I don't have a physical Chase**
9 **location.**

10 Q Okay. Do you recall executing the verified
11 amended complaint in this case?

12 A **Yes.**

13 Q Okay. And I have a copy for you, and we will
14 mark that as the next numbered exhibit.

15 MS. CREWS: You're going to mark it without
16 the exhibits?

17 MS. MACK: It doesn't matter. We can do it
18 either way, Rachel. Do you have a preference?

19 MS. CREWS: Mark it with the exhibits.

20 (Defendant's Exhibit 20 was marked.)

21 Q (By Ms. Mack) Okay. With regard to the
22 verified amended complaint, could you tell me every
23 single item you reviewed to execute the verified amended
24 complaint?

25 A **It's going to take a few moments.**

1 Q Sure. Go right ahead.

2 A Much of the -- the information contained in
3 the complaint or the verified complaint is based upon my
4 working knowledge of the bank and didn't require me to
5 review documentation. So things I know I can -- I can
6 point those out.

7 Q Okay.

8 A Specifically items that I would have reviewed
9 would have been the note, the mortgage, probably the
10 breach letter. I know -- I knew the assumption
11 agreement to exist. I didn't necessarily need to review
12 that. Let me see what else is in here. Bear with me
13 just a second.

14 The legal description is part of the mortgage
15 and available to me in other portions of our servicing
16 platform. The LPS-D and correspondence with counsel
17 would have told me when the note and the mortgage were
18 deposited with the court. I reviewed copies -- well, I
19 think I already mentioned copies of the note and the
20 mortgage.

21 Q What did you review to determine that it was
22 Washington Mutual's ordinary business practice to keep a
23 copy of the fully executed note and mortgage from a
24 closing in its records?

25 A That's part of my working knowledge of the

1 bank. I know that's part of the practice at WAMU, and I
2 know the current policies and procedures and things that
3 go on today. So --

4 Q Was that policy and procedure written down
5 anywhere?

6 A I don't know that it's written down. My -- my
7 review of those policies -- of those procedures and the
8 processes that are in place are from observing them
9 firsthand and interviewing and researching for previous
10 cases in which this -- these things were pertinent.

11 Q And what -- when you were with Washington
12 Mutual, I think you testified earlier that your role was
13 to do loss mitigation with regard to deceased
14 individuals.

15 A No. I specifically did not do loss
16 mitigation. I worked with estates of deceased borrowers
17 to determine their eligibility to discuss and work with
18 us on behalf of their deceased family member in hopes
19 that we would be able to, you know, mitigate our losses.
20 But typically, a lot of that is just complete total
21 losses. But sometimes we can work with these survivors
22 to try to get them to make the loan perform or refinance
23 the loan with another lender, or whatever.

24 But the first step in that is basically
25 getting -- finding out who the heirs are, getting them

1 **qualified, getting them documented, and then pushing it**
2 **on down the line to loss mitigation.**

3 Q So I believe you said you worked there from
4 September of 2007 --

5 A **Correct.**

6 Q -- to -- and then it was seized, and then you
7 were working for Chase?

8 A **Correct.**

9 Q All right. During that approximate one year,
10 could you tell me each and every instance you had to
11 observe the business practice of keeping a copy of the
12 fully executed note and mortgage from closing for
13 records?

14 A **Well, I had to use the imaging software. And**
15 **so every day I would pretty much go in and verify that**
16 **we had a copy of the note, see who was on the note and**
17 **if there were any other borrowers or any other parties**
18 **in interest. So I would have to use the systems every**
19 **day, so I know that the copies were there. And that was**
20 **our business practice to keep copies and make copies of**
21 **these documents as they arrived.**

22 Q Well, how would you know by looking at a
23 computer image if the image on the screen was an image
24 of a copy as opposed to an original?

25 A **Good question.**

1 Q I try.

2 A Generally, there wasn't a -- a guaranteed way
3 to know. Sometimes they had a label on them. Not
4 permanently affixed, but a label that would be affixed
5 to them for scanning purposes saying original. Other
6 times, there weren't. Or sometimes they would say
7 certified copy or otherwise. There is now a process in
8 place to mark originals so that we can identify them.
9 But at the time, there wasn't a surefire way to know
10 that what you were seeing was a copy of the original.

11 Generally, you -- there's a couple of
12 different ways you could deduct that through using
13 logic. One is that if there's multiple copies, which
14 sometimes there were -- because there is one that comes
15 in right away. That's the one that is probably copied
16 at the time the loan is blue ink signed. The title
17 agent makes the copy and sends it off to Chase.

18 And then there's the one that is scanned later
19 on with the endorsement. So you're going to look to see
20 multiple copies. And the mortgage is the same way
21 because we get a copy of the unrecorded mortgage and a
22 copy of the recorded mortgage, and there is usually a
23 gap, you know, anywhere from a couple of weeks to maybe
24 months, depending on the county where it's being
25 recorded that you're going to see. But you will see two

1 different copies.

2 So logically, you can deduct, Okay, this is
3 the original without the recorded stamp, this is the
4 original without the endorsement, and here is the most
5 current copy with the endorsement. But for -- you know,
6 it was -- you know, it was not always easy to tell
7 whether or not you were looking at a scan of the
8 original or not.

9 Q Okay.

10 A So generally, there would be no purpose in
11 making a scan of the copy anyhow. That's the purpose of
12 the system, is to represent the true and correct
13 original.

14 Q Going on to Paragraph 12, what did you -- what
15 documents or procedure manuals did you review to
16 determine that it was WAMU's ordinary business practice
17 to send all of its original notes to be endorsed in
18 blank as a matter of course immediately after the notes
19 and mortgages were executed?

20 A Well, again, I know this from just working
21 with the documents. Secondly, in my time with Chase
22 legal, I've had a lot of opportunity to work with the
23 folks who were actually doing the process, telling me
24 what the process was, verifying that against the
25 documentation, going to the secured document facilities

1 that are managed now and determining that this is
2 actually the case. So my -- basically my business
3 experience and my research and interviewing the folks
4 who were actually doing the processing at the loan level
5 provided me that information.

6 Q Could you tell me who you -- who you
7 interviewed?

8 A I didn't interview anyone in particular in
9 this case because this is knowledge I've kind of
10 garnered over several years, so --

11 Q With regard to the knowledge you've acquired
12 over several years, could you identify the sources of
13 the knowledge?

14 A Off the top of my head, no. It's been some
15 time.

16 Q Okay. And was there any written business
17 practice or procedure manual that you could identify
18 that would support the Paragraph 12 statement?

19 A No. I didn't have any reason to review or
20 really want to necessarily review documentation. Plus,
21 a lot of this research was done post WAMU bank failing,
22 so the documentation just wouldn't have been available,
23 which is why I do quite a bit of kind of
24 sit-down-with-people-and-interview-type research.

25 Q Okay. Now, are there that many former WAMU

1 folks that are working with you at Chase that would have
2 had that knowledge?

3 **A Absolutely.**

4 Q Okay.

5 **A You would be surprised how many people made**
6 **the transition.**

7 Q How hard would it be to get a list of those
8 folks?

9 **A Of all the folks that were WAMU employees that**
10 **became Chase employees?**

11 Q The ones that would have been in the
12 particular division to be able to testify that -- or
13 teach you or inform you that that was WAMU's business
14 practice as stated in Paragraph 12 of the amended
15 complaint.

16 **A That sounds like a question you will probably**
17 **have to address with my counsel.**

18 Q Okay. Fair enough?

19 **A Whether or not we would -- whether or not it**
20 **would be difficult to produce such a list, I think, is**
21 **irrelevant. Whether we would produce such a list is**
22 **really, probably the question.**

23 Q Thank you.

24 Paragraph 13, Mr. Nardi, the copy of WAMU --
25 it says, Thus, WAMU would have and keep a copy of the

1 executed loan and mortgage for the loan closing for it
2 records.

3 And that would not be endorsed?

4 **A Correct. The fresh blue ink signature is**
5 **clearly not going to have an endorsement on it, but**
6 **we're going to keep a copy of that in perpetuity.**

7 Q Now, if there was evidence that, in fact,
8 copies were endorsed, how would -- you know, would you
9 have an opinion on that?

10 MS. CREWS: Object to form.

11 **A I don't -- I didn't -- I don't really**
12 **understand the question.**

13 Q (By Ms. Mack) Would you have an opinion or
14 would you have a disagreement with the statement if I
15 told you that there has been testimony in this case
16 that, in fact, Washington Mutual did endorse copies?

