

IN THE SUPERIOR COURT OF THE STATE OF WASHINGTON
FOR THE COUNTY OF KING

JASON LEMELSON, a single man,)
)
 Plaintiff,)
)
 v.) No. 13-2-27480-9 SEA
)
 NORTHWEST TRUSTEES SERVICES,)
 INC., a Washington)
 Corporation; and ROUTH,)
 CRABTREE, OLSEN, P.S., a)
 Washington Professional)
 Services Corporation,)
)
 Defendants.)

Deposition Upon Oral Examination
of
JEFF STENMAN

Taken at 239 North Olympic Avenue
Arlington, Washington

DATE: FRIDAY, SEPTEMBER 13, 2013

REPORTED BY: Emily K. Niles
CCR, RMR, CRR, CCR #2794

A P P E A R A N C E S

For the Plaintiff: STAFNE LAW FIRM
SCOTT ERIK STAFNE
JOSHUA B. TRUMBULL
239 North Olympic
Arlington, Washington 98223
360.403.8700
scott@stafnelawfirm.com

For the Defendants: ROUTH CRABTREE OLSEN, P.S.
SAKAE SAKAI
13555 SE 36th Street
Suite 300
Bellingham, Washington 98006
425.247.2025
ssakai@rcolegal.com

Also Present: JASON LEMELSON
MICHAEL FASSETT

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

I N D E X

EXAMINATION BY:	PAGE
MR. STAFNE	5
MR. SAKAI	91
MR. STAFNE	93
MR. SAKAI	96
MR. STAFNE	97

INSTRUCTED NOT TO ANSWER

PAGE	LINE
71	6

E X H I B I T S

1			
2	Exh. 1	RCW 61.24.030(7)	5
3	Exh. 2	Complaint for Declaratory Relief,	5
4		Injunctive Relief, violation of the	
5		Washington Consumer Protection Act;	
6		and Negligence	
7	Exh. 3	InterestFirst Adjustable Rate Note	5
8	Exh. 4	Deed of Trust	5
9	Exh. 5	Notice of CR 30(b)(6) Deposition of	5
10		Northwest Trustees Services, Inc.	
11	Exh. 6	12/13/06 Letter	5
12	Exh. 7	Corporate Assignment of Deed of	5
13		Trust	
14	Exh. 8	Appointment of Successor Trustee	5
15	Exh. 9	Validation of Debt Notice	5
16	Exh. 10	Facsimile	5
17	Exh. 11	Declaration of Ownership	5
18	Exh. 12	Notice of Trustee's Sale	48
19	Exh. 13	Foreclosure Loss Mitigation	48
20	Exh. 14	Notice of Default	48
21			
22			
23			
24			
25			

1 ARLINGTON, WASHINGTON; FRIDAY, SEPTEMBER 13, 2013

2 9:37 A.M.

3 --o0o--

4 (EXHIBITS 1 THROUGH 11 MARKED.)

5 Thereupon--

6 JEFF STENMAN,

7 was called as a witness, and having been first duly sworn,
8 was examined and testified as follows:

9 EXAMINATION

10 BY MR. STAFNE:

11 Q. Please state your name.

12 A. Jeff Stenman.

13 Q. Really? I had -- you're involved in other cases
14 and I've never met you. It's a pleasure to meet you, sir.

15 Mr. Stenman, have you ever had your deposition
16 taken before?

17 A. Yes.

18 Q. And so you know kind of the rules that we can't
19 both speak at once. So if I ask a question and you
20 interrupt me, that shouldn't happen?

21 A. Yes.

22 Q. And I will try to ask my questions slowly and
23 articulately so that you will be able to give your best
24 answer.

25 A. Okay.

1 Q. And, you know, no matter how hard I might try,
2 sometimes I ask stupid questions or questions that aren't
3 understandable. So if you don't understand my question,
4 will you make sure to tell me?

5 A. Yes.

6 Q. Now, how many other occasions have you had your
7 deposition taken before?

8 A. I don't know. Maybe five or ten. Somewhere in
9 that area.

10 Q. Have any of them related to lawsuits like this
11 involving foreclosure, nonjudicial foreclosure issues?

12 A. Yes.

13 Q. Have all of them involved such issues?

14 A. Yes.

15 Q. Do you ever act as a trustee?

16 A. Personally, no.

17 Q. Do you act on behalf of someone as a trustee? And
18 by that I mean where you actually make the decision as the
19 judicial substitute with regard to the institution of a
20 nonjudicial foreclosure?

21 MR. SAKAI: I'm going to make an objection that
22 your question's outside the scope of your 30(b)(6) notice.

23 Jeff, you can answer as you can.

24 THE WITNESS: I'm not sure I understand what you
25 mean by "judicial."

1 MR. STAFNE: Well, let's start by responding to
2 your objection.

3 And I want to encourage you to make objections.
4 Obviously they're very helpful because they allow me to make
5 sure that we get a record created.

6 BY MR. STAFNE:

7 Q. You did receive a copy of the 30(b)(6) notice --

8 A. Yes.

9 Q. -- did you not?

10 And what was your understanding of what you're
11 here to testify about?

12 A. Well, that's kind of a broad question.

13 Q. Let me see if I can find the notice. Ah, here it
14 is. It's Exhibit 5. And if you could go through those
15 exhibits and look at Exhibit 5.

16 Do you see it there?

17 A. Yes.

18 Q. And what is it?

19 A. It says it is a "Deposition of Northwest Trustee
20 Services, Inc.," notice of deposition.

21 Q. And what type of deposition?

22 A. CR 30(b)(6).

23 Q. Do you understand what CR 30(b)(6) means?

24 A. Yes, I think I do.

25 Q. And what is your understanding?

1 A. Well, I don't know the definition of a 30(b)(6),
2 but I know what a deposition is and I know how to answer
3 questions with respect to the information that you're
4 asking.

5 Q. Well, I have asked Northwest Trustee Services to
6 provide the person who can best testify about certain
7 topics.

8 A. Okay.

9 Q. And you understand that?

10 A. Yes.

11 Q. And could you be so kind as to read for the record
12 A, B, C, and D, which are those topics which you've been
13 identified as the person who can best testify with regard
14 to?

15 A. "The person who can best testify about Northwest"
16 -- "NWTS' procedure following Klem versus Washington Mutual,
17 176 Wn.2d 771(2013) for performing its role as a neutral
18 judicial substitute during the nonjudicial foreclosure
19 process contemplated under DTA."

20 Q. Now, let me ask you, since you seem to have
21 some -- and we'll get into this more, but some problem
22 understanding judicial substitute or judicial officer, do
23 you recognize the term "neutral judicial substitute" as a
24 phrase used in Klem?

25 A. I don't recollect the term, but I understand my

1 duty under Klem.

2 Q. What is your duty under Klem?

3 MR. SAKAI: I'm going to make an objection. Your
4 question calls for a legal conclusion.

5 MR. STAFNE: Okay. And, again, I really
6 appreciate your objection.

7 BY MR. STAFNE:

8 Q. But you have to answer.

9 MR. SAKAI: Answer as you can, Jeff.

10 BY MR. STAFNE:

11 Q. Yes.

12 A. If I understand the Klem case as it applies to
13 what I do --

14 Q. And what do you do?

15 A. I have to have an -- I have to be independent of
16 the beneficiary when I make certain decisions.

17 Q. And what decisions are those?

18 A. In most cases it's whether to proceed to sale or
19 not.

20 Q. And can you be more specific about the types of
21 decisions that relate to that?

22 A. Well, there's all different types of issues that
23 you run into prior to a foreclosure sale, and I don't think
24 I want to speculate.

25 Q. What do you mean by "speculate"?

1 A. Try to figure out what those are.

2 Q. Okay. Well --

3 A. It's situation by situation.

4 Q. Sure.

5 A. It's whatever you're presented with.

6 Q. And I asked you earlier whether or not, when you
7 perform your functions at Northwest Trustee Services, you're
8 acting as the judicial substitute who makes those decisions
9 with regard to the performance and the initiation of a
10 nonjudicial foreclosure.

11 Is that what you do?

12 MR. SAKAI: I'm going to make an objection. Your
13 question's calling for a legal conclusion in regard to
14 whether my client is a judicial substitute.

15 Jeff, you can just answer as you can.

16 MR. STAFNE: Mr. Sakai, let me say, again, I
17 appreciate your objections, but I'm sure you're aware that
18 the only appropriate objections are those going to form and
19 those going to privilege. So if you want to make an
20 objection, rather than make it in a way that kind of is
21 longer than just going to form, I'm going to have to ask you
22 not to. Okay?

23 MR. SAKAI: I respect that.

24 MR. STAFNE: All right.

25 BY MR. STAFNE:

1 Q. Go ahead, please, Mr. Stenman.

2 A. I think I -- if I understand the question, I have
3 to follow a specific process under the statute when I
4 process a foreclosure, and I do that.

5 Q. Okay. Great.

6 Now, when you say you follow a process, where can
7 I find that process?

8 A. RCW 61.24.

9 Q. Do you follow any Northwest Trustee Services'
10 processes?

11 A. Well, my process is completely predicated on
12 RCW 61.24.

13 Q. So does Northwest Trustee have any rules of
14 procedure for you to follow as a nonjudicial -- or excuse
15 me, as a judicial substitute in making decisions pursuant to
16 RCW Chapter 61.24?

17 A. Well, 61.24 is a process. My process is set up.
18 There aren't -- there aren't really decision points within
19 the process itself.

20 Q. When you say "there aren't really decision
21 points," what do you mean?

22 A. Well, it's a collection of documents. And you do
23 it in a certain order and you issue notices in a certain
24 order and you follow up those notices with activities that
25 are required under the statute, like proper notice and

1 publication, recording, and those things we follow. It's
2 not more -- it's more or less not a procedure but a process
3 that's set up within my system. It processes the
4 foreclosure. It's a set of events. My -- the people that
5 process the foreclosure follow the events. When I have a
6 notice that I need to create, there's a way of creating the
7 notice, but I don't know that there's decision-making, a lot
8 of decision-making involved.

9 Q. Let me ask you this then: When you act as a
10 judicial substitute, would it be fair to say that you do not
11 consider your role as making fact-finding decisions?

12 A. Can you give me an example of what you mean by a
13 fact-finding decision?

14 Q. Well, we'll get into it more a little bit, but
15 RCW 61.24 requires you to have proof that before initiating
16 a foreclosure that the beneficiary is the owner of the
17 promissory note?

18 A. Yes.

19 Q. So do you have facts -- when you make that
20 determination, how do you make that determination?

21 A. Well, it's in the statute. That's a beneficiary's
22 declaration. I use the beneficiary's declaration that tells
23 me who the actual holder of the note is.

24 Q. So would it be fair to say that you do not do any
25 fact finding; you just rely on the beneficiary's

1 declaration?

2 A. Yes.

3 Q. And why is that?

4 A. Because that's what the statute tells me I can
5 rely on.

6 Q. It tells you you can rely on the beneficiary --

7 A. Beneficiary -- sorry.

8 Q. -- the beneficiary's declaration as proof?

9 A. The beneficiary's declaration as proof of the
10 actual holder of the note in order to issue a notice of
11 trustee sale.

12 Q. So then is it fair to say that if someone gives
13 you a beneficiary's declaration, you will go ahead and start
14 the sale?

15 A. Yes.

16 Q. So in your performance of your duties as a
17 trustee, judicial substitute, you don't feel that you have
18 the authority to make fact-finding decisions?

19 And do you understand the term "fact-finding"?

20 A. I think so, yes.

21 Q. All right.

22 Well, then do you feel you have the authority as a
23 trustee to find facts?

24 A. I don't know that the term that you're using
25 applies in this situation of what -- that you're giving me.

1 Q. Well, let's take --

2 A. If I have to determine the actual holder of the
3 note, I rely on the beneficiary's declaration. The statute
4 states that I can rely on the beneficiary's declaration. I
5 don't know that I would need to go farther than
6 beneficiary's declaration.

7 Q. Well, let's take like the situation in Klem where
8 someone asked for an extension and the judicial substitute
9 just said no because they had a contract with the purported
10 beneficiary.

11 Is that a type of situation where you would see
12 it's necessary to do some fact finding?

13 A. If I was -- if there was a request to postpone or
14 stay the sale, I would consult with the beneficiary.
15 Depends on the facts, but my decision on whether it's
16 postponed or not is mine.

17 Q. Right. But it's based on the facts, right?

18 A. Yes.

19 Q. So as a trustee, you do view yourself as a fact
20 finder?

21 A. Yes. I review my file -- I'd review all of the
22 information within my file in order to make that decision,
23 yes.

24 Q. And then in making your decisions, it's incumbent
25 upon you, is it not, to apply the law to the facts as you

1 have them before you?

