

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

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APPEARING ON BEHALF OF THE PLAINTIFF

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ALSO PRESENT: Mr. Sherome Waisome  
Mr. Nye Lavalley

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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

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3 May 21, 2012

4

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

21

22 cc: Jacquelyn Mack, Esquire

23

24

25