17 **A Endorse copies of?**

18 Q Of promissory notes.

19 MS. CREWS: Object to form.

20 **A So not the original, but endorsed a copy of a**
21 **promissory note? I would be -- I would be surprised. I**
22 **don't see what the -- what would the purpose be, number**
23 **one? Because unless the original -- unless the original**
24 **is endorsed, it doesn't really matter that a copy is**
25 **endorsed, because the original is the bare paper. So a**

1 copy of a note with an endorsement is -- is worthless
2 just as a copy of a note without an endorsement is
3 worthless. It's a copy of a note.

4 So I don't see why anyone would go wasting
5 their time endorsing a copy of a note. I guess
6 that's the -- my opinion is I don't know why anyone
7 would waste their time doing it. It doesn't serve any
8 purpose.

9 Q (By Ms. Mack) Okay. Sorry. It's getting
10 late, but I don't want to have to ask you to come back.
11 So just bear with me.

12 A **Might as well stay to until 7:00, then.**

13 Q We're having such a good time.

14 MS. MACK: Off the record.

15 (Discussion off the record.)

16 Q (By Ms. Mack) Okay. I believe you already
17 testified that you have not seen the original note in
18 this case.

19 A **No.**

20 Q Okay. Let's see here. Question on the
21 notary. Do you know Ms. Leslie Ann Henley?

22 A **Yes, I do, actually.**

23 Q Does she work with you?

24 A **Not anymore. We actually worked together for**
25 **a little over a year, and that was both when it was WAMU**

1 **and after it became Chase, so --**

2 Q Do you know if --

3 A **-- it was during that time.**

4 Q I'm sorry.

5 Do you know if she was fired?

6 A **As far as I know, she still works there. I**
7 **just saw her the other day.**

8 Q Oh, I'm sorry. I misunderstand you.

9 A **No, no. She's still there. I mean, as far**
10 **as -- I saw her the other day --**

11 Q Okay.

12 A **-- and she executed this for me not too long**
13 **ago. And I think I was in the office within the last 30**
14 **days or so, so I'm pretty sure she's still there.**

15 Q Do you know a lady named Rose Hunter?

16 A **No, the name is not familiar.**

17 Q Did you review Ms. Hunter's affidavit of
18 indebtedness executed in this case?

19 A **I don't think I did. It doesn't jump out at**
20 **me. I reviewed quite a few documents, though, so --**

21 Q Okay. Do you know a lady named Florina Nunez?
22 She's a notary.

23 A **I don't. Not the -- the name doesn't jump out**
24 **at me.**

25 Q And were you working at -- and I think you

1 already testified to this. But in 2009, in December of
2 2009, were you actually working out of the Jacksonville
3 Chase location or was it someplace else? Like, I think
4 you said you work out of your house now or --

5 A I do work --

6 Q -- on the road?

7 A -- out of my house now.

8 December 2009? December of 2009, I think I
9 was still working at a Chase location, like an actual
10 business site.

11 Q Okay. So it wouldn't have been in Ohio or --

12 A No.

13 Q So if you were going in the office back in
14 2009 in December, it would have been the Jacksonville
15 office?

16 A Right, the Jacksonville office. And for
17 clarification sake, Ohio is where my line of business is
18 out of, so my -- the manager that I report to channels
19 through Ohio and into Chicago. So I don't have any
20 onsite -- well, my line of business is not onsite in
21 Jacksonville. We happen to have, you know, a campus
22 there and a lot of employees there, so -- and so it just
23 so happens that I was able to keep my -- I guess get a
24 job in Chase and not have to work where my boss works,
25 is basically what amounts to, which is nice. And it's

1 not a job that I have to be onsite all the time because
2 I do quite a bit of business travel as well.

3 Q Okay. Thank you.

4 Do you know someone named Kendall Foster?

5 A I do.

6 Q Who is that?

7 A Kendall Foster is -- well, her title would be
8 like litigation analyst. She works for -- she works in
9 the same -- actually the same line of business that I do
10 and actually reports under the same infrastructure. Not
11 quite exactly the same, but -- but she works for a
12 different manager, but we all report up to the sometime
13 senior management team.

14 Q That's in Ohio? The senior management team?

15 A Chicago right now. Things at Chase move very
16 quickly, and right now it's Chicago. It could be
17 different next week. She actually works for -- and our
18 line of business kind of bridges a gap between Chase
19 legal, the in-house attorneys, and our -- and our
20 mortgage business. So we -- we bridge that gap between
21 people who are experts in mortgages and people who are
22 experts in legal.

23 So Kendall is one of those folks who has the
24 rare ability to understand everything that goes on in
25 loan servicing and at the same time have an

1 understanding of the legal impact of a case, analyze
2 that case for displacement so we can say we want to
3 settle this one, there was a problem here, we made a
4 mistake or we didn't make a mistake and need to defend
5 this. You know, whatever the case is, she can come up
6 with -- she can drill down on the analysis and work with
7 counsel on coming up with some resolution whether or not
8 we need to, you know, mediate, coming up with the facts
9 of the case, providing documents to outside counsel for
10 representation. So kind of works with Chase in inside
11 and outside legal. So a lot of what I do, but she
12 doesn't -- she doesn't travel. She is pretty much
13 stationary. She sits still.

14 Q And I think you said she's in Chicago?

15 A She -- Kendall Foster? She's -- I can tell
16 you she is in one of three places. She's not in
17 Chicago.

18 Q Okay.

19 A I think she's either in California because,
20 really, this team is really in three places:
21 California, Ohio or Texas. And that's really the three
22 offices that we maintain with these litigation support
23 teams.

24 Q Is this just litigation support dealing with
25 old WAMU loans or is it litigation support in general?

1 A It's litigation support for all of the
2 mortgage banking lines of business. So everything. It
3 doesn't really have anything to do with loans or it's
4 just the mortgage banking, and it's not default stuff.
5 You know, there's a lot of unrelated to default.
6 Sometimes we get sued for something or we have to go
7 after people that are defrauding us or we get dragged
8 into civil litigation or criminal litigation, so there
9 is a support group that handles that.

10 Q Okay. I gotcha.

11 Now, have you -- do you know what an external
12 website escalated issue is?

13 A No.

14 Q Okay. Do you know -- is there an external
15 website that is a program that you would use?

16 MS. CREWS: Object to form.

17 A No. And it's -- external website? There's
18 no -- I've never heard the term before, so it sounds
19 like someone is trying to bring someone's attention to a
20 specific issue like -- maybe someone came across a
21 website that contains information that is a possible --
22 puts the business either at risk or what can be
23 interpreted negatively, and we want to bring that to the
24 attention of someone who needs to review it and take it
25 into consideration, which in this day and age,

1 everything is online. So it's possible someone is just
2 escalating an online issue that they are recognizing.

3 Q (By Ms. Mack) What's the executive resolution
4 group?

5 A They are pretty much like the high-end
6 customer service division that handles really highly
7 escalated complaints, trying to resolve those before
8 hopefully prelitigation and before they get to the point
9 where they start spending a lot of money on lawyers. So
10 if the borrower hasn't really retained counsel but they
11 have an issue that we think is substantive, we can
12 escalate it to these certain levels of customer service,
13 that being one of them, where their issue would likely
14 get priority attention.

15 Q Okay. The executive resolution group, is that
16 located in a particular place or is it --

17 A I'm trying to think. I don't have a lot of
18 interaction with those folks. It would probably be very
19 unlikely they would all be located in one area just
20 because of continuity of business plans, we'd probably
21 need them to be in at least two locations because of
22 weather or disaster, or whatever. But I don't know
23 where they are located at, and I don't really have a lot
24 of interaction with them.

25 Q Okay. Do you know someone called Webb, b --

1 as in Webb spelled W-e-b-b?

2 A No.

3 Q Okay. If a qualified written request was sent
4 to Chase and it was assigned for review, what department
5 would actually perform the review?

6 A And you're talking about Chase specifically,
7 so post --

8 Q Yes. This would be in March of 2010.

9 A March of 2010. Okay. Very well.

10 I think that same group that you referred to
11 just a moment ago would eventually take possession and
12 ownership of the -- of that. That may be not in all
13 cases, though. In the case where the loan was already
14 in some type of litigation, it may not go to that group.
15 It may go to one of the legal analysts and then work
16 with counsel on determining the appropriate response to
17 the QWR.

18 But let's say, you know, aside from loans that
19 are in litigation or loans that are just current and
20 there is some QWR brought in, I think generally it goes
21 to that group.