2 A. I would review my file completely, yes. I review
3 my file completely before I made a decision, yes.

4 Q. And now we're talking about legal decision?

5 A. Well, if it's a legal decision, then I may also
6 consult counsel, outside counsel.

7 Q. And which counsel would you consult?

8 A. Well, I'd either consult inside counsel or I would
9 consult outside counsel. If it's outside counsel, it would
10 be probably Routh Crabtree Olsen.

11 Q. And your inside counsel, who is that?

12 A. Steve Hicklin and Chuck Katz, and they're staff
13 attorneys.

14 Q. And do they also work for Routh Crabtree Olsen?

15 A. No. They're employees of Northwest Trustee
16 Services.

17 Q. And so far as you know, they have no relationship
18 with Northwest's -- or RCO?

19 A. They're employees of Northwest Trustee.

20 Q. Well, the reason I asked you is I'm involved in
21 another case involving a group called McCarthy Holthus and
22 Quality Loan Servicing.

23 Are you familiar with that?

24 MR. SAKAI: I'm going to object. These questions
25 are outside the scope of your 30(b)(6) notice.

1 MR. STAFNE: Actually, it says the person who can
2 best testify about Northwest Trustee's fact-finding and
3 legal decision-making processes for determining proof of
4 ownership of the note.

5 MR. SAKAI: What does that have to do with the
6 case against McCarthy and Holthus?

7 MR. STAFNE: Well, they have attorneys that they
8 have working in-house at Quality Loan Servicing and they
9 come from McCarthy Holthus, which also owns them, and in
10 this case, as you know, RCO actually owns, or at least its
11 owners own Northwest Trustee.

12 BY MR. STAFNE:

13 Q. So I'm just trying to determine if you know
14 whether these counsel that act as inside counsel also have
15 any relationship to RCO?

16 MR. SAKAI: I just want to note our objection.
17 I'm not here to engage you in argument. I believe you're
18 incorrect, but I just want to note the objection.

19 Jeff, all I'm saying is I believe the question is
20 outside the scope of your notice. I want you to answer as
21 you can based on personal knowledge.

22 THE WITNESS: So which question am I answering?
23 Do I know about the McCarthy and Holthus --

24 BY MR. STAFNE:

25 Q. No. That was just an example to kind of help you

1 out.

2 A. Okay.

3 Q. Do you know either way whether the two in-house
4 counsel, Northwest Trustee Services, have any relationship
5 with RCO?

6 A. I'm not sure I understand what you mean by
7 "relationship." They're employees of Northwest Trustee.
8 Could they talk to RCO? Yes, they could talk to RCO. Do I
9 know that they do? Do I know whether they consult? They
10 may occasionally consult.

11 Q. And why do you say that?

12 A. I don't know. I think the reason I say that is
13 because, like any attorney, they may consult with another
14 attorney. I'm not saying that it may be on a specific case,
15 but it's -- if you knew another attorney in town and you
16 decided that you would talk to them about something because
17 they may have knowledge about it, then maybe that's
18 something that you would do.

19 I don't know that you've explained what you mean
20 by "relationship." So it's a hard question to answer.

21 Q. Well, I think you've done a very good job. Thank
22 you.

23 So we're talking about Northwest Trustee's
24 procedures, and I think you've indicated that the only
25 procedure you rely on when you're making the decisions for

1 Northwest Trustee Services when they're acting as a trustee
2 with regard to nonjudicial procedures or the institution of
3 nonjudicial foreclosures is that you follow the statute; is
4 that correct?

5 A. Yes.

6 Q. And do you find that an easy thing to do?

7 A. Yes.

8 Q. So you aren't given any procedures to follow by
9 Northwest Trustee other than the statute. So I take it
10 borrowers like Mr. Lemelson don't have access to any
11 procedures as well?

12 A. I don't have any written procedures in place that
13 I would -- like a manual.

14 Q. And so all of you folks -- are you the only person
15 who performs this kind of function at RCO?

16 A. What do you mean "perform"? Which function?

17 Q. Access the judicial substitute, making
18 fact-finding and legal decisions relating to nonjudicial
19 foreclosures.

20 MR. SAKAI: I'm going to make an objection.

21 First, the scope of your 30(b)(6) notice is not
22 whether Jeff Stenman works at RCO.

23 So, Jeff, you can answer as you can.

24 MR. STAFNE: Oh, thank you.

25 MR. SAKAI: I thought you might have misspoken,

1 but I just wanted to correct you on that.

2 MR. STAFNE: Would you read my question back and
3 insert "Northwest Trustee Services" where I said "RCO,"
4 please.

5 (Record read by reporter.)

6 THE WITNESS: So I have a foreclosure team manager
7 that most likely that's where the issue would come to first.

8 They would go to their direct report, which would
9 be Alan Burton, my director of operations for Bellevue.

10 And then he would come to me. And then I would
11 decide whether or not I'd need to consult with counsel.

12 BY MR. STAFNE:

13 Q. And you would determine whether you wanted to
14 consult with in-house counsel or outside counsel?

15 A. Yes.

16 Q. Now, do you see any problem at all in consulting
17 with outside counsel if that counsel claims to represent the
18 beneficiary in the nonjudicial foreclosure proceeding you're
19 working on?

20 MR. SAKAI: Objection. Form of the question.
21 Calls for a legal conclusion.

22 THE WITNESS: Well, if we're talking about this
23 specific case --

24 BY MR. STAFNE:

25 Q. No. I'm just talking generally.

1 A. Well, I don't know that they do represent the
2 beneficiary in the nonjudicial foreclosure. I think I
3 represent the beneficiary, Northwest Trustee.

4 Q. When you say you represent the beneficiary --

5 A. Yes.

6 Q. -- what do you mean?

7 A. In the nonjudicial foreclosure.

8 Q. So as you state on your notices, you view the
9 purported beneficiary as your client?

10 A. Yes, I do.

11 Q. So I take it following Klem there were no changes
12 in the procedures that RCO and a person like you working --
13 excuse me.

14 MR. STAFNE: I could see that objection coming.

15 BY MR. STAFNE:

16 Q. Just so I understand, Northwest Trustee made no
17 changes to its procedures because it didn't have any
18 following Klem?

19 A. Northwest Trustee, whenever there's an issue,
20 we've always had an escalation procedure in place well
21 before Klem. There was no need to make a change due to
22 Klem.

23 Q. So the answer is you didn't change any
24 procedures --

25 A. No.

1 Q. -- because you felt you were operating in an
2 unbiased way by performing a nonjudicial foreclosure on
3 behalf of your client, the purported beneficiary; is that
4 correct?

5 A. Yes.

6 Q. So let's move on to No. C, where you are in --
7 you're identified and are here as the person able to best
8 testify about Northwest Trustee's fact-finding and legal
9 decision-making processes for determining proof of ownership
10 of the note under RCW 61.24.030(7).

11 You say you rely on the beneficiary's declaration?

12 A. Yes.

13 Q. Let me find that here.

14 It appears to be Exhibit 11. Could you go to
15 Exhibit 11?

16 A. [Witness complies.]

17 Q. Would you read the declaration aloud, please, so
18 it's there for the record?

19 A. Do you want me to start with "Under penalty of
20 perjury"?

21 Q. Yes.

22 A. Okay.

23 "Under penalty of perjury, the undersigned hereby
24 represents and declares as follows:

25 "I am employed as Document Control Officer for

1 Select Portfolio Servicing, Inc. I am duly authorized to
2 make the decision [verbatim] on behalf of HSBC Bank, USA,
3 N.A. as Trustee on behalf of the holders of Deutsch Bank
4 Alt-A Securities, 1) Mortgage Loan" -- I think that's
5 Part 1, "Mortgage Loan," "Mortgage Pass Through
6 Certificates, Series 2007-AR2. Hereby known as beneficiary.
7 HSBC US -- HSBC Bank USA, N.A. as Trustee on behalf of the
8 holders of Deutsche Bank Alt-A Securities, Mortgage Loan
9 Trust, Mortgage Pass Through Certificates, comma,
10 Series 2007-AR2 is the actual holder of the promissory note
11 evidencing the above-referenced loan. Three, Beneficiary.

12 Q. I think 3?

13 A. "The Note has not been assigned or transferred to
14 any other person or entity.

15 "Four, beneficiary understands that the trustee
16 foreclosing the deed of trust securing the above-referenced
17 loan will rely upon this Declaration before issuing the
18 notice of trustee's sale."

19 And then it's, "HSBC Bank USA, N.A., as Trustee on
20 behalf of the holders of Deutsche Bank Alt-A Securities
21 Mortgage Loan Trust, Pass Through Certificates, Series
22 2007-AR2," dated March 6th, 2013, by -- there's a signature,
23 and underneath the signature it says "Tina Martin, Document
24 Control Officer."

25 Q. Who is Tina Martin?

1 A. I don't know.

2 Q. Who does she work for?

3 A. If I go by the declaration, she works for Select
4 Portfolio Servicing, Inc.

5 Q. Is Select Portfolio Servicing, Inc., the
6 beneficiary?

7 A. No.

8 Q. Why did you decide that it was an appropriate
9 declaration if it's not signed by the beneficiary?

10 A. Because the person executing the document made a
11 statement that they were authored to make that declaration.

12 Q. And so let me ask you this: You understand that
13 as a judicial officer you have the responsibility to
14 determine if there's sufficient proof to move onward to
15 initiate a foreclosure against Mr. Lemelson; is that
16 correct?

17 MR. SAKAI: I'm going to make an objection to the
18 form of the question. It calls for a legal conclusion.

19 MR. STAFNE: Thank you.

20 THE WITNESS: I have to have the evidence in front
21 of me that allows me to take the next step in the process.

22 BY MR. STAFNE:

23 Q. And do you consider this that evidence?

24 A. Under the statute, yes.

25 Q. Did you provide -- I'm going to ask some

1 questions, and they -- I'm just going to ask about your
2 knowledge.

3 You know, I know you're not an attorney. So I'm
4 just going to ask you as the layperson that you are to tell
5 me your opinion. Obviously, since you're not an attorney,
6 I'm not asking you for your legal conclusion.

7 Are you familiar with the concept of due process?

8 MR. SAKAI: Objection. This question's outside
9 the scope of the 30(b)(6) notice and also calls for a legal
10 conclusion.

11 Jeff, you can answer if you can.

12 THE WITNESS: No, because I -- I don't know what
13 the legal definition of due process is.

14 BY MR. STAFNE:

15 Q. I want you to assume that legal due process
16 includes notifying an adverse party of any issues that are
17 going to come before the legal decision-maker.

18 Was Mr. Lemelson notified that you were going to
19 make a decision based on this declaration?

20 A. I don't believe it's part of a notice. So, no, I
21 don't believe we -- he would have received anything.

22 Q. Was he ever offered an opportunity prior to the
23 time you began, initiated the foreclosure under this
24 particular statutory provision, to challenge this
25 declaration?

1 A. Specifically the declaration?

2 Q. Was he ever given notice to say, I don't agree
3 that this is adequate proof?

4 A. Specific to the declaration, no.

5 Q. Three, did you memorialize in any written format
6 your finding that this was an adequate declaration pursuant
7 to RCW 61.24.030(7)(a) to meet the criteria of providing
8 proof of ownership by the beneficiary?

9 A. Not that I'm aware of.

10 Q. So did you attempt to provide any sort of record
11 that a superior court judge could review regarding your
12 decision to accept this declaration as adequate?

13 A. No.

14 Q. Now, are there circumstances that you're aware of
15 where you cannot use this declaration as a basis for
16 providing proof of ownership?

17 A. That I cannot use the declaration?

18 Q. Right.

19 A. Not that I'm aware of.

20 Q. I'm going to hand you what is marked as Exhibit 1
21 there. Let me find it here.

22 Do you recognize Exhibit 1?

23 A. It's an excerpt from the statute.

24 Q. And what's it an excerpt of?

25 A. RCW 61.24.030(7).

1 Q. And that's what we've been talking about, correct?

2 A. Yes.

3 Q. Would you read the (7)(a) into the record, please.

4 A. "That, for residential real property, before the
5 notice of trustee's sale is recorded, transmitted, or
6 served, the trustee shall have proof that the beneficiary is
7 the owner of any promissory note or other obligation secured
8 by the deed of trust. A declaration by the beneficiary made
9 under the penalty of perjury stating that the beneficiary is
10 the actual holder of the promissory note or other obligation
11 secured by the deed of trust shall be sufficient proof as
12 required under this subsection."

