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 9 JPMORGAN CHASE & CO.; JPMORGAN  
 CHASE BANK, N.A.; and CHASE  
 MANHATTAN BANK USA, N.A.

10 **UNITED STATES DISTRICT COURT**  
 11 **CENTRAL DISTRICT OF CALIFORNIA**  
 12

13  
 14 CITY OF LOS ANGELES, a municipal  
 corporation,

15 Plaintiff,

16 v.

17 JPMORGAN CHASE & CO.;  
 18 JPMORGAN CHASE BANK, N.A.; and  
 CHASE MANHATTAN BANK USA,  
 19 N.A.,

20 Defendants.  
 21

Case No. 14-CV-4168 ODW (RZx)

**DEFENDANTS' ANSWER TO  
 FIRST AMENDED COMPLAINT  
 FOR VIOLATION OF THE  
 FEDERAL FAIR HOUSING  
 ACT; DEMAND FOR JURY  
 TRIAL**

Judge: Hon. Otis D. Wright II  
 Courtroom: 11

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1 JPMorgan Chase & Co. (“JPMorgan”), JPMorgan Chase Bank, N.A., and  
2 Chase Manhattan Bank USA, N.A. (collectively, “Defendants”) hereby answer and  
3 otherwise respond to the Complaint for Violation of the Federal Fair Housing Act  
4 (the “Complaint”) filed by the City of Los Angeles (“Plaintiff”).

5 Defendants state as follows in response to each of the paragraphs of the  
6 Complaint:

7 1. Paragraph 1 states legal conclusions to which no response is required.  
8 To the extent a response is required, Defendants state that fair housing and other  
9 laws speak for themselves and deny any characterizations or allegations of the same  
10 contrary thereto. Defendants deny any remaining allegations of Paragraph 1 and  
11 specifically deny any and all allegations of wrongdoing.

12 2. Defendants deny the allegations of Paragraph 2 and the footnote to  
13 Paragraph 2, except that they admit that Plaintiff purports to seek the relief  
14 described in Paragraph 2. Defendants specifically deny that they injured Plaintiff,  
15 that they had a pattern or practice of illegal and discriminatory mortgage lending, or  
16 that they engaged in unlawful and discriminatory lending practices. Defendants  
17 further deny that JPMorgan Chase & Co., JPMorgan Chase, and Chase Manhattan  
18 Bank USA, N.A., are properly named as defendants in this action or that any of  
19 them engaged in lending activity in California. Such entities are not proper  
20 defendants nor are appropriately referred to collectively with JPMorgan Chase  
21 Bank, N.A.

22 3. Defendants deny the allegations in Paragraph 3 in their entirety.

23 4. Defendants deny the allegations in the first, second, and third  
24 sentences of Paragraph 4. With respect to the fourth sentence of Paragraph 4,  
25 Defendants state that any comments by Ben Bernanke speak for themselves and  
26 deny any characterizations or allegations of the same that are contrary thereto.  
27 Defendants deny any remaining allegations in Paragraph 4 and specifically deny  
28 any and all allegations of wrongdoing.

1           5.     Answering for themselves, Defendants deny the allegations of  
2 Paragraph 5 and specifically deny any and all allegations of wrongdoing.  
3 Defendants lack knowledge or information sufficient to form a belief as to the truth  
4 of allegations concerning other banks and, on that basis, deny them.

5           6.     Defendants deny the allegations in Paragraph 6 in their entirety.

6           7.     Defendants lack knowledge or information sufficient to form a belief  
7 as to the truth of the allegations in the first and second sentences of Paragraph 7  
8 which do not contain allegations as to Defendants and, on that basis, deny them.  
9 Defendants deny the remaining allegations of Paragraph 7 and specifically deny any  
10 and all allegations of wrongdoing, including Plaintiff’s characterization of subprime  
11 loans as discriminatory.

12          8.     Defendants deny the allegations in Paragraph 8 in their entirety.

13          9.     Defendants deny the allegations in Paragraph 9, including the first and  
14 second sentences. Defendants further state that they are without sufficient  
15 information or belief to admit or deny the allegations that purport to be based on  
16 some unknown statistical analysis conducted by or relied upon by Plaintiff, and  
17 therefore deny those allegations on that basis.