22 Q Okay. With regard to a Code XB, do you -- are
23 you familiar with Code XB?

24 A I'm not. I have no context, though, so --

25 MS. CREWS: Is that something we produced? I

1 don't know if that would be helpful or --

2 MS. MACK: Yeah, it is. And I just want to go
3 through it first, and then I will ask specific
4 questions about the stuff that you haven't been able
5 to answer.

6 Q (By Ms. Mack) When you have a -- well, I'll
7 ask you that when I give you this document.

8 Do you know somebody named Jodi Goff?

9 **A No, I don't.**

10 Q How about a Robin Steward?

11 **A No.**

12 Q Okay. Is there any reason why on February 14,
13 2012 there would have been a request for a rush payoff
14 for Mr. Waisome's note?

15 **A There's probably a number of reasons. But**
16 **just as an example, if the loan was going into some type**
17 **of -- or if the parties were going to mediate, we would**
18 **want to provide current details of what is total due and**
19 **owing. If there was request for production that**
20 **included a request for that specific document, then**
21 **clearly, there would -- and there was a deadline**
22 **approaching, they might put a rush request for a payoff.**

23 Q But that date -- is that standing out in your
24 head for any reason, February 14th? I mean, it was
25 Valentine's Day, but besides that?

1 **A February 14th? Not particularly, no.**

2 Q And I'm going to ask you some specific
3 questions.

4 **A Are we marking this?**

5 Q Yes.

6 MS. MACK: We're going to mark that one as 21.
7 (Defendant's Exhibit 21 was marked.)

8 Q (By Ms. Mack) Just let me know when you are
9 done reviewing that, Mr. Nardi.

10 **A I'm ready.**

11 Q Okay. If you would look at the date of
12 January 19, 2011, the first entry has an indication of a
13 legal issue with loan, and it has a date of 3/3/2020.

14 What does it mean?

15 **A It looks -- well, I'm just reading this**
16 **verbatim. Please also add credit block with expiration**
17 **date of 3/3/2020 due to legal issue.**

18 Q What does -- what does the credit block mean?

19 **A Under certain conditions if it's deemed**
20 **necessary, the bank will suppress credit reporting so**
21 **that basically we don't expose ourselves to any**
22 **additional -- whether they are realized -- by any**
23 **additional risks in litigation. Because a lot of times**
24 **what will happen in the course of litigation and**
25 **potential settlement is that invariably, we get to a**

1 settlement discussion in which the borrower asks for his
2 credit to be fixed.

3 Well, if we have reported it, we can't go back
4 and remove it. It's part of the credit reporting
5 processes. We can't just say, Oh, that never happened.
6 You know, the credit reporting bureaus don't see that as
7 a good practice. But if we suppressed it and never
8 reported it to begin with, then we can say, Okay, well
9 we suppressed it from this date forward, so we basically
10 fixed it from a certain date. But we can't go back and
11 retroactively fix things.

12 So they started doing that for that reason
13 because I think a lot of that came from feedback from
14 the -- you know, a lot of the mediations that I've
15 attended, which comes up as a request, Can you fix my
16 credit? Well, in a lot of cases, we -- and even up to
17 the day we get to mediation, we have been reporting, you
18 know, what is perceived to be negative credit reporting.

19 So they started a process where if they see
20 anything, they can say, You know, we can stop this
21 credit reporting and maybe save ourselves some heartache
22 in the future.

23 Q Okay. So let me ask you. With regard to --
24 and thank you for that explanation.

25 With regard to the March -- I'm sorry -- the

1 January 2011 placement of a credit block, do you know if
2 that credit block is still in place?

3 **A I don't. Well, I don't know if it's in place.**
4 **It's put in place up until 2020. So unless someone has**
5 **gone back and manually removed it, it will sit there**
6 **until 2020.**

7 Q So if Mr. Waisome pulled his credit report --
8 and I know you can't speak for the credit card
9 companies. I just kind of want to understand what your
10 understanding of the credit block is. Okay?

11 If Mr. Waisome was going to go pull his credit
12 report, would the trade line for this particular loan --
13 do you know what I mean when I say trade line?

14 **A Yes.**

15 Q Would it show any delinquency for the period
16 before the credit block?

17 **A From what I understand of these credit blocks**
18 **is they can't go back and remove anything that has**
19 **already been reported. So it would show from initiation**
20 **of the loan through the date they were able to get this**
21 **credit block in place. So basically there should be no**
22 **reporting post this credit block. But everything that**
23 **was reported prior to that would still be there.**

24 The only way, in my understanding, to achieve
25 what you have contemplated is to actually remove the

1 trade line altogether, which -- and this kind of rolls
2 into why they started implementing these practices, is
3 that that has its own problems because then you --
4 regardless of good or bad standing, you remove a
5 complete credit line, which could be a major part of
6 your credit reporting, whether it's good or bad. And I
7 don't ever think in terms of good or bad credit
8 reporting. It's factual. It's either -- it is what it
9 is. It's in the eyes of the beholder to interpret the
10 data as they see fit.

11 That being said, the only way to get removal
12 history is to remove the trade line, which has its own
13 drawbacks. It doesn't always work, as we found out.

14 Q Thank you.

15 With regard to the other cases that you've
16 worked on, do you have a list of all of the cases where
17 you have testified either in trial or given a deposition
18 or an affidavit?

19 A No.

20 Q Okay. Do you ever testify in federal court on
21 behalf of Chase?

22 A I have.

23 Q Okay. And has anybody asked you for a list of
24 your testimony pursuant to the rules of procedure in
25 federal court?

1 A In federal court? I don't think anyone has
2 asked for testimony in federal court --

3 Q Okay.

4 A -- before.

5 It may have happened, but it's not something
6 that I had to go out and find. Chase legal would take
7 care of that. They would determine which cases were,
8 you know -- were part of that group and then testimony,
9 but I don't -- I don't recall having been asked for it
10 before.

11 Q Okay. Do you know as we are sitting here
12 today what cases you have given testimony in -- on
13 Chase's behalf? And I don't need the ones that are not
14 related to WAMU.

15 MS. CREWS: Object to form. I mean, court
16 testimony?

17 MS. MACK: Court or deposition testimony.

18 A Do I know what cases I have?

19 Q (By Ms. Mack) Yes.

20 A The length -- the list would be very, very
21 long. I mean, I've testified a number of times. I
22 mean, as an example, this is, you know, probably getting
23 into triple digits on my depositions, and I've testified
24 in Miami Dade County probably in the thousands. Because
25 the bench trials there are, you know, 20 a day. And

1 then -- and then outside, I've testified in probably
2 half the country over the course of three years.

3 Q Okay.

4 A So I -- there's -- I don't have a list, and
5 I've never -- I'm not going to -- there's no reason for
6 me to maintain a list, and I couldn't produce to you a
7 list. It's -- it's -- I've testified quite a bit for
8 the bank.

9 Q Okay.

10 A And so, like I said, in probably half the
11 country.

12 Q Do you keep copies of depositions that are
13 transcribed that you have given?

14 A Not all of them. I probably -- right now I
15 probably don't have any. There has to be a specific
16 reason for me to keep it. If my counsel says, Here,
17 keep a copy of this or sends me one back and says, Read
18 it and verify, then I will keep it. But generally not.
19 There's no reason for me to do that. If there is ever a
20 question or clarification needed, they can come back to
21 me and do it again or clarify the record or whatever it
22 takes.

23 Q Okay. Have you ever testified in Connecticut,
24 either at a hearing or at a deposition?

25 A I'm pretty sure I have. I know I've done

1 mediations there. I would have to say with probably 95
2 percent confidence that I've done some testimony in
3 Connecticut. I couldn't -- there's a little bit of
4 doubt in my mind, but not very much. I've been there
5 enough times that they couldn't possibly have all been
6 mediations.

7 Q Do you recall this year testifying in the
8 state of Connecticut, in Bridgeport specifically?

9 A No. I don't think I've been to Connecticut
10 this year.

11 Q Okay. How about last year?

12 A Last year I was in Connecticut. I don't think
13 I was in Bridgeport, though. But not this year --

14 Q Okay.

15 A -- no.

16 Q In Connecticut, were the cases that you
17 were -- or was the case -- the court cases you testified
18 in regarding Washington Mutual loans?

19 MS. CREWS: Object to form.

20 A I don't really recall. I would say the
21 chances are probably 50/50 because there's about -- you
22 know, half of the loans that we have now are WAMU
23 heritage loans. So there's a good chance they were,
24 yes.

25 Q (By Ms. Mack) Okay. Are there other folks

1 like you that go around and testify for JPMorgan Chase
2 for purposes of specifically Washington Mutual loans? I
3 mean, I know you do more than just Washington Mutual,
4 from what you've told us. But are you the only one that
5 does what you do or do you have a team of other
6 individuals that are witnesses for the bank that travel
7 around the country testifying for the bank?