13 Q. Now, going back to -- I think it's Exhibit 11, the
14 Declaration of Ownership.

15 A. [Witness complies.]

16 Q. I think you've already agreed with me that this is
17 not signed by the beneficiary?

18 MR. SAKAI: Objection. The question calls for a
19 legal conclusion.

20 BY MR. STAFNE:

21 Q. Select Portfolio says they aren't on behalf of the
22 beneficiary, does it not?

23 A. It doesn't say anywhere on here that they are not
24 the beneficiary.

25 Q. What about --

1 A. It's stating who is the beneficiary, but it's not
2 stating that --

3 Q. They are not?

4 A. Yeah.

5 Q. Well, tell me --

6 A. I'm just making sure that your statement's very
7 specific. It doesn't say Select Portfolio Servicing is not
8 the beneficiary.

9 Q. Yeah, Mr. Lemelson never had the opportunity
10 because you never gave it to him to point that out to you
11 before, right?

12 A. He was never given the beneficiary declaration,
13 that's correct.

14 Q. Okay.

15 And so he never was given an opportunity to say to
16 you that, Hey, this doesn't say beneficiary on it. So it
17 doesn't meet the language of the law, correct?

18 MR. SAKAI: Objection. The question calls for a
19 legal conclusion.

20 MR. STAFNE: Thank you.

21 MR. SAKAI: And it's also been asked and answered.

22 BY MR. STAFNE:

23 Q. Go ahead and please answer the question.

24 A. Could you repeat the question?

25 MR. STAFNE: I can have the court reporter do it.

1 (Record read by reporter.)

2 THE WITNESS: He was never given the opportunity
3 because he was never given the declaration.

4 BY MR. STAFNE:

5 Q. Now, it says here that -- does this declaration
6 provide information to you as a fact finder sufficient to
7 determine who is the beneficiary of Mr. Lemelson's loan?
8 And, if so, please read it to me where it provides that
9 information or proof.

10 A. Well, there's statements within the declaration
11 that state that the beneficiary is the actual holder of the
12 note.

13 Q. Well, doesn't No. 1 say HSBC Bank -- and I'm not
14 going to say the USA or N.A. I just did. But doesn't it
15 say HSBC is trustee on behalf of the holders of Deutsche
16 Bank Alt-A Securities Mortgage Loan Trust, Pass Through
17 Certificate, Series 2007-AR2, hereby known as beneficiary?
18 Isn't that what it says?

19 A. Yes.

20 Q. So are you saying that "Hereby known as
21 beneficiary" was sufficient for you as the fact finder to
22 determine that they were the beneficiary?

23 MR. SAKAI: Objection. Asked and answered.

24 MR. STAFNE: I didn't ask that before but, again,
25 I appreciate your objection.

1 BY MR. STAFNE:

2 Q. Go ahead.

3 A. Yes.

4 Q. I don't understand how you can do that. Can you
5 explain your thinking?

6 A. As far as I know, the statute doesn't provide a
7 specific form of beneficiary declaration.

8 Q. But this doesn't say he's the beneficiary; it says
9 hereby known as the beneficiary?

10 A. Well, I guess I can't make a legal conclusion on
11 the language.

12 Q. But you would agree -- are you familiar with the
13 definition of beneficiary under the Washington Deed of Trust
14 Act?

15 A. The beneficiary -- the Deed of Trust Act tells me
16 what I can rely on as a document to understand who the
17 beneficiary is. It tells me I can rely on a declaration.
18 That's what I rely on.

19 Q. Are you saying that if somebody comes in -- if I
20 give you a declaration, say, I, Scott Stafne, hereby
21 beneficiary am the holder of a note, you can rely on it and
22 go forward?

23 MR. SAKAI: Objection. The question calls for a
24 legal conclusion.

25 MR. STAFNE: I, again, thank you.

1 BY MR. STAFNE:

2 Q. Go ahead and answer, sir.

3 A. Yes, I guess I could.

4 Q. Okay.

5 A. As long as you do it under the penalty of perjury,
6 yes.

7 Q. And why does the reason -- penalty of perjury
8 matter so much?

9 A. Because I would want that reliance to go back to
10 them if it was ever challenged.

11 Q. So is the purpose of this document more or less a
12 CYA, cover your ass, so that you can go against whoever
13 claims to be the beneficiary if they're not telling the
14 truth and get your money back from them?

15 A. I don't think that's written in the statute
16 anywhere. I don't know that I can make a conclusion like
17 that.

18 Q. Well, it says Beneficiary understands that the
19 trustee foreclosing the deed of trust securing the above
20 loan will rely on this declaration before issuing the notice
21 of trustee sales.

22 A. That is in the statute.

23 Q. So does Northwest Trustee rely on that for
24 purposes of being able to go against anyone who claims to be
25 a beneficiary? If you know, and you may not know that.

1 MR. SAKAI: I'm going to make an objection because
2 that's outside the scope of your 30(b)(6) notice as well.

3 MR. STAFNE: And thank you for your objection. I
4 disagree.

5 BY MR. STAFNE:

6 Q. Please answer.

7 A. I really don't know.

8 Q. Now, so as I read this, it looks like the actual
9 holder of the promissory note is a trust. Do you read it
10 that way?

11 A. No, I don't. I look at the entire statement as an
12 entity.

13 Q. You know, I just don't understand what you mean.

14 A. I look at it as exactly as it's stated. If it was
15 Joe Smith and that was all that was listed, that would be
16 who I would think was the beneficiary.

17 Q. But read me --

18 A. I think the entire thing is the beneficiary.
19 Maybe the beneficiary -- I don't know. You're asking me to
20 make a decision -- I think I would just look at the whole
21 line as the beneficiary.

22 Q. Well, do you see No. 2?

23 A. Yes.

24 Q. Would you read that?

25 A. I think 2 starts with "HSBC Bank USA N.A., as

1 Trustee on behalf of the holders of Deutsche Bank Alt-A
2 Securities Mortgage Loan Trust, Pass Through Certificates,
3 comma, Series 2007-AR2 is the actual holder of the
4 promissory note evidencing the above-referenced loan."

5 Q. And when you say "I think," is that how you made
6 your decision in deciding to foreclose? I mean, would that
7 have been a part -- if you had written a memorandum, would
8 you have said I think that No. 2 actually begins with HSBC?

9 A. No. When I'm referred the foreclosure, they tell
10 me the name of the beneficiary in their referral document.
11 When I get the beneficiary's declaration, I make sure it
12 matches.

13 Q. Is this the referral document?

14 A. No.

15 Q. What does the referral document say?

16 MR. SAKAI: I'm going to make an objection that's
17 clearly outside the scope of the 30(b)(6) notice.

18 MR. STAFNE: I disagree. So unless you're going
19 to instruct him not to answer --

20 MR. SAKAI: You can answer as you can. It's still
21 outside the scope of the 30(b)(6) notice.

22 MR. STAFNE: I disagree.

23 MR. SAKAI: Jeff -- if you'd let me finish,
24 Scott -- you can answer as you can based on personal
25 knowledge.

1 THE WITNESS: The referral -- there's a referral
2 instruction sheet that tells me who the current beneficiary
3 is in a foreclosure.

4 BY MR. STAFNE:

5 Q. And do you --

6 A. Who to foreclose in the name of.

7 Q. And do you utilize that to -- along with this
8 document in determining whether to initiate foreclosure
9 pursuant to 61.24.010?

10 A. Whether to, no. I think what we do is we make
11 sure that the beneficiary declaration matches the name that
12 they gave us.

13 Q. So would it be fair to say that, other than
14 looking at this beneficiary declaration, Northwest Trustee
15 Services did not look at any of the previous chain of title
16 evidence relating to Mr. Lemelson's -- the documents
17 evidencing Mr. Lemelson's obligations secured under the deed
18 of trust at the time the original loan was made?

19 A. No. Part of what we do is review title prior to
20 issuing the notice of trustees' sale.

21 Q. Okay. And I take it you'll be able to discuss
22 with me that pursuant to the next subject of this 30(b)(6)
23 deposition notice?

24 A. Where are we on that? Is it an exhibit?

25 Q. Yes.

1 A. Sorry, I got out of order here.

2 Q. Me too.

3 A. Seven again?

4 Q. I think it was 11.

5 A. Eleven, sorry.

6 That's the beni dec. I thought you were looking
7 at the --

8 Q. Oh, you're right. We're looking at --

9 A. Exhibit 5.

10 Q. Yes.

11 A. So we left off at C.

12 Q. Right. When that has to do with how you -- well,
13 read Exhibit C.

14 A. "The person who can best testify about NWTs'
15 fact-finding and legal decision-making process for
16 determining proof of ownership of the note under RCW
17 61.24.030(7)."

18 Q. And you've previously said you rely pretty much
19 only on this; is that correct?

20 A. Yes.

21 Q. So when you do your chain of title analysis, why
22 do you do it at all?

23 A. Because the County record wanted to match. So
24 that when we go to report our appointment, the entity is of
25 record in the County record and the property records. So

1 that that entity is showing also when they appoint us.

2 Q. So it's more crossing your T's and dotting your
3 I's so that you can do a good job for your client that will
4 hold up?

5 A. I don't know if I agree with that
6 characterization.

7 Q. How would you characterize it?

8 A. Well, I think the reason that we want to make sure
9 that there is an assignment in the name that we're
10 foreclosing is that so, if the public record's reviewed, it
11 looks correct to the public that the last assignment shows
12 the current beneficiary and the current beneficiary
13 appointing the trustee.

14 Q. So it's an effort to make the public record
15 stable?

16 A. Correct.

17 Q. Now, did you look at the obligations secured by
18 the deed of trust at the time or prior to the time you
19 initiated these nonforeclosure proceedings?

20 A. Are you asking me did we review the note?

21 Q. Yes.

22 A. I don't know.

23 Q. Is that something that you generally do according
24 to the procedures at Northwest Trustee Services?

25 A. Generally, yes.

1 Q. But it's not required or you would have known that
2 you had done that?

3 A. It wasn't I myself that reviewed it. Would I hope
4 that a staff member reviewed the note upon receipt of a copy
5 of the note? Yes, I hope they would.

6 Q. Would there be any memorandum that a court could
7 look at in order to verify that someone had done that?

8 A. There might be an internal e-mail or something to
9 that effect to check the note.

10 Q. And when you say "note," the deed of trust defines
11 beneficiary as the holder of an instrument or document
12 evidencing the obligations secured by the deed of trust.
13 Are you using "note" synonymously with the language of the
14 statute referring to instrument or document evidencing the
15 allegation secured by the deed of trust?

16 A. Yes.

17 Q. Now, did you make any attempt to determine whether
18 Mr. -- excuse me. Well, the document that's labeled a note
19 Mr. Lemelson signed was a negotiable instrument under
20 Article 3?

21 A. No.

22 Q. Do you know what a negotiable instrument is?

23 A. No.

24 Q. Do you know --

25 A. Well, I think I know what a negotiable instrument

1 is. I'm not sure I understood -- or I don't believe I've
2 ever reviewed Article 3.

3 Q. Are you capable of applying the law relate -- as
4 we sit here today, do you feel you're capable acting as a
5 neutral judicial substitute of applying the law related to
6 Article 3 to the documents evidencing the obligations that
7 Mr. Lemelson secured with a deed of trust to MERS?

8 MR. SAKAI: I'm going to make an objection.
9 That's clearly outside the scope of the 30(b)(6) notice.

10 But, Jeff, you can answer.

11 THE WITNESS: I was following you until you said
12 "MERS."

13 BY MR. STAFNE:

14 Q. Are you aware that Mr. Lemelson's deed of trust
15 named MERS as the beneficiary?

16 A. Yes.

17 Q. Then what don't you follow?

18 A. I don't -- what we were talking about as the note.
19 I don't believe MERS is listed on the note.

20 Q. No, but could you read my question back.

21 (Record read by reporter.)

22 BY MR. STAFNE:

23 Q. Let me rephrase that, and thank you for pointing
24 it out. See, that's a good example of a question that's not
25 good.

1 So all I want to know is when you look at the
2 note, it's labeled note, but under the deed of trust it's a
3 document or instrument evidencing the obligations
4 Mr. Lemelson owed to Webster Bank, which was the original
5 bank. Are you capable of determining as a matter of law
6 whether it is a negotiable instrument under UCC Article 3?

7 MR. SAKAI: I want to make an objection. That's
8 outside the scope of the 30(b)(6) notice whether my client
9 can make a determination as to something as a negotiable
10 instrument.

11 MR. STAFNE: Thank you for your objection.

12 BY MR. STAFNE:

13 Q. Please answer.

14 A. I don't know. To be honest with you, I don't
15 know.

16 Q. Well, if you don't know what Article 3 says, how
17 could you apply Article 3 to Mr. Lemelson's notes?

18 MR. SAKAI: Objection. My client already answered
19 that question previously.

20 MR. STAFNE: No. He said he doesn't know, but it
21 appears that --

22 BY MR. STAFNE:

23 Q. I'm asking what's the basis for your not knowing.
24 You said you don't know what Article 2 says. So how would
25 you be able to determine as a matter of law that Article 3

1 applies?