18          10.    Defendants deny the allegations in Paragraph 10 in their entirety.

19          11.    Defendants deny the allegations in Paragraph 11 in their entirety.

20          12.    Defendants lack knowledge or information sufficient to form a belief  
21 as to what any unidentified alleged “confidential witnesses” have said and therefore  
22 lack knowledge or information sufficient to form a belief as to the truth of  
23 allegations involving such “confidential witnesses” and, on that basis, deny them.  
24 Defendants deny the remaining allegations of Paragraph 12 and specifically deny  
25 any and all allegations of wrongdoing, including that they had any discriminatory  
26 lending practices.

27          13.    Defendants deny the allegations contained in the first and second  
28 sentences of Paragraph 13. With respect to the third and fourth sentences of

1 Paragraph 13 which contain figures from an unidentified regression analysis,  
2 Defendants lack sufficient information to admit or deny the allegations and so deny  
3 them on that basis. Defendants further deny that any of the loans allegedly made by  
4 JPMorgan Chase Bank, N.A. are properly characterized as “predatory loans.”

5 14. Defendants deny the allegations in Paragraph 14, except that they  
6 admit that there was a settlement between the Office of the Comptroller of the  
7 Currency and the Board of Governors of the Federal Reserve System and a Chase  
8 entity and the terms of the settlement speak for themselves. Defendants deny any  
9 allegations that conflict with such terms.

10 15. Defendants deny the allegations in Paragraph 15, except that they  
11 admit that they were part of a group of banks that entered a settlement with the U.S.  
12 Department of Justice, the U.S. Department of Housing and Urban Development,  
13 the Consumer Financial Protection Bureau, and the state attorneys general in 2012,  
14 and the terms of the settlement speak for themselves. Defendants deny any  
15 allegations that conflict with such terms.

16 16. Defendants deny the allegations in Paragraph 16, except admit that the  
17 consolidated financial statements of JPMorgan Chase & Co. speak for themselves.  
18 Defendants deny any allegations that conflict with such statements.

19 17. Defendants deny the first sentence of Paragraph 17. As to the second  
20 sentence of Paragraph 17, Defendants are without sufficient information or belief to  
21 admit or deny the allegations, and therefore deny those allegations on that basis,  
22 except that Defendants admit that there have been foreclosures on homes in  
23 California secured by loans made by JPMorgan Chase Bank, N.A. since 2008.

24 18. Defendants deny the allegations in Paragraph 18 in their entirety.

25 19. Paragraph 19 states no factual allegations as to Defendants and  
26 therefore no response is required. Defendants are without sufficient information to  
27 admit or deny whether the statements attributed to the cited report are true or not  
28

1 and, on that basis, deny them. To the extent Paragraph 19 makes any allegations  
2 that pertain to Defendants, Defendants deny these allegations in their entirety.

3 20. Defendants deny the allegations in Paragraph 20, except that they  
4 admit that in this action Plaintiff is seeking alleged damages for allegedly reduced  
5 property tax revenues and alleged damages based on the alleged cost of municipal  
6 services allegedly expended in connection with certain alleged vacant properties.  
7 Defendants specifically deny that the lending practices of JPMorgan Chase Bank,  
8 N.A. are or were illegal.

9 21. Defendants deny the allegations in Paragraph 21, except that  
10 Defendants admit that JPMorgan Chase Bank, N.A. maintains branches in Los  
11 Angeles and that, at least at the time a given loan is originated by JPMorgan Chase  
12 Bank, N.A., JPMorgan Chase Bank, N.A. has knowledge of the specific address of  
13 the property that secures that loan.

14 22. Paragraph 22 states no factual allegations as to Defendants and  
15 therefore no response is required. To the extent a response is required, Defendants  
16 are without sufficient information or belief to admit or deny the allegations in  
17 Paragraph 22, and therefore deny those allegations on that basis.

18 23. Paragraph 23 states no factual allegations as to Defendants and  
19 therefore no response is required. To the extent a response is required, Defendants  
20 are without sufficient information or belief to admit or deny the allegations in  
21 Paragraph 23, and therefore deny those allegations on that basis. Defendants  
22 specifically deny any and all allegations of wrongdoing.