8 MS. CREWS: Object to form.

9 A It depends on the type of witness that is
10 required. Like, you know, in some cases, there -- in
11 some cases, we are not there to testify, but we have to
12 make an appearance. So mediations and so forth. So
13 there are certain folks who will do mediations. It's
14 not by loan type. So, like, as -- there's nobody who is
15 just going to do WAMU loans. I will just first of all
16 answer that question. There is no one who is just going
17 to do WAMU loans. Anyone who is deemed to be a
18 qualified corporate representative is going to have to
19 have the requisite knowledge to be able to testify from
20 all of our business records and heritage organization.

21 So I can testify on cases for EMC, for Chase,
22 for WAMU. So all of those things I have to be able to
23 be familiar with. And then so -- there isn't really
24 anyone else who is going to be doing this. And some
25 people go through a long period of time and don't have

1 to. We will manage these cases and don't have to appear
2 in testimony because, you know, some cases are easier --
3 are easier to settle than others, and some cases are in
4 different stages of litigation. So they may only see it
5 during a certain stage where there is no testimony
6 needed, and it may be passed on to another person.

7 So there's not really a -- there is not really
8 a formula that you put in Loan A with Lender B or
9 anything, and then it spits out, like, this is the
10 person who you send. It's really, you know, who is
11 going to be available, who has the requisite knowledge
12 that you need generally. But, you know, there is people
13 with a lot more WAMU knowledge than I do -- clearly,
14 people with the bank longer than I was there -- but may
15 not have the Chase -- understanding of certain
16 operations at Chase.

17 So although they try to accommodate counsel --
18 because counsel knows, you know, kind of what they are
19 looking for, it's not always available. And, really,
20 not everyone wants to work in a job where they're having
21 to get up and go someplace and sit eight hours and
22 listen to questions. So --

23 Q (By Ms. Mack) Oh, come on.

24 A There's not really a -- there's not really a
25 fixed structure like that, you know. It's just, you

1 know, the best person to send to answer all of the
2 questions. A lot of it has to do with the scope of the
3 deposition. Sometimes we just can't produce one person
4 who can cover all the topics, so we say, Look, we're
5 going to have to send two people. You know, give us
6 some dates, and we will get them out of the office and
7 to your office.

8 Q Now, do you recall -- do you recall executing
9 interrogatories a long time ago in this case?

10 A Not a long -- I wouldn't say -- and I consider
11 a long time probably --

12 Q Two years?

13 A -- greater than six months. I would say in my
14 time, things move so quickly for me, a long time ago for
15 me is six months.

16 I have been executing documents for the bank
17 in combined, let's say, WAMU and Chase for probably more
18 than three years. So there is a possibility, although
19 remote, that this case -- and I did have Florida as
20 my -- one of my -- my case states. So that was -- so,
21 you know, it's possible this loan, given the time it was
22 originated and the time it went into default, that I may
23 have been assigned the case. But it would be purely
24 coincidence that I am here today, because I don't
25 recall.

1 I had hundreds of cases that I was handling at
2 a time. And as soon as I was relieved of those duties,
3 I was like, thank you. And I never really -- I've had
4 cases that have come full circle and I've seen again,
5 but it's pretty rare. I mean, considering the number of
6 cases that we have in Florida alone.

7 MS. CREWS: And you referenced that before
8 maybe at a hearing or something, and I have never
9 seen any interrogatories in this case signed by him.

10 **A I signed a lot of interrogatories in Florida.**
11 **I can tell you. That's part of my job duties.**

12 MS. CREWS: I may have missed it, but I have
13 never seen them.

14 MS. MACK: We'll come back to that. Thank
15 you.

16 Q (By Ms. Mack) This can probably clear it up,
17 actually.

18 MS. MACK: Can we make a copy of that, please?

19 (A recess was taken.)

20 Q (By Ms. Mack) Mr. Nardi, this is a copy of --

21 MS. MACK: And I'm sorry, Rachel. Take a look
22 at that. That's my other copy, though.

23 **A All right.**

24 Q (By Ms. Mack) Yeah, your signature is not on
25 it --

1 **A Correct.**

2 **Q -- I can see.**

3 MS. CREWS: Where is his name?

4 THE WITNESS: Right here.

5 MS. CREWS: You gave me something different.

6 MS. MACK: I'm sorry. I didn't mean to do
7 that. Here it is.

8 **Q (By Ms. Mack) Mr. Nardi, I realize you have
9 not signed Exhibit 22.**

10 (Defendant's Exhibit 22 was marked.)

11 **A Uh-huh. Actually, I don't even think this
12 was -- yeah, it was intended for someone to sign, but I
13 don't know what the questions were.**

14 **Q Okay.**

15 **A It's probably like who do you intend to
16 produce. Or actually, it may have been who signed this
17 or who is attesting to it.**

18 **Q Do you know a gentleman named Michael
19 Williams, senior lead operations specialist?**

20 **A I think I -- I think I do. I don't know him.
21 I know of him. I think Michael Williams was somebody
22 who joined the -- the team that I was leaving. When I
23 was getting away from my case load duties and leaving
24 that team, I think he was hired on right before. I
25 think he -- I think he just recently left again, but I**

1 didn't -- I only know of him because he was coming in as
2 I was going, and I think he worked there probably the
3 last two years. And I think he just left again. I came
4 into contact with some of the people on that whole team,
5 and I'm thinking this is the same guy.

6 **Where does his name come up?**

7 Q Oh, I see he's on the other side of the
8 interrogatories, but --

9 A Oh, okay.

10 Q -- I'm not going to ask you --

11 A Yeah, he --

12 Q -- about him.

13 THE REPORTER: You're talking over each other.

14 THE WITNESS: I'm sorry.

15 A It would make sense his name would come up on
16 documentation because as far as I know, he took over my
17 case load for the most part. I think he might have not
18 gotten some of my other states, but I think he got a
19 great deal of Florida.

20 Q (By Ms. Mack) Okay. All right. Some other
21 questions, Mr. Nardi. I'm not going to ask you about
22 all of these screens because I think once we get the
23 codes, we will be able to figure them out. And you've
24 already testified that you don't know what the codes are
25 off the top of your head, so --

1 **A** **I hate to remind you, but you handed me this**
2 **and didn't ask me any questions on it.**

3 Q Oh, I asked you -- well, yeah, because you
4 didn't sign it.

5 **A** **No.**

6 Q Well, okay. Let me ask --

7 **A** **Okay.**

8 Q Thank you very much.

9 I will ask you one question. Do -- and I
10 think you answered it off the record. But at the time
11 that the interrogatories were prepared, which I think
12 would kind of be reflected by maybe Mr. Alvarez's state,
13 maybe around July --

14 **A** **June.**

15 Q June of 2010?

16 **A** **Uh-huh.**

17 Q Would you have been in a position that is
18 indicated on the first page? Operation -- no, it
19 doesn't indicate your position on the first page.
20 Sorry.

21 **A** **No. Well, it -- I would have been, clearly,**
22 **with the bank. It doesn't say what I was doing other**
23 **than with the bank. I -- looking at this, it looks like**
24 **the question probably would have been who does Chase**
25 **intend to produce at trial or whatever. And I likely**

1 probably would have been, given my experience -- well,
2 at least my past experience with the Florida cases in
3 particular and working heavily in Florida, I probably
4 would have been named as someone who would have been
5 produced at trial or maybe at a deposition or something
6 like that. But without seeing the questions, it's kind
7 of hard to know what the answers would be.

8 Q Yeah. And if your signature was on it, I
9 would have gotten the questions out for you, but --
10 okay.

11 Now, moving on to the next set of questions,
12 I'm going to be asking you about the 3270 Explorer
13 screen again. These are also documents that were
14 produced by counsel, and we're going to -- I'm just
15 going to be asking you some general questions, not about
16 every single screen.

17 MS. CREWS: Are we marking this one?

18 MS. MACK: Yeah. We'll make that one 23.

19 (Defendant's Exhibit 23 was marked.)

20 A Go ahead anytime you're ready.

21 Q (By Ms. Mack) Okay. Now, this screen shot
22 is -- what do you call it at Chase? Do you call it 3270
23 Explorer?

24 A We call it -- well, this is just a screen shot
25 from MSP, so this is a MSP screen shot. So this screen

1 in particular is actually kind of a subscreen. Like,
2 DLQ stands for delinquency. I think it's spelled out
3 right there. So these would be screens that would be
4 populated for loans that are in some type delinquency.