2 A. I would say that I don't know what Article 3 says,
3 so I wouldn't be able to apply it, yeah.

4 Q. The reason it was important is because your very
5 uncertainty makes me wonder if sometimes when you don't know
6 what the law is and you're deciding to proceed forward with
7 the foreclosure, you might be inclined just to assume that
8 your client is giving you the information to move forward?

9 A. Absent a challenge, I would think that I could
10 move forward.

11 Q. Sure. But RC -- excuse me. Northwest Trustee
12 provides no process for the borrower to challenge. So how
13 would the borrower be able to challenge when he doesn't know
14 about the declaration and he is not told that he -- is not
15 notified that there's a procedure by which he can challenge?

16 A. I don't have an answer to that.

17 Q. Well, I assume you don't know any more about
18 Article 9 than you do about Article 3 because it's more
19 complex?

20 A. You'd be correct.

21 Q. And so you don't know if Mr. Lemelson's -- the
22 obligations that secured Mr. Lemelson's notes actually
23 constitute as security interest under Article 9?

24 MR. SAKAI: Objection. These questions are
25 outside the scope of the 30(b)(6) notice.

1 THE WITNESS: No.

2 BY MR. STAFNE:

3 Q. And so for you, these issues are not relevant in
4 determining who the beneficiary is?

5 A. I wouldn't look outside the statute to question
6 whether or not they were the actual holder of the note if I
7 had a beneficiary's declaration and there was no challenge.

8 Q. Now, are you aware of something called "servicing
9 rights"?

10 A. Yes.

11 Q. What are servicing rights?

12 MR. SAKAI: I'm going to make an objection.
13 Servicing rights are not part of the 30(b)(6) deposition,
14 scope of the 30(b)(6). If we could just keep it on track, I
15 would appreciate --

16 MR. STAFNE: Counsel, I appreciate your objection,
17 but -- and it's in our complaint.

18 We claim that when you split the note --

19 MR. SAKAI: I understand your complaint. I just
20 wanted you to keep it on track with the 30(b)(6) notice, is
21 what the rules of the civil procedure require.

22 MR. STAFNE: What I'm talking about is what is
23 considered in his analysis prior to going forward that he
24 has sufficient proof to begin a foreclosure.

25 BY MR. STAFNE:

1 Q. Now, the question of proof would involve Article 3
2 and would involve Article 9. It would also involve the
3 question of whether we have a holder of the obligations, and
4 basically what I want to know from you is, do you understand
5 that when servicing rights are sold, they are sold as an
6 obligation under the note but not as any other part of the
7 note?

8 A. No, I'm not aware of that.

9 Q. So what do you understand?

10 A. I guess I've heard the term servicing rights, but
11 I've never seen a document that would explain what the
12 servicing rights are.

13 Q. And in this case, you're kind of accepting from
14 the servicer rather than the beneficiary the statement that
15 you can go ahead with the foreclosure, the nonjudicial
16 foreclosure, correct?

17 A. I am accepting that they are saying that they have
18 the authority from the beneficiary to make that statement,
19 yes.

20 Q. And these are your clients, SPS, right? It's not
21 HSBC?

22 A. Well, I represent the beneficiary. SPS is the
23 servicer of the loan.

24 Q. You don't have with you a copy of your notice of
25 foreclosure, do you?

1 A. I did not bring any documents, no.

2 Q. If I were to tell you that the notice of
3 foreclosure identifies SPS as Northwest Trustee Services'
4 client and Mr. Lemelson is the borrower, would you dispute
5 that? And I will get that document for you, but....

6 A. I think what you're doing is you're asking me to
7 step outside of 61.24. If you want to call SPS who referred
8 the loan to me for the foreclosure as my client outside of
9 61.24, yes, I would agree with that.

10 Q. Okay. So they're your client?

11 A. They're my client, but I rep -- I also represent
12 HSBC Bank because they're the beneficiary in the rest of
13 that.

14 Q. And you use, if you've got a problem, RCO as your
15 outside counsel?

16 A. Yes.

17 Q. So let me ask you this: Doesn't it appear to you
18 that you've got RCO, Northwest Trustee Services, SPS, and
19 HSBC all working together against the borrower,
20 Mr. Lemelson?

21 MR. SAKAI: I'm going to make an objection that's
22 outside the scope of the 30(b)(6) notice.

23 MR. STAFNE: Okay. Thank you.

24 BY MR. STAFNE:

25 Q. Go ahead and answer, sir.

1 A. I don't agree with the term "working against."

2 Q. And what don't you agree with the term "working
3 against"?

4 A. Well, under the statute I have to be impartial to
5 both parties. I have to work on the benefit of both
6 parties, the beneficiary and the grantors.

7 Q. But your client is, you say, not only SPS, the
8 servicer, but also the beneficiary. So is Mr. Lemelson in
9 the same position as your client?

10 A. Well, he deserves a fair process. He deserves
11 that I do the process correctly.

12 Q. And the way you view the process is you get this
13 document from these people who are your clients and you go
14 ahead and do the nonjudicial foreclosure, correct, under --

15 A. Yes. That's what the statute tells me to do, yes.

16 Q. Let's get back to that statute.

17 You know, unfortunately I had someone who was new
18 prepare these things and so I'm not as familiar with the
19 exhibits as I like to be, but why don't we go back to
20 Exhibit 1, which has the statute.

21 Do you remember Exhibit 1?

22 A. Yes.

23 Q. Would you read Subsection B of RCW 61.24.030(7)?

24 A. Unless the trustee has violated -- is that the
25 part?

1 Q. Mm-hmm.

2 A. "Unless the trustee has violated his or her duty
3 under RCW 61.24.010(4), the trustee is entitled to rely on
4 the beneficiary's declaration as evidence of proof required
5 under this subsection."

6 Q. Now, what's your understanding of the meaning of
7 that?

8 A. Well, if I read 61.24.010(4), the trustee or
9 successor trustee has a duty of good faith to the borrower
10 or beneficiary and grantors.

11 Q. So do you read it as saying that you cannot rely
12 on the declaration if you violate any duty of good faith
13 toward Mr. Lemelson?

14 MR. SAKAI: Objection to the form of the question.
15 Calls for a legal conclusion.

16 THE WITNESS: The basic reading of it would
17 suggest that.

18 BY MR. STAFNE:

19 Q. And do you have any -- is that what you do? I
20 mean, you say you follow the statute. That's your procedure
21 when you say a basic reading of the statute suggests that,
22 it doesn't give me much indication that that's what you do.
23 Is that what you do when you're acting as a trustee for
24 Northwest Trustee Services?

25 A. Yes.

1 Q. And tell me how you understand what good faith
2 means.

3 MR. SAKAI: Objection. That's not within the
4 scope of the 30(b)(6) notice.

5 MR. STAFNE: Counsel, would you take a look at
6 both C and D and tell me how it's not?

7 MR. SAKAI: Jeff, you can answer as you can.
8 We're going to disagree.

9 MR. STAFNE: I mean, let me just point out, at
10 some point attorneys go off base where they make objections
11 that are continuous and problematic and interfere with the
12 deposition, and I suggest you've reached that point. And I
13 suggest it's apparent from the deposition notices that
14 you've reached that point. So what I want you to do is kind
15 of explain to me so I can take it to the court and say, he
16 kept saying that it had nothing to do with it.

17 The statute states that I'm asking him about the
18 statute. So I don't see how your objection's appropriate.

19 MR. SAKAI: I respect your position. I just feel
20 when you're going off tangent, off -- what I believe is off
21 the 30(b)(6) notice, then I'm going to make that objection.

22 MR. STAFNE: Sure.

23 MR. SAKAI: And I still want my client to answer
24 the question, but if it's not within the 30(b)(6) notice, we
25 didn't have a chance to prepare the answer to that question,

1 but I still want my client to answer the question. I just
2 want to note the objection on the record.

3 MR. STAFNE: No, I appreciate that. What I don't
4 get is how you can make an objection when it's a part of the
5 statutory language.

6 MR. SAKAI: I'll withdraw my objection.

7 MR. STAFNE: All right. Thank you.

8 THE WITNESS: I think I meet my duty of good faith
9 by following the process that's laid out under the statute
10 for giving the appropriate notice, posting the property,
11 publishing the notice of sale, making sure that I follow the
12 process.

13 BY MR. STAFNE:

14 Q. You don't think the very fact that you represent
15 the people that are bringing the for -- nonjudicial
16 foreclosure against Mr. Lemelson violates your duty under
17 RCW 61.24.010(4); is that correct?

18 A. I have to be able to have confidence in the
19 documents that they provide to me. If there's no reason for
20 me to make an observation that there's something wrong with
21 the document, I don't know why I would have to go beyond
22 that.

23 Q. If you're a judge and you have two people before
24 you, and let's say you're really a judge and there are two
25 people arguing about something, how are you going to make

1 your decision who to believe?

2 A. I think it's always based on the facts.

3 Q. And how do you determine the facts when there's
4 contradictory evidence presented?

5 A. I guess you're making a statement that I don't
6 agree with. Where was there contradictory evidence
7 presented to me?

8 Q. That's the point. Mr. Lemelson never had any
9 ability to present contradictory evidence. If he had, what
10 would you have done?

11 A. I would have escalated it and looked into it and I
12 would have asked the beneficiary to answer the question, and
13 then I would have made a decision and maybe consulted
14 outside or inside counsel to determine whether or not we had
15 an issue.

16 Q. Well, would you ever have said, Mr. Lemelson,
17 please come here and, Beneficiary, please come here and look
18 at them and determine based on credibility who was telling
19 the truth?

20 A. I think I'm making the assumption that
21 Mr. Lemelson was engaged by the servicer of his loan well
22 before it ever got to me in the form of a foreclosure and
23 that Mr. Lemelson was given statutory notice that gave him
24 many opportunities to contact or to contest the debt.
25 Mr. Lemelson never contacted us.

1 I'm happy to assume that all of these attempts to
2 give him notice, he must have read a notice and made a
3 decision not to respond.

4 Q. Did you provide him with a form where he could
5 come and challenge who the beneficiary was?

6 A. The notices that we provide provide that
7 information. If he doesn't recognize an entity, he has the
8 ability to contact us and ask who that entity is. I can't
9 put myself in Mr. Lemelson's shoes and think that he isn't
10 reading what he's being sent.

11 Q. Could we see those for a second?

12 MR. SAKAI: Jeff, do you need a break while he
13 goes through the exhibits?

14 MR. STAFNE: Yeah, why don't we take a break.

15 (RECESS TAKEN.)

16 (EXHIBITS 12 THROUGH 14 MARKED.)

17 (Record read by reporter.)

18 BY MR. STAFNE:

19 Q. Tell me what kind of notices you're talking about
20 that have advised him that he has an opportunity to present
21 evidence regarding his belief that -- as to who the
22 beneficiary actually is?

23 A. I don't think the notice specifically states that,
24 but the notice of default identifies the parties.

25 Q. Identifies what parties?

1 A. It identifies the beneficiary and it identifies
2 the servicer of his loan and it also invites him to dispute
3 the debt if he doesn't agree with it.

4 Q. You said it identifies both the beneficiary and
5 the servicer?

6 A. Yes.

7 Q. And does it identify Northwest Trustee Services'
8 client?

9 A. You mean does it say "My client is"?

10 Q. Yes.

11 A. I don't think it says "My client is."

12 Q. Handing you a copy of Exhibit 14.

13 Do you recognize that document?

14 A. Yes.

15 Q. Can you tell me what it is?

16 A. It's the notice of default.

17 MR. SAKAI: Can we go off the record for a second.

18 (Discussion off the record.)

19 MR. STAFNE: Back on the record.

20 BY MR. STAFNE:

21 Q. This notice doesn't contain all the pages that are
22 in it, and I thank your counsel for pointing that out to me.
23 My main concern, however, is the last page.

24 Would you go to the last page?

25 A. You don't have the last page in here.

1 Q. You're absolutely right.

2 Is this the last page of that document?

3 A. Yes.

4 Q. So let's put Exhibit 14 together so it represents
5 a total document.

6 MR. STAFNE: And, Sakai, why don't you look at it
7 and make sure that it's -- and I hope you don't mind me
8 addressing you as Sakai?

9 MR. SAKAI: No, that's fine. Don't worry about
10 it.

11 Yeah, we're good.

12 BY MR. STAFNE:

13 Q. So does it identify who Northwest Trustee's client
14 is?

15 A. It does say -- it does have "Client: Select
16 Portfolio Servicing, Inc." in the footer.

17 Q. And it doesn't say anything about HSBC, the actual
18 beneficiary being your client, does it?

19 A. No. It's a foot -- it's a footer notation that
20 merges from our client table. It's just who sent us the
21 referral. It's not meant to identify the beneficiary. It's
22 just how it's sent out.