5 So you have DLQ1, DLQ2, DLQ3, on and on. And
6 it would contain various information.

7 Q Okay. So DLQ7, is that sequential-like
8 numbering? Or does it mean it's been bumped up to a
9 different level of delinquency? Do you --

10 A No, not really. Honestly, I only ever use,
11 like, DLQ1 --

12 Q Okay.

13 A -- because it shows me, like, the current
14 delinquency status and what it would take to get the
15 loan out of delinquency. Most of the time it's not
16 useful once the loan runs into foreclosure. But if
17 you're doing early stage litigation and hopefully
18 settlement, DLQ1 could be useful.

19 I don't use DLQ7 very much. But now that I
20 have seen it -- I really have never put in DLQ7 -- but
21 it looks like it's listing out transactions related to
22 the delinquency or milestones or some type of events
23 related to the delinquency process.

24 Q Okay. So my question is about the headings
25 again. If you could just go to about -- do you see

1 where it says delinquency underneath that first line --

2 **A Yes.**

3 Q -- in the middle?

4 If you go below that, there is another INV
5 X99.

6 **A Right.**

7 Q Any idea what that is?

8 **A No.**

9 Q Okay. Do you know what a 13-A CONV RES ARM
10 is?

11 **A Well, it's a conventional residential**
12 **mortgage. An ARM is adjustable rate mortgage. The**
13 **13-A, I'm not 100 percent sure. I think that also**
14 **refers to just the type of mortgage it is. But it's**
15 **conventional residential mortgage as opposed to**
16 **commercial or other type of nonconventional mortgage.**
17 **It also indicates that it's an ARM.**

18 Q Okay. If you go down to under the comments,
19 there -- well, okay. There's some fields. You've got
20 A.

21 Do you know what A stands for?

22 **A On the far left-hand side?**

23 Q Yeah, on the far left-hand side.

24 **A I don't.**

25 Q Okay. Dates, that's pretty self-explanatory

1 and time.

2 There are scores down here. Do you know what
3 those stand for?

4 A Scores?

5 Q Under time.

6 A Oh, oh, oh. Specifically, no. Generally,
7 yes.

8 Q Okay.

9 A We keep track of delinquency based upon the
10 amount of days delinquent and then kind of the risk
11 associated with that. At this point in time, this is --
12 this is generated in 2012. Clearly, the days delinquent
13 would have -- would have been over, I think, over 1,000
14 at this point because we're going from 2009 or
15 something.

16 So it basically is a track of the risk
17 associated with the delinquency. We have -- like, for
18 instance, if it was 30 days late, there is a certain,
19 you know, risk associated with a 30 days late. There's
20 other risks -- there's other risk factors involved with
21 that, like the type of loan it is, where the loan was,
22 where the property is. All the things that kind of
23 rate -- all the things that you would risk -- you would
24 rate risk on in the origination are all the same things
25 kind of you would rate your risk level on in default or

1 in imminent default. Because this is kind of geared
2 towards imminent default. Because they don't really --
3 you know, a borrower may not default until they hit
4 like, you know, 60 or 90 days after they missed that
5 first payment. So the loan doesn't necessarily
6 accelerate until some point after that.

7 But they are keeping track of -- how do I say
8 this -- really kind of repeat offenders or pattern of
9 delinquency. So we can always go back and see that,
10 yeah, they ran 60 days past due, you know, eight times
11 in the last four years. So they would have a way to
12 check that. So just kind of good recordkeeping
13 practices.

14 Q Okay. And on top of those numbers that are
15 next to the score, there is a field that says USR.

16 Do you know what that stands for?

17 A Yeah. That's what I was referring to earlier
18 as the individual user IDs. So that actually indicates
19 a person who was behind putting in that information.

20 Q Okay.

21 A And as a point of clarification, sometimes you
22 see like a star, star, star. Sometimes it's computer
23 generated, like automatically put in. So these ones
24 that you see, like the score 107 on those dates, that's
25 put in there by the system. So there's a -- there's a

1 program that runs that generates the information and
2 plugs it in.

3 Q Okay.

4 A Individual -- like probably the one up at the
5 top where you see L@J, that's probably actually an
6 individual human user, and they are putting in a note
7 that says, you know, (inaudible).

8 THE REPORTER: I'm sorry? Saying what?

9 A Letter received from attorney received to
10 cease communication.

11 Q (By Ms. Mack) Cease communication. Gotcha.
12 Okay. Thank you for explaining that page. I'm not
13 going to ask you about every single one of them.

14 All right. We're going to do these one by one
15 because they have different headings, but the first
16 one -- we'll call it 24.

17 (Defendant's Exhibit 24 was marked.)

18 Q It's entitled Escrow Analysis Processing
19 Notes. And you are familiar with that screen shot?

20 A Yes.

21 Q And that is also from LPS-MSP?

22 A MSP, yes.

23 Q Okay. MSP.

24 And what does that screen show you?

25 A This is just a -- when you go through -- I'll

1 kind of set some groundwork here. Depending on what
2 department you're working on when you put notes into
3 MSP, it's going to code those notes according to where
4 you were. So if I'm in customer service or collections
5 or loss mitigation, it's going to put in notes. And
6 then when I go back through and I want to see notes from
7 a certain area, I can put in, like, HAZN, which is going
8 to be the hazard insurance notes. So anyone who has
9 hazard insurance. And then LMPN, which is a loss
10 mitigation notes.

11 So it holds true for when you go into ANAN,
12 which is analysis notes. This is just the notes that
13 someone from escrow analysis was doing.

14 Q Okay.

15 A Or at some level of escrow analysis was doing.

16 Q Escrow analysis. ANAN. Thank you.

17 And the next one we are going to talk about is
18 going to be 25.

19 (Defendant's Exhibit 25 was marked.)

20 Q Okay. Mr. Nardi, the Exhibit 26 --
21 MS. CREWS: 25.

22 Q (By Ms. Mack) 25. I'm sorry.
23 Bankruptcy notes --

24 A Yes.

25 Q -- from MSP? Is that what that is?

1 **A Correct.**

2 Q And the loan was not set up in bankruptcy?

3 **A Correct.**

4 Q Is that because there wasn't a bankruptcy?

5 **A Basically, no bankruptcy was ever -- well, I**
6 **can't say ever filed, but I can say that no bankruptcy**
7 **that impacted us was filed, so they wouldn't have opened**
8 **workstations to memorialize it.**

9 Q Again, this particular screen shot has that in
10 X99/013.

11 **A Correct.**

12 Q And in the context of this screen shot, does
13 it mean anything else? Does it mean anything to you,
14 that X99/013?

15 **A No.**

16 Q Okay.

17 (Defendant's Exhibit 26 was marked.)

18 Q Exhibit 26 is another screen shot, correct?

19 **A Yes.**

20 Q And it's from the REO process notes screen?

21 **A Correct.**

22 Q All right. And it looks like the loan is not
23 in REO. Is that what that indication --

24 **A That's correct.**

25 Q -- at the bottom is?

1 **A That's correct.**

2 Q So, again, you have another indication of
3 X99/013. And does it mean anything to you?

4 **A No.**

5 Q Okay. Thank you.

6 Okay. I'm just writing down these screen
7 names we've gone over. Okay.

8 (Defendant's Exhibit 27 was marked.)

9 Q 27 is going to be your LMT process notes. And
10 I think this is -- they are all Page 1 of 1.

11 Who inputs the LMT process notes?

12 **A Really, anyone who may be coming in contact**
13 **with the borrower on the customer service level or the**
14 **loss mitigation level, anyone who may have been**
15 **reviewing the file for any given reason. The computer**
16 **system can put in notes. So really, any -- you know,**
17 **anyone can really put in notes specifically into the**
18 **LMTN or any -- even if I am not working in loss**
19 **mitigation, I can designate a note to go into loss**
20 **mitigation notes. By default, my notes would go into,**
21 **like, foreclosure collections, but I can designate it to**
22 **go somewhere else.**

23 So really, anyone in the business can put in
24 notes into the system. Notes are pretty -- are pretty
25 much like -- how do I say it -- the lowest level of

1 access. Anyone can pretty much notate a loan.

2 Q Okay. With regard to the entries on the
3 process notes, the first entry that I am curious about
4 is this LMIT exceptions monitoring team review loan.

5 What does that involve?

6 A Well, throughout the process of servicing in
7 general, they are looking for things that are out of the
8 ordinary, what we call exceptions. So we have loans
9 that we'll enter into, in this case, loss mitigation at
10 some point. The loss mitigation workstation is opened.
11 The borrower has -- you know, should have at that point
12 provided a loan -- a loss mitigation package or
13 application.

14 And the process goes along until at some
15 point, the borrower either enters into a loan mod. The
16 loan mod is consummated and completed, or it falls out
17 for whatever reason. Generally the person who is
18 handling the loss mitigation at that point should close
19 it out automatically.

20 What I think this may have been is that
21 someone didn't close it out automatically -- or I
22 shouldn't say automatically. Someone did not close it
23 at that point where the borrower either never responded,
24 or whatever the case may have been, on any given loan.
25 And so it's called an exceptions report, saying, Hey,

1 **this loan is an open loss mit workstation, but there is**
2 **no activity for X amount of days. So someone goes and**
3 **looks at it and says, There is no activity on this loan,**
4 **and we are going to close out the workstation. It's**
5 **aged.**

6 Q Okay. Is that the only reason that that
7 exception would be in there? Or does it have anything
8 to do with the decision as to whether to perform loss
9 mitigation services, whatever they are? Like, whether
10 it's cash for keys or --

11 MS. CREWS: Objection. Form.

12 Q (By Ms. Mack) -- deed in lieu?

13 A Well, those aren't really loss mitigation
14 processes, cash for keys -- well, deed in lieu would be.

15 Q Okay.

16 A Cash for keys, not really.

17 The -- and I'll kind of lay foundation. The
18 loss mitigation process is a partnership between the
19 borrower and their lender. It's not a single track. We
20 can't do a buy or sell, so what we can do is solicit.
21 And when we solicit, which happens quite frequently in
22 delinquency, usually you are going to get, you know,
23 solicitation, you know, probably once a week or more
24 saying, Hey, you know, this is your home, your
25 delinquency. Maybe we can fix it. Give us a call.

1 But during that time, loss mitigation
2 workstation is not open because you have not made the
3 affirmative efforts to respond. Or if you haven't put
4 in your package, or whatever. If you haven't responded,
5 the loss mitigation workstation really doesn't open.
6 Nothing happens there. It's not until any given
7 borrower puts in affirmative some effort, putting in
8 their loan loss mit package, whatever it is, give us a
9 call even. Sometimes they will open it based on
10 telephone conversations, depending on how much
11 information you can provide over the phone. They may
12 open the workstation and start the process.

13 So I think the answer to the question is: Is
14 this the only time they would close it in this manner?
15 Generally, if they are having to go through and close it
16 afterwards where the loan -- clearly, it states this one
17 has aged. So if it's aged, that usually indicates that
18 it's stale. There is no result to the loss mitigation.
19 They're going to close it because otherwise, someone
20 is -- it's producing work that is unnecessary. They
21 want to eliminate as much as possible.

22 Q Can you tell if Mr. Waisome had requested loss
23 mitigation? And I think I have some more -- here's
24 another -- this may help you. It's another page to the
25 LMTN?

1 **A Do we want to mark it?**

2 Q Oh, I'm sorry. Yes.

3 MS. MACK: We'll make it 28.

4 (Defendant's Exhibit 28 was marked.)

5 Q (By Ms. Mack) Does 28 help answer the
6 question about whether Mr. Waisome -- Mr. and Mrs.
7 Waisome requested this loss mit?

8 **A Well, I don't need clarification. I know that**
9 **Mr. and Mrs. Waisome at some point put in a package from**
10 **my loan document review. So, I mean, I know that it**
11 **took place. I mean, this clearly shows there was**
12 **document exchanges, so -- but I didn't need this to tell**
13 **me that. I knew it --**

14 Q Do you know --

15 **A They were offered a (inaudible).**

16 THE REPORTER: I didn't hear the last thing
17 you said.

18 **A They were offered a trial mod, so I knew that**
19 **there was some loss mitigation activity going on.**

20 Q (By Ms. Mack) Okay. With regard to that
21 particular Exhibit 28 -- 29. Sorry. 28?

22 **A 28.**

23 Q It appears from Exhibit 28 that there were
24 some issues with receiving documents or verifying
25 documents. Where did it go? Hardship perfected.

1 Do you see something on Exhibit 29 that talks
2 about -- 28 that talks about hardship being perfected?

3 A Yes.

4 Q What exactly does that mean?

5 A Basically it means the document came in and
6 met the minimum standards for moving the loan forward
7 and not keeping -- well, for that particular document,
8 because there is a number of documents that went into
9 that package. So that the -- in the hope that we get
10 the full package all perfected, and everything is
11 up-to-date, fully signed, executed, and it contains all
12 the information -- because we are not going to waste the
13 underwriter or reviewer's time with an incomplete
14 package. We have too many of these things and too many
15 people who actually want to get the benefit of the
16 process to deal with the people who are sandbagging or
17 holding back a document or two or sending a stale
18 document.

19 So the perfecting process is to make sure that
20 we are not wasting the time of the people who are really
21 digging down into these things and making decisions on
22 modifications. So that's how the perfection process
23 comes into play. At that stage, they are not making a
24 determination on whether they are eligible or any of
25 that. They are simply gathering documents and

1 perfecting them much like a loan processor from the
2 origination standpoint would do.

3 In fact, I often tell people, Think of a
4 modification as if you were applying for a new loan.
5 That is the level of document review that you're going
6 to have to go through in order to get your loan
7 modified. And that is where the perfection process
8 comes in.

9 Q Now, you had an opportunity to -- this is
10 going to be Exhibit 9.

11 MS. CREWS: 29.

12 (Defendant's Exhibits 29 and 30 were marked.)

13 Q (By Ms. Mack) If you could just look at the
14 middle entry in the notes there, it appears to me to
15 indicate that Mr. Waisome had submitted his loan
16 modification package and -- I guess a trial plan was
17 issued, if that is the right word.

18 A Okay.

19 Q And the payment or the income information that
20 the bank used to determine the modification was
21 incorrect.

22 Do you see that in there?

23 A I -- I will just read it. It says, Received
24 call from client stating that we sent him mod doc in May
25 for his property approving a SPF. Client said we used

1 the wrong income information, so the payment amount was
2 wrong and that he did send the docs back. I advised
3 him -- I advised if he feels we used the wrong info, he
4 can resubmit a new mod. Client said wants appointment
5 set date as of 7/31/09 at 11:00 to bring in mod docs.

6 So it looks like -- I mean, my interpretation,
7 because I wasn't there, is that Mr. Waisome called in,
8 advising that the wrong information was used in the
9 original calculation for a modification and that he
10 wanted to send in new docs.

11 Q What if the borrower, Mr. Waisome, had
12 previously sent the income documents or the loan
13 modification package and the income was indicated as
14 being incorrect at that time, so this would actually be
15 the second time that Chase had offered a loan
16 modification without having the proper income?

17 MS. CREWS: Object to form.

18 Q (By Ms. Mack) Would that also be a sign of
19 his unwillingness to save his house through a loan
20 modification?

21 MS. CREWS: Object to form.

22 A I think -- in a vacuum, I don't think there's
23 enough information there to make a determination as to
24 whether or not any given borrower is being uncooperative
25 or unserious about their -- their saving their home. In

1 my experience, which is not insignificant, I would say
2 that the vast majority of people who want a loan
3 modification and are serious about saving their home
4 send in the correct -- send in the correct information
5 the first time. And if there is a problem, it's
6 resolved immediately. There's -- there's no changing of
7 information later on. If that makes sense.

8 In other words, it's a pretty simple piece of
9 information, what is your income. It's not a complex
10 question. And if you can't answer it honestly and
11 upfront the first time -- and so, again, my experience
12 tells me that a lot of folks who don't -- and this --
13 and there is another angle in that they get their --
14 they're told on the phone in a lot of cases, Based upon
15 your income, generally, your payment is going to be
16 this. And then they get their loan modification
17 documents, and they are not happy with that, so they
18 want another shot at the apple. They want to change
19 their income documentation and try to get a lower
20 payment based upon revised income documentation.

21 Well, it doesn't really play well when we get
22 two different sets of loan information or income
23 information in the same 60-day period. And then in
24 addition to that, basically, you know, calls from the
25 borrower saying, It's not good enough. I want a better

1 **payment.**

2 Q (By Ms. Mack) Okay. But did that happen
3 here?

4 A **I don't know if all those things happened**
5 **here. I'm just saying --**

6 Q Okay. So you're just talking in general.
7 You're not --

8 A **Well --**

9 Q -- talking about Mr. Waisome.

10 A **Correct. Well, you asked me a general**
11 **question.**

12 Q Yeah. No, I'm asking you -- I mean, like, you
13 know, if you have an indication that the borrower is not
14 going to accept the trial modification because twice he
15 has called and said you are using the wrong income
16 information, what is the process for verifying the
17 income information to make sure that this doesn't happen
18 again?