23 Q. You do send that out to Mr. Lemelson?

24 A. Yes, we do.

25 Q. So you expect that he will see that you have a

1 client?

2 A. I expect him to read the entire notice.

3 Q. And that would include seeing that he is the
4 borrower and your client is SPC, or SPS, whatever it is,
5 correct?

6 A. He would see that footer, yes.

7 Q. Now, is that footer on other documents you
8 provide?

9 A. It might be, yes.

10 Q. I'm going to hand you what is -- do you know if
11 the notice of trustee sale is likely to have the same
12 identification?

13 A. The footer?

14 Q. Yeah.

15 A. I think it probably does, yes.

16 Q. And would it also be true for the foreclosure loss
17 mitigation statement that would have been provided to
18 Mr. Lemelson? And I'll give you a copy of it. It's been
19 marked as Exhibit 13, I think.

20 I'm going to let -- I think -- and I'm not sure
21 because the documents are not together very well, and I
22 apologize, but does this -- this exhibit is Exhibit 13.
23 Does it generally go out to borrowers?

24 A. Yes.

25 Q. And there's a second page on it, and I'm not sure

1 whether that is the -- actually --

2 A. That's the last page of the NOD.

3 Q. Okay.

4 A. Or the notice of default, sorry.

5 MR. TRUMBULL: Yeah, I don't know. I think that
6 we just got it copied off. I think this is in order.

7 This may be --

8 MR. STAFNE: Is that still the NOD though?

9 MR. SAKAI: Should we take another break? You
10 want to just make sure --

11 MR. STAFNE: No, let me just go on. It's easier.

12 BY MR. STAFNE:

13 Q. So in any event, I mean, and, actually, there's
14 really no dispute that your client is the servicer through,
15 you believe, the purported beneficiary?

16 A. Yes. You mean the servicer of the loan, yes.
17 They would send us the foreclosure.

18 Q. And are you aware that the servicer has bought a
19 portion of Mr. Lemelson's obligations that were originally
20 secured by the deed of trust?

21 A. Am I aware -- could you repeat that again, please.

22 Q. The servicer has bought the stream of payments
23 obligation out of the obligations that Mr. Lemelson
24 originally gave Webster Bank when the loan was made?

25 A. I don't think I understand that, but, no, I'm not.

1 Q. Does that make any difference to you?

2 A. I'm not sure what that means, what you just said.

3 Q. You don't know if it has any legal significance at
4 all?

5 A. No.

6 Q. So if someone had brought that up to you, said,
7 look, they're not the beneficiary because there's more than
8 one holder of the obligations now and you cannot stretch the
9 security to secure multiple parties, how would you have
10 resolved that?

11 A. I don't think I would try to. I think I
12 understand the theory that you're purporting. I don't
13 undertake any type of review to determine whether that's
14 actually taking place.

15 Q. So would you just go through with a nonjudicial
16 foreclosure if they gave you the documents?

17 A. Yes.

18 Q. Do you know how under the UCC you secured the
19 stream of payments from Mr. Lemelson's notes?

20 A. No.

21 Q. If I were to tell you it would be secured by a
22 separate document other than the deed of trust securing
23 what's known as a payment intangible, would you have any
24 reason to disagree with me?

25 A. I don't think so.

1 Q. We'll take a little break after I just make sure
2 that I've gone through these, and then maybe we can get you
3 out of here early.

4 Have you seen Mr. Lemelson's complaint for --
5 against RCO and Northwest Trustee Services?

6 A. When it was first served, I did. I hadn't
7 reviewed it completely before the deposition. So I wouldn't
8 be able to cite anything within it, without reading it.

9 Q. I don't expect you to.

10 Do you remember the part where you said that he
11 sold -- that the loan was from Webster Bank and that the
12 loan, whatever that means, got sold to American Home
13 Household -- do you remember the name of that company?

14 MR. LEMELSON: I don't.

15 MR. FASSETT: American Home Mortgage Servicing.

16 BY MR. STAFNE:

17 Q. American Home Mortgage Servicing?

18 A. I remember reference to it in the complaint, yes.

19 Q. And you're a pretty much -- long time in this
20 industry. So you know that they went bankrupt, right?

21 A. American Home?

22 Q. Yes.

23 A. Yes.

24 Q. And you also know Webster Bank went bankrupt?

25 A. I wasn't -- I might have. I don't know how long

1 ago that was. I might have been aware of it at one point or
2 another.

3 Q. Do you know how Mr. Lemelson's loan got to other
4 parties?

5 A. The only knowledge I might have about that would
6 be by looking at the note and knowing that there was an
7 endorsement in the note.

8 Q. And so that --

9 A. So I knew that there was a transfer. How many
10 transfers? I don't know how many transfers there were.

11 Q. And would you have had any way of finding out?

12 A. I don't know.

13 Q. Have you ever asked MERS to identify transfers in
14 the performance of your role as trustee?

15 A. MERS?

16 Q. Yes.

17 A. Have I ever asked MERS directly?

18 Q. Yes.

19 A. No.

20 Q. Are you familiar with MERS?

21 A. Yes.

22 Q. What is MERS?

23 A. It's a registry.

24 Q. And what's its purpose?

25 A. To track -- I believe it's to track ben --

1 transfers of servicing or beneficial interests between
2 servicers and beneficiaries.

3 Q. And that's what you would do under 61.24.030(a) if
4 you could not rely on the beneficiary, right? You could go
5 through the tracking of the sales of the beneficial and
6 legal interests?

7 A. The only access that I have to MERS information is
8 the current -- it will only give me the current beneficiary
9 and servicer. So it wouldn't give me the history.

10 Q. Aren't you a vice president of MERS for purposes
11 of signing documents?

12 A. I was under several tri-party agreements. I'm
13 currently not engaged in any execution under MERS.

14 Q. But you do know that -- isn't Northwest -- strike
15 all of that. Sometimes I think too fast.

16 Isn't it true that Northwest Trustee Services is a
17 member of MERS?

18 A. I don't know. I don't know.

19 Q. You do know that if you wanted to get information
20 to track a loan you could go to MERS?

21 A. I think you'd have to have a certain level of
22 membership to get some of the history, but some of the
23 specific information I think you're asking for, I don't know
24 if that's available to Northwest Trustee. It might only be
25 available to the servicer.

1 Q. And the reason you don't know is because you've
2 never tried?

3 A. Well, I know the access we currently have doesn't
4 provide us with any kind of history. That's -- that part of
5 the system, we don't have access to.

6 I know we have access to looking up the MIN number
7 and determining who the current beneficiary or servicer is
8 because they identify them.

9 Q. Why --

10 A. But I don't know -- I think you have to have a
11 different access level to get the servicing transfer
12 history.

13 Q. Why --

14 A. And any time we ever needed to get that, which I
15 don't know that it's been very many times, it would have
16 been through the servicer themselves.

17 Q. Well, why if you're serving as a judge wouldn't
18 you want access to that?

19 A. I don't know how to answer that question.
20 Absent -- I think absent a dispute, what am I trying to
21 determine?

22 Q. Well, would you read again the first sentence of
23 Exhibit 1? Here it is.

24 A. Which section do you want me to read?

25 Q. Just Section A, first sentence.

1 A. "That, for residential real property, before the
2 notice of trustee's sale is recorded, transmitted, or
3 served, the trustee shall have proof that the beneficiary is
4 the owner of any promissory note or other obligation secured
5 by the deed of trust."

6 Q. Wouldn't that be a way of obtaining proof as to
7 who owned the obligation to the deed of trust?

8 A. The proof is in the rest of the paragraph, the
9 declaration.

10 Q. Well, except, just so you know, we claim that
11 Northwest Trustee cannot rely on the beneficiary declaration
12 because they have violated the section printed below which
13 is RCW 61.010 -- or 61.24.010 -- or parens 4, which says you
14 have a duty of good faith to the borrower, and our claim is
15 that by having clients that are all adverse to the borrower,
16 you're not acting in good faith. So it's our claim that you
17 couldn't rely on this declaration. So please bear with me
18 for a moment and assume that you can't rely on that
19 declaration. Then did you have any other proof?

20 A. Okay. So fundamentally I don't know why I can't.
21 Why can't I?

22 Q. But I'm just asking --

23 A. I understand your argument, but I guess that's for
24 somebody else to decide whether that has merit. If --

25 Q. Well, theoretically somebody could have brought

1 it --

2 MR. SAKAI: Scott, just let Jeff finish.

3 MR. STAFNE: All right.

4 THE WITNESS: I won't get into -- I'm not going to
5 try to pull something out of the air.

6 If there was a dispute, if there was a request
7 that -- or that the current noteholder was not the
8 noteholder or didn't have the ability to -- didn't have
9 standing, then I think it would be up to me to go back and
10 do some more research and look into it, and I would most
11 definitely do that.

12 BY MR. STAFNE:

13 Q. And how would you do that?

14 A. But absent a dispute, I don't think I need to.

15 Q. But how would you do that?

16 A. Well, I would go back to the servicer and I would
17 state, This is the dispute. Please provide the proof. I
18 think now there's a higher standard beyond the beneficiary's
19 declaration. I need to look into it. You need to react to
20 it, respond to it.

21 Q. So you --

22 A. And that I think I would do. I don't think
23 there's any reason I wouldn't.

24 Q. And would you feel that's what the law obligates
25 you to do under those circumstances?

1 A. I think I would be responsible to make an
2 independent review of the situation and make a determination
3 on whether or not I could proceed as trustee.

4 Q. And do you feel there is procedures, that
5 Northwest Trustee has adequate procedures in place to notify
6 borrowers like Mr. Lemelson that he has the right to bring
7 such a challenge and that you will then make a determination
8 beyond the declaration?

9 A. I think my notices are sufficient, if that's what
10 you're asking me.

11 Q. To advise him of that fact?

12 A. I think he -- the 61.24 as cited within the
13 notice, I think that the notices have what are required by
14 statute. He has a duty to bring the dispute and I have a
15 duty then to look into his dispute.

16 Q. Okay. And you're saying otherwise --

17 A. I think my notices are sufficient, and I think
18 that answers the question.

19 Q. And let's go over all those notices. There's the
20 Notice of Default, there's the Notice of Trustee Sale,
21 there's the Notice of Foreclosure, and there is the Notice
22 of Loss Mitigation. Have I missed any?

23 A. The -- I think you mean the LM -- the Loss
24 Mitigation Declaration?

25 Q. Yes. Yes.

1 A. Well, I don't produce that. That's the
2 beneficiary's notice. I attach it.

3 Q. Right.

4 A. But those are the notices, yes.

5 Q. Did you view this suit as a dispute?

6 A. Yes.

7 Q. And what have you done since then?

8 A. Well, the foreclosure won't continue until it's
9 resolved, and I'll take my legal counsel's advice on whether
10 or not it's resolved.

11 Q. Would that be outside legal counsel? And that's
12 Routh Crabtree Olsen?

13 A. Currently it is, yes.

14 Q. All right.

15 You've identified the complaint, and we talked
16 briefly about it. So we've gone through Exhibit 2.

17 Now let's look at Exhibit 3.

18 Do you recognize that document?

19 A. Yes.

20 Q. Should be this.

21 A. It's missing a page.

22 Q. Then let's go with this one and I'll take this
23 one.

24 What page is it missing?

25 A. It's missing an allonge which has the note

1 endorsements on it.

2 Q. There's only one endorsement, isn't there?

3 A. Did we provide it?

4 Q. I don't know that you provided it.

5 A. The one that I have in my file has an allonge
6 attached to it with endorsements.

7 Q. Is there more than one endorsement?

8 A. Yes.

9 Q. Would that be something you would agree that you
10 should have provided to Mr. --

11 A. I don't know. I didn't provide them myself.

12 MR. SAKAI: Scott, just to be respectful, you
13 know, just to let you know, in this deposition we're not --
14 you never --

15 MR. STAFNE: No, I --

16 MR. SAKAI: -- propounded discovery, and I'd be
17 happy to send you a copy of the document.

18 I attached it to the motion to dismiss, but if you
19 don't have it --

20 MR. STAFNE: Why don't you get the motion to
21 dismiss.

22 MR. SAKAI: I'll send it -- I'll e-mail it to you.

23 MR. STAFNE: No, well, I'd like to know now,
24 because my recollection is is it only has one endorsement.
25 So we can see.

1 BY MR. STAFNE:

2 Q. All right. Let's take a look at -- and thank you
3 for pointing that out. That's helpful.

4 How much of a role did this document play in your
5 analysis under 61.24.030(7)? And that's paren 7.

6 A. I don't know that it had -- I don't know that we
7 reviewed it. I can't state that we reviewed it. I would --
8 my direction to my staff is to review it.