19 A **The borrower is --**

20 MS. CREWS: Object to form.

21 A **The borrower -- it's up to the borrower to**
22 **send in income. We don't make it up out of whole cloth.**
23 **They supply the information. If it's incorrect, it's**
24 **incorrect because they provided it incorrectly.**

25 Q (By Ms. Mack) So you've never seen an

1 instance where perhaps it was entered into the computer
2 incorrectly?

3 A In that -- I think that's a different -- I
4 think that's a different instance where you're saying
5 the information provided is incorrect versus it was
6 interpreted incorrectly, because there are -- there's
7 limitations to income that can be applied. And you
8 probably -- I mean, I think most people would have an
9 understanding that you can say that you made this income
10 and you can provide documentation saying you made this
11 income, but it doesn't necessarily mean that all that
12 income can be applied towards any particular loan
13 modification program. So there's definitely some
14 nuances that in a vacuum, you're not going to get.

15 But if you look at the loan level stuff, you
16 go through the loan and you determine what could
17 actually be used as income and what the borrower is
18 provided versus, you know, if they are providing
19 consistent information or if they're, again, getting an
20 answer they didn't want to hear and then supplementing
21 their income or saying, no, you shouldn't use that
22 because of, you know, it's not true, but they provided
23 the information.

24 So there's a -- you know, I wasn't involved
25 with the process of doing Mr. Waisome's modification

1 review, but my -- my review of the records indicate that
2 at some point, he wasn't happy with what was being
3 offered. I'm not sure what his -- if that's related in
4 any way to the income problems that were going on as far
5 as stating his income, because -- and this is one --
6 there is no way for us to go back and do an income
7 verification on Mr. Waisome. His information and what
8 he provides to us can only be compared with other
9 information he provides. He will provide his bank
10 statements and provide his asset information that may be
11 required under any given modification attempt.

12 We do our best to verify that within the scope
13 of the information that is provided. But if he is
14 providing information or if any borrower is providing
15 information and then later on is saying, No, that's not
16 right, or you shouldn't use this information the way you
17 are using it, I think that's different from us making an
18 error in calculation. So there's a difference, and I
19 don't know that -- I don't know in which case this falls
20 under, whether there was an error in calculation or
21 whether Mr. Waisome was saying, I make \$100,000 a year,
22 and you are putting in, you know, 50, to which I suspect
23 there is some explanation as to why we could only use
24 50. But, again, in a vacuum, I can't tell you from
25 this --

1 Q Okay.

2 A -- whether or not there was a problem with
3 Mr. Waisome's income information.

4 Q What would you look at? If you wanted to get
5 that background, what would you -- would you go beyond
6 the LMTN progress notes?

7 A If I wanted to find out more about what was
8 going on?

9 Q Right. One of the issues raised in this case
10 is whether or not Chase performed its duties under the
11 service participation agreement with the government.
12 And that would involve offering a loan modification to
13 all loans that it services. Obviously, that would be
14 something they would have to do with good faith, just
15 like any other contract that they were going to enter
16 into.

17 So the question would be if I wanted to know
18 what was -- you know, what was it about Mr. Waisome's
19 income that he was reporting to you that would cause the
20 trial modification to result in three payments of \$2,015
21 apiece? Would there be a package of loan modification
22 documents that you could plug the numbers into a formula
23 to determine that amount or --

24 MS. CREWS: Object.

25 Q (By Ms. Mack) Do you understand what I am

1 saying?

2 MS. CREWS: Object to form.

3 A I think I understand it, but the -- the answer
4 is I don't know if there is a formula or a document that
5 is produced to give an outcome based upon numbers
6 plugged into it. I don't know whether -- whether that
7 is the case or not.

8 I -- my understanding is that it's -- a lot of
9 it is software driven. It goes into kind of a -- kind
10 of a waterfall. Like, they start at the basic, you
11 know, can we get the borrower back into a performing
12 status without modifying the terms of the loan? Can
13 they afford to reinstate over time? They work on that
14 level first. If that is not available, then they look
15 at other options. So it goes through these different
16 select levels.

17 There is also -- a very important factor -- a
18 very important piece of it is we need to gauge the
19 seriousness of the borrower as to whether or not they
20 are going to participate in this partnership. And that
21 is the trial modification.

22 Q (By Ms. Mack) Okay.

23 A If they are not willing to make three payments
24 on their loan in order to keep their home so that we can
25 permanently modify their loan in the future, then

1 basically it's kind of a -- they're -- the bank is at an
2 impasse. We can't modify something that the borrower is
3 not willing to participate in.

4 And I know for a lot of people that means
5 making a payment larger than what your normal payment is
6 for a period of time. But generally, that is after you
7 have not made payments for two years. So we -- the bank
8 is going to expect that the borrower is going to have
9 some money put away because you haven't been making your
10 payments for a couple years, and even with reduced
11 income and given your status.

12 If you are coming to us for a modification,
13 part of it -- and saying, Hey, I've recovered, or at
14 least partially, I can probably make some payments. I
15 just need help, and I need to get this loan back under
16 control.

17 So it's set up in such a way that it's going
18 to be a test to the borrower to make sure they can --
19 they have the ability to pay, because we don't want to
20 set them up for another default later on. It's
21 pointless. You are going to repeat the process. So
22 part of it falls into, you know, the whole trial
23 modification to see if they have the willingness, the
24 ability to pay, and then we have the -- you know, the
25 permanent modification steps.

1 Q Thank you for explaining that. I just have
2 one more question about the -- just another shot of the
3 same -- it looks like a sequence of entries on that LMTN
4 system.

5 (Defendant's Exhibit 31 was marked.)

6 Q I've labeled that as 31.

7 MS. MACK: I'll be right back.

8 THE REPORTER: Are we off the record?

9 MS. MACK: Oh, I'm sorry. Yeah.

10 (A recess was taken.)

11 Q (By Ms. Mack) You notice, Mr. Nardi, at the
12 bottom of Exhibit 31, there's indication on April 10,
13 2009 that there did not pass TMQ for HASP.

14 Could you please translate that for me?

15 **A I really can't. I'm not well-versed in**
16 **these -- well, I think it's probably got to be a**
17 **shortened version for TMQ, standing for something else.**
18 **And HASP, I am not familiar with. Well, I really**
19 **couldn't translate it. I'm sorry.**

20 Q That's okay.

21 **A I don't work -- I don't work enough loss**
22 **mitigation stuff to tell you.**

23 Q Okay. Are you familiar with a collateral
24 valuation report?

25 **A With what it is? Yes. Sure.**

1 Q Okay.

2 MS. MACK: Again, that's something that was
3 produced in discovery.

4 A **Do we want to mark this?**

5 Q (By Ms. Mack) Oh, I'm sorry. Sorry. About
6 that.

7 (Defendant's Exhibit 32 was marked.)

8 Q Okay. I'm going to point this out to you
9 because it's kind of hard to read, Mr. Nardi. I only
10 have one question for you on this.

11 Okay. Do you see underneath the box at the
12 top there is a loan number? It starts with 03-22 --
13 it's kind of faint.

14 A **I'm sorry, I -- okay. Yes.**

15 Q Do you know what that loan number would refer
16 to?

17 A **Well, let me take a look at some of these
18 other documents here. Bear with me a sec.**

19 **No, I don't. It doesn't seem to match the
20 loan number on the loan. Well, it actually contains the
21 loan number, if you read it, barring the first one, two,
22 three, four, five -- six digits. And if you leave out
23 all the hyphens, it's the loan number. It's just got
24 some kind of prefix on it.**

25 Q Do you know what that prefix is, what it

1 stands for?

2 A I don't.

3 Q Okay. Have you heard of an entity called EDE
4 Home Loans?

5 A EDE Home Loans?

6 Q Correct.

7 A I have not.

8 Q Okay. And would you have any knowledge as to
9 why Mr. Waisome was charged twice for a nonrefundable
10 loan application fee?

11 MS. CREWS: Object to form.

12 A Twice for a nonrefundable loan application
13 fee? Within the same -- I wouldn't really -- I mean,
14 I -- I haven't seen anything that shows that, so I don't
15 know that it happened. But I can give you an example of
16 why he may be charged twice for a loan application fee
17 because if he applied for two different loans, he's
18 going to have two different loan application fees. That
19 could be a possible explanation. But having not seen
20 any documentation, I don't know why he would have that.

21 Q (By Ms. Mack) Okay. Were you able to review
22 any of the documents that were produced for purposes of
23 this deposition before you came in?