9 Q. Would you look to the first yellow highlight? And
10 I'm going to read the sentence before that. It states, "I
11 understand that Lender may transfer this Note. Lender or
12 anyone who takes the Note by transfer" -- "this Note by
13 transfer and who is entitled to receive payments under this
14 note is called the 'Note Holder.'"

15 A. Mm-hmm, yes.

16 Q. Have you seen that language before on notes?

17 A. Yes.

18 Q. Is it your understanding that this definition of
19 noteholder is what controls as far as who's going to be the
20 beneficiary?

21 A. Yes.

22 Q. Now, in this particular note, who's entitled to
23 receive the payments under the note?

24 A. Webster Bank, N.A.

25 Q. And then it says that the note may be transferred,

1 and then it says "Lender or anyone who takes this Note by
2 transfer and who is entitled to receive payments under this
3 note is called the 'Note Holder.'"

4 Okay, so once Webster Bank transferred, and now,
5 who's entitled to receive the payments under the note?

6 A. Right now? Today?

7 Q. Yeah. Well, I mean, when you undertook your
8 investigation pursuant to 61.24.070, who did you determine
9 was entitled to receive the payments?

10 A. HSBC, US -- that whole HSBC entity.

11 Q. The trust?

12 A. Yes.

13 Q. And did you have any documents suggesting that
14 HSCP -- or HS --

15 A. BC.

16 Q. Whatever it is.

17 -- that they were entitled to receive the payments
18 on behalf of the trust?

19 A. Other than the beneficiaries declaration?

20 Q. Yeah.

21 A. I'm not sure I understand that.

22 Q. Let me try it again, because it's --

23 A. I understand the concept of Webster Bank, N.A.,
24 being on the note and being able to receive the payments. I
25 would assume that when I was told HSBC was the beneficiary

1 that they had the right to the payments.

2 Q. But you had no proof of that?

3 A. No.

4 Q. And --

5 A. Other than the beneficiary's declaration, I guess,
6 because that means they're the noteholder.

7 Q. Except didn't we agree that the beneficiary
8 declaration was from Select Portfolio Servicing and they're
9 not the beneficiary?

10 A. I don't think we agreed that. I think the
11 beneficiary declaration states that HSBC's the actual holder
12 and the party that executed it is claiming that they had the
13 authority to execute it on behalf of HSBC.

14 Q. But they're not the beneficiary, right?

15 A. Select Portfolio is not the beneficiary.

16 Q. Right. You're saying you believe they may be the
17 agent?

18 A. To me they're the servicer of the loan.

19 Q. So you've got the trustee who's claiming to have
20 rights from the trust and the servicer who's claiming rights
21 from the trustee; is that correct?

22 A. I don't -- what do you mean "rights from the
23 trustee"?

24 Q. To bring this foreclosure.

25 A. No. The referral from Select Portfolio Servicing

1 identifies the name to foreclosing as HSBC. I am making an
2 assumption that they have the right to refer it to
3 foreclosure on behalf of HSBC.

4 Q. So let's go look at that declaration again. See
5 if we can find it.

6 Doesn't it actually say that HSBC is a beneficiary
7 because it is a trustee of a trust? Is it your position
8 that HSBC as a trustee for somebody else is the actual
9 beneficiary or that it's representing a beneficiary? And if
10 you don't --

11 A. I don't know. I think what I told you before was
12 I look at that entire paragraph as the identity of the
13 beneficiary.

14 Q. Would you read that --

15 A. I don't -- if HSBC Bank USA as trustee --

16 Q. Go ahead.

17 A. I don't know -- I think if -- without that, it's
18 not a complete statement. So I guess that that's -- I don't
19 understand the --

20 Q. No, that's fine.

21 A. -- why it says it as trustee.

22 I don't understand why it says that.

23 Q. So you actually thought --

24 A. I only look at it as one entity, and that's all I
25 look at it like.

1 Q. So you actually thought HSBC was going to get this
2 money and it was theirs?

3 A. No. I thought H -- I thought the entire statement
4 was getting this money.

5 Q. And who is -- when you say "entire" --

6 A. I think I -- if you ever ask me to refer to the
7 beneficiary, I would read the entire thing and tell you.

8 Q. I'm kind of, you know, getting a little old. So
9 you -- let me just see if I can get this right.

10 The note says "Lender or anyone who takes this
11 Note by transfer."

12 Do you understand what the term "transfer" means?

13 A. To me it means -- transfer means possession.

14 Q. So are you saying -- in the UCC for Article 3 they
15 use the term "negotiation," for Article 9 they use the term
16 "transfer," and Article 9 transfers are supposed to be
17 written. So actually, let's go beyond that.

18 "Lender or anyone who takes this note by transfer
19 who is entitled to receive payments under this note." I'm
20 really kind of interested in who is entitled to receive
21 payments under this note.

22 Now, when I look at it -- and granted I'm looking
23 at it as an attorney, but I want your opinion as the person
24 who's being the judicial substitute here. Aren't the people
25 that are really supposed to receive the money the people

1 that own interest in the trust? Isn't --

2 A. That makes sense.

3 Q. Yeah, it does.

4 So the trustee is purporting to act on their
5 behalf; is that correct?

6 A. That's what it appears, yes.

7 Q. And did you have any evidence that the trustee in
8 purporting to act on their behalf had been given this power
9 by the trust to do so?

10 A. No.

11 Q. And did you have any evidence that the servicer
12 who's now purporting to represent the trustee had any
13 authority from the trust, the actual beneficiary, to bring
14 this foreclosure?

15 A. No. Well --

16 Q. Except for the beneficiary declaration?

17 A. If I can say -- yes. Because the person executing
18 it is doing it under the penalty of perjury, I'm making an
19 assumption that they have the authority.

20 Q. And I understand that.

21 So your role boils down to, you know, making sure
22 that declaration is there?

23 A. Yes.

24 Q. What is your role, if any, as you see it, to
25 determining whether the declaration is adequate under this

1 statute?

2 A. Well, the statute doesn't give me a form. So I
3 guess that's open to interpretation, and my interpretation
4 is, if I have a question about it, I would probably look to
5 counsel to give me advice on whether it's acceptable, an
6 acceptable form.

7 I would have to identify that I think there's a
8 problem with it for me to take it to counsel, though.

9 Q. And you didn't see that there was a problem with
10 this?

11 A. I don't believe that I visited this particular
12 form with my counsel to see if it was -- if there was an
13 issue with it.

14 Q. I'm going to hand you what has been marked as
15 Exhibit 4. Would you look at that document?

16 And this might be part of it.

17 A. Was this intended to be part of it?

18 Q. I don't know.

19 A. I don't think this --

20 Q. Okay. Then I'll take it back.

21 All right.

22 A. The Deed of Trust, yes.

23 Q. And are you familiar with the Deed of Trust?

24 A. Yes.

25 Q. Are you familiar with them generally or

1 Mr. Lemelson's, in particular Mr. Lemelson's?

2 A. Yes.

3 Q. Who does the -- that document define as the
4 beneficiary?

5 A. MERS.

6 Q. Does it do it in any capacity other than -- well,
7 let me -- it states on it that it's as nominee for -- which
8 bank was that? It says nominee for Webster Bank, right?

9 A. It says "is a separate corporation that is acting
10 solely as nominee for Lender and Lender's successors and
11 assigns."

12 Q. And do you folks over at Northwest Trustee
13 Services treat MERS documents, MERS deeds of trusts any
14 differently than you do others, three-party deeds of trusts?

15 A. No.

16 Q. Are you aware of the supreme court's decision in
17 Bain V. Metro Mortgage?

18 A. I've heard of it.

19 Q. But you haven't read it?

20 A. Not in any great -- not in great detail.

21 Q. Has your employer, Northwest Trustee Services,
22 provided you with any training regarding that decision?

23 A. Outside counsel asked us to review our
24 appointments to make sure that our appointments were not by
25 MERS, that they were by the beneficiary --

1 Q. And --

2 A. -- after assignment.

3 Q. And outside counsel is RCO?

4 A. Yes.

5 Q. How did they happen to give you such advice?

6 MR. SAKAI: I'm going -- Jeff, don't answer that.

7 That's privileged information, Scott.

8 MR. STAFNE: I respect --

9 MR. SAKAI: Outside counsel to --

10 MR. STAFNE: No, and I respect the privilege
11 obligation. Let me state here we'll be taking that up with
12 the court later, but I certainly respect it.

13 BY MR. STAFNE:

14 Q. And your counsel's instructed you not to answer,
15 and you should not answer.

16 Let me ask you this: The beneficiary declaration,
17 the declaration of ownership, do you recall that?

18 A. Yes.

19 Q. Did RCO draft that, so far as you know?

20 A. No.

21 Q. Who drafted it?

22 A. I don't know.

23 Q. You just get these?

24 A. From the -- from Select Portfolio Servicing, Inc.

25 Q. And is this the form specific for Select Portfolio

1 or is R -- is this a form that is used by all of Northwest
2 Trustee clients now?

3 A. It's specific to Select Portfolio Servicing,
4 Inc.'s.

5 Q. You've gone over Exhibit 5, which is the 30(b)(6)
6 notice. I'm going to hand you what has been marked
7 Exhibit 6.

8 Do you recognize that document?

9 A. I don't remember seeing this in our file.

10 Q. Could you look at it, and do you have any -- are
11 you able to identify what it is?

12 A. I'd be guessing. I don't -- I don't know what CBC
13 Flood Services is. Maybe hazard insurance? I don't know
14 who it is.

15 Q. Can I see it for a moment?

16 Okay. Does it indicate that American Home
17 Mortgage Servicing is -- bought Mr. Lemelson's loan?

18 A. I don't know.

19 Q. What's the date of the letter?

20 A. November 13th, 2006.

21 Q. All right.

22 I'm going to hand you what's been marked as
23 Exhibit 7 and ask you whether you recognize that document?

24 A. Yes.

25 Q. What is it?

1 A. Corporate Assignment of Deed of Trust.

2 Q. And how do you happen to recognize it?

3 A. It's in the count -- it's in the property records.

4 Q. And --

5 A. It was provided to us with our title.

6 Q. When you say "with our title," what title?

7 A. So when we order a title, a trustee sale guarantee
8 for the foreclosure, it tells us who's on title to the
9 property. When this was recorded it would have been
10 updated, the title would have been updated to reflect that
11 it's a record.

12 Q. And would that come from a title company when you
13 say we ordered title?

14 A. Yes.

15 Q. That's a title report?

16 A. Yes.

17 Q. Who do you use for --

18 A. I didn't look at this file. It could be -- I
19 don't know who it is.

20 Q. Do you have certain title companies you use?

21 A. Yes.

22 Q. Which ones?

23 A. Well, it could be Nextitle. It could be LPSD
24 Default Title and Closing. It could be Service Link. It
25 could be one that was -- we were directed to use by our

1 clients or whoever's available within -- some of the
2 counties are very small. So there's very few choices when
3 it comes to the title companies we can select. It just
4 depends on what's available to us and if we're under any
5 kind of direct order from somebody else.

6 Q. Can I see that document?

7 A. Yes.

8 Q. Would you have had in your possession at the time
9 you instituted the foreclosure an assignment by MERS signing
10 its beneficial interests to some other entity?

11 A. I think on this one the MERS assignment was of
12 record. So it would have shown up on our title report. So
13 they would have -- we would have received a copy of that
14 assignment so that we could look to see who that -- who the
15 beneficiary of record is under the property records and know
16 whether or not we need an assignment to the current
17 beneficiary.

18 Q. So you would have --

19 A. I think it would have been of record. I'd have to
20 look again at it to see when it was -- when that assignment
21 was recorded.

22 Q. So you would have obtained the -- some sort of an
23 assignment from MERS of its rights under the deed of trust
24 to another beneficiary?

25 A. I'm not sure I follow you there.

1 Q. Well, here's the problem I've got is, I've looked
2 at the record, and one of the reasons Mr. Lemelson had to
3 bring this lawsuit is because -- I mean, when you look at
4 it, it's all screwed up. You got people going bankrupt, you
5 got this, that, so we're trying to figure out, you know,
6 just exactly what happened. We know it starts out with MERS
7 as the beneficiary, and then we found this on the record
8 and, you know, it mentions MERS, but we don't know how it
9 went from American Home Servicing that went bankrupt to
10 Bank of America or to Countrywide.

11 Can you tell us -- do you have any idea? Look at
12 that. And here's -- another one I've got is Exhibit 8.

13 A. Well, this is an Appointment to Successor Trustee.
14 This isn't an assignment.

15 Q. Does it help figuring out who the beneficiary is
16 and how from MERS we get to another beneficiary that can
17 appoint you guys?