24 A I -- I could -- I could review all of them
25 because they are all part of our normal recordkeeping

1 **practices. But did I review every single document? No.**

2 Q Okay. All right. Hold on a second.

3 Okay. What training did you have in the past
4 year to two years in preparing affidavits of any sort,
5 whether it's an affidavit of indebtedness -- well, a
6 verified complaint?

7 MS. CREWS: Object to form.

8 **A Describe your timeframe again?**

9 Q (By Ms. Mack) The last year to two years.

10 **A In training on for executing documents?**

11 Q Well, in preparing affidavits.

12 **A I don't really prepare affidavits as my --**
13 **none.**

14 Q Okay.

15 **A The answer is none.**

16 Q Okay. Thank you.

17 All right. How -- how about -- yeah. How
18 about executing the affidavits? Do you have any
19 training from either WAMU or JPMorgan Chase in executing
20 affidavits?

21 MS. CREWS: Object to form.

22 **A We recently did some best practices. You call**
23 **it training. I call it a conference call just to go**
24 **over general guidelines for the bank regarding newly**
25 **implemented best practices for executing any document,**

1 really. And that -- that was to cover basically like
2 who can -- you know, you've got to make sure that you
3 actually can sign documents and that you have authority,
4 number one.

5 Secondly, like, you know, you need to make
6 sure that you're -- only, you know, a Chase-approved
7 notary can notarize your document, and you have to be in
8 their presence. And basically best practices. And it
9 was more of like a refresher of things we already knew
10 to be the case, but we do it every year just because --
11 and I think it may even be part of the OCC consent
12 orders to basically implement kind of yearly refreshers
13 on this stuff.

14 Q (By Ms. Mack) Okay.

15 A So very informal. Like I said, I think it was
16 a conference call, like some web -- like follow along
17 stuff. What's the word I'm looking for? Handouts.

18 Q As to note ownership that is attested to in
19 affidavits of indebtedness -- so generally, it goes -- I
20 think your affidavit is in here somewhere. It generally
21 goes plaintiff is the owner and holder or the servicer
22 for the owner and the holder, and they have the note.

23 Are you familiar with that type of language?

24 I mean, I can pull your affidavit and --

25 MS. CREWS: Object to form. And his

1 affidavit -- he didn't sign an affidavit of
2 indebtedness.

3 MS. MACK: The new one in support of summary
4 judgment?

5 MS. CREWS: That was not an affidavit of
6 indebtedness.

7 MS. MACK: Oh, okay. Okay. All right.

8 MS. CREWS: It was summary judgment as to your
9 counterclaims.

10 MS. MACK: Okay. Thanks, Rachel. Okay.

11 Q (By Ms. Mack) Well, do you know what the --
12 what review of -- back up.

13 Okay. Do you know in general as the
14 representative for JPMorgan Chase what employees who
15 execute affidavits of indebtedness would review in order
16 to execute those affidavits of indebtedness to determine
17 who owns the note if it's not the plaintiff, or if it is
18 the plaintiff, or if it's just the servicing
19 relationship?

20 MS. CREWS: Objection to form.

21 **A I don't know. And those processes have**
22 **undergone some changes recently in light of the OCC**
23 **consent orders, so they -- I just don't have any idea as**
24 **to even generalities anymore. I think a year ago, I**
25 **might have been able to say a little bit of what I knew**

1 at the time, but now it's all changed and is completely
2 different now.

3 Q (By Ms. Mack) Okay. So do you know if the
4 new -- the changes that have been implemented that you
5 have been talking about, are they memorialized in some
6 training manual or other type of instructive aid?

7 A I don't, because I don't execute the
8 documents. There's a pretty well-defined set of folks
9 that do that.

10 Q What are they called?

11 A I think it's still called document execution
12 or -- I think it's still called document execution
13 generally. I think they might officially have a
14 different name, but basically they are known as document
15 execution, and they handle those matters.

16 Q Okay. In the Waisome case, did you review a
17 loan to date servicing history to see if there were any
18 servicing issues? For example, unusual suspense account
19 activity or fees that were not recorded and placed in, I
20 guess, suspense or just hanging out there?

21 MS. CREWS: Object to form.

22 A Well, I didn't review any one document in
23 particular that would have told me that there was
24 something out of the ordinary or any errors. And I
25 forget the terms that you used, but my review was the

1 loan in its totality, everything from originating
2 documents to default documents to documents related to
3 the foreclosure process, in addition to the servicing
4 system. So -- but nothing in that totality has led me
5 to believe there was any irregularities in the loan.

6 Q (By Ms. Mack) Did you perform any type of
7 sampling tests of the numbers or any type of audit at
8 all when you were reviewing the servicing records?

9 MS. CREWS: Object to form.

10 A No, there was really not a reason for me to.
11 I didn't see any indication that there was a question in
12 the -- in terms of this litigation as to accounting
13 errors or misapplied payments. There was no claim that
14 we received payments and didn't apply them. So in
15 general, I wouldn't go looking for that unless it was --
16 unless it was a claim made.

17 Q (By Ms. Mack) Okay. Fair enough.

18 And do you know who inputs the information
19 into MSP systems as to Chase's ownership of the Waisome
20 note, beginning with the receivership?

21 MS. CREWS: Object to form.

22 A I don't know the individual who would put that
23 information in.

24 Q (By Ms. Mack) I think you previously
25 testified that that would be contained in some sort of

1 log of folks that would access the system. That was a
2 long time ago in the scope of this deposition.

3 MS. MACK: Okay. Let me just check with my
4 folks here, but I think we are done. Just one
5 second.

6 (A recess was taken.)

7 Q (By Ms. Mack) Okay. Mr. Nardi, are you aware
8 of any other purchase and assumption agreement besides
9 the one we've talked about today between the FDIC, Chase
10 and -- sorry -- FDIC as receiver for WAMU, and Chase?
11 Any purchase and assumption agreement that may be out
12 there that we have not talked about today?

13 A Not that I'm aware of. I've never heard
14 reference to or seen any other agreements, no.

15 Q Okay.

16 MS. MACK: Mr. Nardi, we are going to order
17 this deposition, so you have the right to read it.

18 MS. CREWS: We'll read it.

19 THE REPORTER: Do you need a copy?

20 MS. CREWS: Yes, please. Mini and full size
21 and ASCII.

22 MS. MACK: I would like full size and the
23 mini. I'll take it all, please. ASCII, please.

24 (The deposition concluded at 6:35.)

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CERTIFICATE OF OATH

STATE OF FLORIDA)
COUNTY OF ORANGE)

I, Cindy Conner, Registered Professional Reporter, Certified Shorthand Reporter, Notary Public State of Florida, certify that LAWRENCE NARDI personally appeared before me on the 9th day of May, 2012 and was duly sworn.

WITNESS my hand and official seal this 21st day of May, 2012.



Cindy Conner

CINDY CONNER, CSR, RPR
NOTARY PUBLIC
STATE OF FLORIDA
COMMISSION # DD-0901700

1 ERRATA PAGE

2 DO NOT WRITE ON TRANSCRIPT - ENTER CHANGES

3 IN RE: JPMorgan Chase Bank, N.A. vs Sherone Waisome
Case No. 2009 CA 005717
4 May 9, 2012; Lawrence Nardi, Vol 1 & 2

5 PAGE LINE CORRECTION

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22 Under penalties of perjury, I declare that I have
read the foregoing document and that the facts stated in
it are true.

23 _____

24 DATE LAWRENCE NARDI

25 cc: Jacquelyn Mack, Esquire

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2

3 May 21, 2012

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5 Rachel Crews, Esquire
6 Gray Robinson, P.A.
7 301 East Pine Street
8 Suite 1400
9 Orlando, Florida 32801

7

8 IN RE: JPMorgan Chase Bank, N.A. vs Sherone Waisome

9 Dear Ms. Crews:

10 I have enclosed the original errata sheet with your copy
11 of the transcript, Volumes 1 and 2, so LAWRENCE NARDI
12 may read and sign. Please have him make whatever
13 changes are necessary on the errata sheet and sign it.
14 Then make a copy for your copy of the transcript.

13 Please then forward the original errata sheet to
14 Jacquelyn Mack, Esquire, at Mack Law Firm Chartered,
2022 Placida Road, Englewood, Florida 34224.

15 Your prompt attention to this matter is appreciated.

16

17 Sincerely,

18

19 CINDY CONNER, CSR, RPR
20 FIRST-CHOICE REPORTING SERVICES, INC.

20

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22 cc: Jacquelyn Mack, Esquire

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