18 A. Is this the same deed of trust?

19 Q. Let's see. If it's a Bellevue, it is. If it's
20 Woodinville, it's not.

21 I believe it is, yeah. It says 6511 155th Avenue
22 Southeast, Bellevue.

23 A. So what -- okay. So it's referencing what deed of
24 trust? It's referencing a different deed of trust.

25 Q. Let me see.

1 THE WITNESS: You have a second mortgage?

2 MR. LEMELSON: There was a second mortgage on the
3 property.

4 THE WITNESS: That's probably for the second
5 mortgage.

6 BY MR. STAFNE:

7 Q. This one's for the second mortgage?

8 A. Well, I'm guessing, because I don't have title in
9 front of me, but when you appoint somebody as successor
10 trustee, you recite the original deed of trust in that
11 appointment so that the County knows what you're relating
12 back to. Everything, all documents that we record, all
13 assignments that are recorded would always relate back to
14 the original deed of trust so that they would know how to
15 index it in the property record.

16 Q. So I guess --

17 A. I'm assuming -- again, I don't have title in front
18 of me -- that that's for a different deed of trust since it
19 references the recording number for a different deed of
20 trust.

21 Q. And when we ask for discovery, we're going to be
22 able to get that information from you --

23 A. The appointment? Our appointment? Yes.

24 Q. Right.

25 And anything that you've got showing how you put

1 together chain of title?

2 A. Yes.

3 Q. And do you recall whether there were some things
4 that you did get that were pertinent to chain of title?

5 A. Well, I recall from my review that there was an
6 assignment already of record out of MERS to Bank of America,
7 N.A., this full description, and that the assignment that we
8 had after the referral was from -- was this assignment.

9 Q. So --

10 A. Which would connect the dots --

11 Q. Which would --

12 A. -- in the title record.

13 Q. Okay. MERS to Bank of America.

14 But Country -- wasn't MERS to Countrywide?

15 Because Countrywide had this before and then it was
16 acquired.

17 You know the history of Countrywide --

18 A. Yes.

19 Q. -- and Bank of America?

20 So is it your recollection as you think about it
21 that actually it was from MERS to Countrywide?

22 A. No, because it's -- this is the assignment. So I
23 think -- I don't want to try to guess, but MERS is a
24 registry. There may have been other transfers. I don't
25 know, but they don't record assignments because it's

1 registered under MERS.

2 Q. Well, MERS knows what's going on?

3 A. Exactly.

4 Q. But nobody else does, right?

5 A. The servicer does.

6 Q. Well, yeah, even you don't know.

7 A. The purpose of MERS is so that you don't have to
8 record assignments.

9 Q. Well, and --

10 A. And I think you already know the answer to that.

11 Q. Well, yeah, but it also results in nobody knowing
12 exactly where it went, right? Because --

13 A. That's your contention, yes.

14 Q. Is it true? Can you -- because if you can get us
15 information where it went, we would be so happy. We can't
16 peak, but we would feel that you had been a true and noble
17 advocate of justice?

18 A. It's out of the scope of what we're here for. I
19 think for my purposes I have to make sure that I've got a
20 beneficiary's declaration and what I do is I try to make
21 sure that the title record matches the beneficiary's
22 declaration and that there is an unbroken chain within that,
23 within the property record.

24 Q. Okay. And the unbroken chain you're talking about
25 is from MERS to the next person on? It doesn't matter in

1 between?

2 A. There was an assignment from MERS to
3 Bank of America, National Association, successor by merger
4 to BAC Home Loans.

5 Q. That's all you're looking --

6 A. Dot, dot, dot to the current beneficiary. That's
7 what matters.

8 Q. To you?

9 A. If I see a MERS deed of trust, I wouldn't expect
10 to see anything other than a MERS assignment to another
11 ben -- to a beneficiary. And then if the beneficiary isn't
12 the beneficiary that I'm foreclosing for, I would expect to
13 see another assignment into my beneficiary from the current
14 beneficiary.

15 Q. Okay.

16 A. Whether there's anything else there, I wouldn't
17 know about it, and it wouldn't matter under the -- for the
18 foreclosure.

19 Q. It wouldn't matter because MERS is a repository
20 and you don't need to know what goes on in MERS to do your
21 job as the trustee, correct?

22 A. Because what matters under my process is who's the
23 holder of the note, who's the actual holder of the note. An
24 assignment technically isn't even required for me to do a
25 foreclosure. I don't even really need an assignment to be

1 appointed by the current beneficiary.

2 Q. And is it --

3 A. We do that to clear the property record so that it
4 makes sense when we're doing the foreclosure.

5 Q. And is it also your contention that you really
6 don't need to know who the owner of the note is?

7 A. I think in this instance I think the owner is
8 synonymous with the beneficiary.

9 Q. So --

10 A. It does matter. That's why I identify them in the
11 documents.

12 Q. When you say "owner is synonymous with the
13 beneficiary," what do you mean?

14 A. Well, I was told to foreclose in the name of HSBC.
15 That's who identified as the beneficiary.

16 Q. Well, but as we've already discussed, they're a
17 trustee for a trust that --

18 A. Whenever I refer to HSBC, I'm referring to the
19 entire statement that we spoke about before.

20 Q. Well, but the entire statement refers to HSBC as
21 trustee for a specific trust?

22 A. Right.

23 But you asked me how I look at it. I look at it
24 as if that's the beneficiary, inclusive of the trustee
25 language.

1 Q. So my question to you then is: Do you also
2 believe it is part of your obligation to determine that HSBC
3 also is the owner of the note?

4 A. Well, the statute tells me that the beneficiary
5 declaration resolves that. So the beneficiary declaration
6 is what I always look to to identify it.

7 Q. But if the statute -- if you could not rely on the
8 declaration, would you attempt to determine who the owner of
9 the note was?

10 A. If there was an issue raised that disputed the
11 ownership of the note, I would think it would be my duty to
12 try to find out if -- that the beneficiary declaration is
13 accurate.

14 Q. And when you looked at the note where it says that
15 the noteholder is the person who holds the note and is
16 entitled to receive payments under the note, does that not
17 also put you under notice that it's who is entitled to
18 receive payments as a note owner is the person who you have
19 to determine exists before going forward with the
20 foreclosure under RCW 61.24? And you look confused and I
21 acknowledge the question is confusing. Let me --

22 A. I don't think I need to look beyond the
23 beneficiary declaration to identify who the actual holder of
24 the note is and who the current beneficiary is.

25 Q. Does it matter to you who the owner is? I mean,

1 you've got a holder and does it matter to you whether the
2 actual holder is the owner of the note?

3 A. Not in the -- not for the process of the
4 foreclosure, no, because the foreclosure only points to the
5 beneficiary, not the owner.

6 Q. And you say that notwithstanding the language of
7 RCW 61.24.030(7)(a), the first sentence thereof. If you
8 want a copy, it's right there.

9 A. Yes.

10 Q. And are you aware that Northwest Trustee Services
11 takes the position that the legislature does not mean what
12 it says when it uses the word "owner," that it only means
13 holder?

14 A. Well, I think that's muddled, but I think for my
15 purposes I have to look to what it's telling me to rely on
16 as the beneficiary, and that's what I go by, the
17 beneficiary's declaration.

18 Q. And you go by -- if someone swears under perjury
19 that they're the beneficiary, you accept that statement?

20 A. Yes.

21 Q. And you further accept that when they say they're
22 the beneficiary, that means that they comply with the
23 definition of RCW 61.24.005(2)? That's the definition of
24 beneficiary --

25 A. I'd have to see a copy of it.

1 MR. STAFNE: Would you go upstairs, and there's a
2 board up there. If you can bring down the board, that would
3 be great.

4 BY MR. STAFNE:

5 Q. We'll come back to that.

6 Handing you a document. Have you seen -- what's
7 the number of the exhibit there?

8 A. Nine.

9 Q. Handing you Exhibit 9.

10 Do you recognize that document?

11 A. I think we have a copy of this in our file. I'm
12 not sure if we do, but I think we have a copy of the demand.
13 It looks like a demand letter.

14 Q. And do you see there where they state that if
15 Mr. Lemelson doesn't pay, they've hired an attorney to bring
16 a nonjudicial foreclosure?

17 A. No.

18 Q. Could I see it?

19 (Interruption.)

20 MR. SAKAI: Is that going to be an exhibit?

21 MR. STAFNE: This Exhibit 6, yeah. Oh, no, that's
22 not going to be an exhibit. We'll get to it in a minute.

23 BY MR. STAFNE:

24 Q. What role, if any, does RCO play in nonjudicial
25 foreclosures other than to advise Northwest Trustee if there

1 are questions?

2 A. In the nonjudicial foreclosure process?

3 Q. Sure. Yes.

4 A. None.

5 Q. So if SBC -- and I apologize, I believe I forgot a
6 document somewhere that indicates that SBC said they were
7 going to have their attorney bring a nonjudicial
8 foreclosure. You don't know who they would be referring to
9 as the attorney?

10 A. No.

11 Q. Because the only one who would bring a nonjudicial
12 foreclosure would be Northwest Trustee Services or a
13 trustee, correct?

14 A. Right. Well, yes. I suppose an attorney can act
15 as a trustee.

16 Q. Sure.

17 We were talking about definition of beneficiary.
18 That's here somewhere.

19 Would you agree with me -- you don't have to, but
20 I'll represent to you that it's true, that the definition of
21 beneficiary under the act, which is stated at
22 RCW 61.24.005(2) states, "The holder of an instrument or
23 document evidencing the obligations secured by the deed of
24 trust, excluding the person holding the same as security for
25 a different obligation"?

1 A. Yes.

2 Q. And so that's how when we talk -- that's what you
3 are saying that you accept when they say they're the
4 beneficiary and swear to it under penalty of perjury that
5 they have complied with that definition?

6 A. Yes.

7 Q. Okay.

8 Are you aware that the last part of that
9 definition, the language excluding persons holding the same
10 as security for a different obligation, has never been
11 interpreted by any of our courts?

12 A. No.

13 Q. You aren't aware of that?

14 A. No.

15 Q. Does it come as somewhat of a shock to you?

16 A. No.

17 Q. So you're aware that you've got an uncertain legal
18 definition which has not been filled in by the courts?

19 A. No, I wouldn't say that.

20 Q. You're not aware of that?

21 A. No. I've never been told by in-house or outside
22 counsel that there's an issue with it, no.

23 Q. But you understand that you're acting as a neutral
24 judicial substitute in trying to determine this, correct?

25 A. Yes, I think so.

1 Q. Now, would it be fair to understand -- would it be
2 fair to understand. Sometimes I really sound stupid.

3 Excuse me.

4 Would it be fair to say that the definition says
5 there will be a single holder? And you can look up right
6 there.

7 A. I'm not going to try to interpret the statute
8 beyond the plain language.

9 Q. But you would go with the plain language?

10 A. Yes, and -- I would.

11 Q. And the word "holder" is singular?

12 A. Yes.

13 Q. And it talks about the obligations. Well, it says
14 the holder of the instrument or document evidencing the
15 obligations secured by the deed of trust. So you would
16 understand that as the note to Webster Bank secured by the
17 deed of trust to Webster Bank, right?

18 A. Yes.

19 Q. Now, when you change the note and you take out the
20 right to the payments and you give it to someone else, do
21 you believe that a change in the obligations affects the
22 instrument or document in any way?

23 A. I don't know.

24 Q. Well, let me ask you a little further. Let's go
25 back to the note itself. And it says that the noteholder is

1 the person who's entitled to receive the proceeds under the
2 original document, which would either -- which I assume
3 would be the trustee -- excuse me, would be the trust.

4 Would you agree with that?

5 A. I guess, yes.

6 Q. So do you have an opinion as to whether or not the
7 banks by selling off obligation to others after Mr. Lemelson
8 has entered into an agreement regarding all the obligations
9 with one person, one holder, whether the bank can sell off
10 those obligations to a whole bunch of other people and then
11 claim Mr. Lemelson has given security to all those people
12 who have bought the obligations?

13 A. I don't know.

14 Q. Does that seem fair to you?

15 A. I don't know.

16 Q. Well, why don't you know if it's fair?

17 A. I can tell you from my own experience when I
18 bought my home, I make the payments on it because it's the
19 debt that I owe. If they wanted to transfer it to somebody
20 else and tell me to make the payments somewhere else, I'd
21 make the payments somewhere else.

22 Q. And that's because you're paying off the
23 promissory note?

24 A. Yes.

25 Q. Right, which -- good point. Good point.

1 But at that point do you think the -- you'd be
2 paying it because you're paying off the promissory note or
3 because they got security on your house? Here's the
4 problem. If you're transferring this obligation, say, to
5 the servicer and the servicer is required to get the most
6 money he can, then it's different than the people who are
7 entitled to the obligations which are the beneficiaries of
8 the trust who may want to settle for what they can get. And
9 then you get yourself in a situation where they're arguing
10 among themselves and the borrower cannot avail himself of
11 the policies of the DTA. One, when we have this type of
12 situation you can see where it caused litigation, can you
13 not?

14 A. No. I don't have an opinion on it, I guess, is
15 the point.

16 Q. How long have you been with R -- with NTS?

17 A. Sixteen years.

18 Q. Was there a time when there was less litigation
19 than there is now?

20 A. It kind of comes and goes.

21 Q. But has there ever been a time like now?

22 A. As a percentage of the total inventory, probably
23 not.

24 Q. Can you see how if this person controls the right
25 to the payments but somebody else owns all the other

1 obligations of the note, that -- and they've got different
2 interests, how that could make facilitating cooperation
3 toward a settlement difficult?

4 A. I don't know.

5 Q. And you just said that by having MERS in there,
6 you don't get into the title, the names of whatever parties
7 it's gone through. You just are able to dot your I's and
8 cross your T's by looking for MERS in the beginning and MERS
9 at some place just before they're getting ready to foreclose
10 and then you can do your job based upon somebody telling you
11 under penalty of perjury that they're the beneficiary and
12 not even saying they're the owner of the note?

13 A. What matters to me is who's the holder of the
14 note, who's the actual holder of the note so that I can
15 identify the beneficiary.

16 Q. And that's because --

17 A. The assignments are just for the property record.

18 Q. And the holder is what's important to you because
19 that's what you've been instructed, is that it's the holder
20 that is the beneficiary?

21 A. Yes.

22 Q. And so you don't delve into who the owner is
23 because you rely on a beneficiary declaration like this
24 certificate of ownership we have here in this case?

25 A. The statute tells me to look to the beneficiary's

1 declaration, so that's what I look to.

2 Q. And in this case you're saying that the
3 beneficiary's declaration is then supplied to you by an
4 employee of SPS, who I will indicate to you is the owner of
5 the right to the payments and not necessarily the owner of
6 the note, but I think I just made a speech and let me
7 retract the speech but keep it on the record.

8 And why don't we take a quick break and maybe we
9 can get out of here in another five minutes.

10 You want to take five minutes?

11 MR. SAKAI: Yeah.

12 (RECESS TAKEN.)

13 BY MR. STAFNE:

14 Q. You know, I just have one last question, and I
15 thank you for your time.

16 I think you said that one of the things you do
17 when you get a referral is you go to the records and you
18 make sure to dot your I's and cross your T's by making sure
19 that the chain of title matches up?

20 A. Well, I didn't say dot your I's and cross your
21 T's; you did.

22 Q. No, you didn't. I did.

23 A. But what I said was that we look at the title and
24 look to see who the beneficiary of the record is and then we
25 look at the name that we're foreclosing is and make sure

1 that if it's not the same that we do an assignment from that
2 into the current beneficiary.

3 Q. And is it fair to say that for some of the people
4 you represent like beneficiaries and servicers, you actually
5 have the power of attorney to make that match up yourself?
6 And by "yourself" I mean Northwest Trustee Services.

7 A. We did previously. We don't execute assignments
8 through power of attorney anymore.

9 Q. And when did that stop?

10 A. Probably over a year ago, I would think. Maybe
11 more than a year ago. Maybe two years now.

12 Q. Do you know why it stopped?

13 A. On the advice of counsel.

14 Q. And the counsel being?

15 A. RCO.

16 MR. STAFNE: No further questions.

17 Thank you.

18 EXAMINATION

19 BY MR. SAKAI:

20 Q. So I have some follow-up questions.

21 Jeff, is Northwest Trustee Services a judge?

22 A. No.

23 Q. So is there -- let's just say, you know,
24 Mr. Lemelson, for example, receives a notice of default and
25 has a dispute with who the owner of the note is, or let's

1 just say maybe the amount owed on the debt and he comes to
2 Northwest Trustee Services and raises that issue. Is there
3 a process by which Northwest Trustee Services would address
4 that issue?

5 A. Yes.

6 Q. Can you explain the process?

7 A. It doesn't have to be correspondence, but let's
8 just say it's a letter. That letter would be routed to an
9 intake box called Debt Dispute Intake. There's a group, an
10 attorney and then staff that report to the attorney that
11 review the dispute and determine whether or not it can be
12 answered by the trustee or whether we need to go to a
13 further step and contact the beneficiary and get a further
14 explanation from the beneficiary. Then those responses
15 determine whether we proceed or the file goes on hold. It's
16 actually -- there's three statuses, a hard hold where we
17 stop and we do nothing until the dispute's resolved; two, we
18 proceed but we don't go to sale; and, three, we just
19 proceed. And once that response is completed, it comes back
20 down to me for review. The response is reviewed by me. I
21 sign it, and then it goes back out to the borrower.

22 Q. So you're saying that if there is a situation
23 where a borrower raised a claim that was -- that Northwest
24 Trustee Services viewed as a legitimate issue, there would
25 be a hard hold on the foreclosure and the foreclosure would

1 stop?

2 A. Yes.

3 Q. In regards to RCW 61.24.030(7), the statute
4 relating to Northwest Trustee Services' obligation to obtain
5 proof of ownership of the note, do you generally rely on the
6 beneficiary declaration to satisfy that requirement?

7 A. Yes.

8 Q. And here's a statute. I don't remember which
9 exhibit number it was, but --

10 MR. STAFNE: It's Exhibit 1.

11 BY MR. SAKAI:

12 Q. -- what is the language you're looking for in a
13 beneficiary declaration as to proof of ownership status?

14 A. Made under the penalty of perjury stating that the
15 beneficiary is the actual holder of the promissory note.

16 Q. So if that language is in a beneficiary
17 declaration, you feel that Northwest Trustee obligations
18 under that provision under the deed of trust is satisfied?

19 A. Yes.

20 MR. SAKAI: No further questions.

21 EXAMINATION

22 BY MR. STAFNE:

23 Q. I have just a couple.

24 Have you ever been in a lawsuit?

25 A. Me, myself?

1 Q. Yeah.

2 A. Or the trustee company?

3 Q. No. You.

4 A. No.

5 Q. Are you aware that when -- that most courts have
6 rules of procedure that --

7 A. Can I backtrack on that?

8 Q. Sure.

9 A. I think I've been named as an individual in a
10 lawsuit through the business.

11 Q. And I'm not worried about that. It's not a big
12 deal.

13 A. Personally, no.

14 Q. And you look like a nice guy, so you probably
15 wouldn't be.

16 So are you aware that courts, like if you're going
17 to go for small claims court, if you're going to go before
18 the United States Supreme Court, if you're going to
19 arbitrate a dispute, that there's generally some place where
20 you can get rules of procedures so you know how to make a
21 complaint or make a challenge?

22 A. I would get an attorney because I wouldn't know
23 and I would want someone to tell me. I'd want competent
24 legal advice.

25 Q. Sure, but would you agree with me?

1 A. Yes.

2 Q. All right.

3 So you said there's a department called Debt
4 Dispute Intake. Now, is that the name of it, or is it just
5 kind of what they do?

6 A. It's an e-mail box, but there's people that their
7 specific job is to handle those, yes.

8 Q. Is that --

9 A. They may have other duties, but that's one of
10 them.

11 Q. And that's not a department in Northwest Trustee
12 Services?

13 A. It is now, yes.

14 Q. And when did it become a department?

15 A. I think we took it over less than 30 days ago.

16 Q. And when you say you took it over, where was it
17 before?

18 A. RCO.

19 Q. And why was it at RCO?

20 A. Because we didn't have in-house counsel for
21 Northwest Trustee to refer those matters to.

22 Q. So RCO was deciding issues raised by borrowers
23 when they were disputing?

24 A. Yes.

25 Q. Does Northwest Trustee Services act as a legal

1 services company for RCO, if you know?

2 A. I don't know if I've ever heard that statement
3 before.

4 Q. Do you know what --

5 A. Legal services company? I don't think so.

6 Q. Do you know what a legal services company is?

7 A. Not really.

8 MR. STAFNE: You're lucky, I can't read any of my
9 notes. Thank you. It's been a pleasure.

10 EXAMINATION

11 BY MR. SAKAI:

12 Q. Can I have just one last question for the record.
13 I just want to clarify something.

14 When Scott mentioned that RCO is deciding the
15 issues, when does a debt dispute -- and you referred
16 something to counsel in the past before Northwest Trustee
17 Services had in-house counsel, did you mean that RCO would
18 make the final decision or did you mean that RCO would
19 advise you as to how to proceed and comply with the Deed of
20 Trust Act?

21 A. They would provide advice but it would be our
22 business decision on how to proceed.

23 Q. So Northwest Trustee Services would make the final
24 call as to whether to continue the sale or continue or
25 proceed?

1 A. Yes.

2 MR. SAKAI: No further questions.

3 EXAMINATION

4 BY MR. STAFNE:

5 Q. Just one.

6 When you say your business decision, what do you
7 mean by that?

8 A. Well, I'm a trustee. I'm a business. I'm an L --
9 I'm an Inc.

10 Q. Okay. And you work for --

11 A. I guess that's all I meant by that.

12 Q. No, it's important because when I look at your Web
13 site, you advertise that you represent mortgage lenders?

14 A. As a trustee, correct.

15 MR. STAFNE: Okay. Thank you.

16 No further questions.

17 THE REPORTER: And you're ordering?

18 MR. STAFNE: Yes, we're ordering. Expedited on
19 Monday.

20 THE REPORTER: Are you ordering a copy?

21 MR. SAKAI: Yeah, I'll take one.

22 (The deposition of

23 JEFF STENMAN was

24 concluded at 12:20 p.m.)

25 ---o---

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

A F F I D A V I T

STATE OF WASHINGTON)
) SS.
COUNTY OF)

I have read my within deposition, taken on FRIDAY, SEPTEMBER 13, 2013, and the same is true and correct, save and except for changes and/or corrections, if any, as indicated by me on the "CORRECTIONS" flyleaf page hereof.

JEFF STENMAN

SUBSCRIBED AND SWORN to before me
this _____ day of _____, 2013.

NOTARY PUBLIC in and for
the State of Washington,
residing at _____. My
commission expires _____.

CERTIFICATE OF REPORTER

I, Emily K. Niles, Washington Certified Court Reporter, pursuant to RCW 5.28.010 authorized to administer oaths and affirmations in and for the State of Washington, do hereby certify: That I reported the deposition of Jeff Stenman, commencing on Friday, September 13, 2013, at 9:37 a.m.

That prior to being deposed, the witness was duly sworn by me to testify to the truth. That I thereafter transcribed my said shorthand notes into typewriting and that the typewritten transcript is a complete, true and accurate transcription of my said shorthand notes prepared pursuant to Washington Administrative Code 308-14-135, the transcript preparation format guideline and to the best of my ability.

I further certify that I am not a relative or employee of counsel of any of the parties, nor a relative or employee of the parties involved in said action, nor a person financially interested in the action.

IN WITNESS WHEREOF, I have set my hand in my office in the County of Whatcom, State of Washington, this 15th day of September, 2013.

EMILY K. NILES, RMR, CCR #2794

STARKOVICH REPORTING SERVICES
P.O. Box 22884
Seattle, Washington 98122
(206) 323-0919
FAX 328-0632

SEPTEMBER 16, 2013

To: ROUTH CRABTREE OLSEN, P.S.
SAKAE SAKAI
13555 SE 36th Street
Suite 300
Bellingham, Washington 98006
425.247.2025
ssakai@rcolegal.com

Re: LEMELSON VS. NORTHWEST TRUSTEES SERVICES, INC.
Deposition of: JEFF STENMAN
Date Taken: SEPTEMBER 13, 2013
Cause No.: 13-2-27480-9 SEA

PLEASE TAKE NOTICE THAT:

Enclosed please find your copy of the above transcript, including the original correction sheet and the affidavit. Please instruct the deponent to review the deposition, record any corrections over his signature on the correction sheet, and sign the affidavit before a Notary Public. If there are corrections, please furnish other counsel with copies.

The deposition should be read and signed within 30 days from the date of this notice or before the date of the trial, whichever occurs first. If the witness elects to waive signature or refuses to sign the deposition, please state so in writing.

Please return the signed correction sheet and affidavit to our office for inclusion in the original transcript. If the correction sheet and affidavit are not received within the time period noted above, signature will be for all purposes waived and the deposition will be sealed unsigned.

Emily K. Niles
CCR, RMR, CRR

cc: scott@stafnelawfirm.com