23 24. Paragraph 24 states no factual allegations as to Defendants and  
24 therefore no response is required. To the extent a response is required, Defendants  
25 lack knowledge or information sufficient to form a belief as to the truth of the  
26 remaining allegations of Paragraph 24 and, on that basis, deny them.

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1           25. Defendants deny the allegations in Paragraph 25, except admit only  
2 that JPMorgan Chase & Co. is headquartered in New York and is the parent  
3 company of JPMorgan Chase Bank, N.A.

4           26. Defendants admit that the 2012 10-K of JPMorgan Chase & Co. states,  
5 “Mortgage Banking includes mortgage origination and servicing activities, as well  
6 as portfolios comprised of residential mortgages and home equity loans.”

7           27. Defendants deny the allegations in Paragraph 27, except admit only  
8 that JPMorgan Chase Bank, N.A. is organized as a national banking association  
9 under the laws of the United States, with its main office located in Columbus, Ohio,  
10 that maintains multiple offices in the State of California including branches in the  
11 City of Los Angeles, and is engaged in business banking activities.

12           28. Defendants deny the allegations in Paragraph 28.

13           29. The allegations contained in Paragraph 29 state conclusions of law to  
14 which no response is required.

15           30. The allegations contained in Paragraph 30 state conclusions of law to  
16 which no response is required.

17           31. Paragraph 31 states legal conclusions to which no response is required.  
18 Defendants deny any remaining allegations of Paragraph 31.

19           32. Paragraph 32 states legal conclusions to which no response is required.  
20 To the extent a response is required, Defendants deny the allegations of  
21 Paragraph 32.

22           33. Paragraph 33 states legal conclusions to which no response is required.

23           34. Paragraph 34 states legal conclusions to which no response is required.  
24 To the extent a response is required, Defendants deny the allegations of Paragraph  
25 34, except that Defendants admit that JPMorgan Chase Bank, N.A. conducts certain  
26 business in this district. Defendants deny the remaining allegations of Paragraph  
27 34.

28           35. Paragraph 35 states no factual allegations as to Defendants and

1 therefore no response is required. To the extent that a response is required,  
2 Defendants are without sufficient information or belief to admit or deny the  
3 allegations in Paragraph 35, and therefore deny those allegations on that basis.

4 36. Paragraph 36 states no factual allegations as to Defendants and  
5 therefore no response is required. To the extent that a response is required,  
6 Defendants are without sufficient information or belief to admit or deny the  
7 allegations in Paragraph 36, and therefore deny those allegations on that basis.

8 37. Paragraph 37 states no factual allegations as to Defendants and  
9 therefore no response is required. To the extent that a response is required,  
10 Defendants are without sufficient information or belief to admit or deny the  
11 allegations in Paragraph 37, and therefore deny those allegations on that basis.

12 38. Paragraph 38 states no factual allegations as to Defendants and  
13 therefore no response is required. To the extent that a response is required,  
14 Defendants are without sufficient information or belief to admit or deny the  
15 allegations in Paragraph 38, and therefore deny those allegations on that basis.

16 39. Paragraph 39 states no factual allegations as to Defendants and  
17 therefore no response is required. To the extent that a response is required,  
18 Defendants are without sufficient information or belief to admit or deny the  
19 allegations in Paragraph 39, and therefore deny those allegations on that basis.

20 40. Paragraph 40 consists of general allegations to which no response is  
21 required. To the extent Paragraph 40 may be construed to contain allegations of  
22 fact directed to Defendants, Defendants deny them. Defendants lack knowledge or  
23 information sufficient to form a belief as to the truth of allegations concerning other  
24 lenders and, on that basis, deny them. The last sentence of Paragraph 40 contains  
25 legal conclusions to which no response is required. Defendants deny any remaining  
26 allegations of Paragraph 40 and specifically deny any and all allegations of  
27 wrongdoing.

28 41. Paragraph 41 states no factual allegations as to Defendants, and

1 therefore no response is required. To the extent that a response is required,  
2 Defendants are without sufficient information or belief to admit or deny the  
3 remaining allegations, on that basis deny them.

4 42. Paragraph 42 states no factual allegations as to Defendants and  
5 therefore no response is required. To the extent that a response is required,  
6 Defendants are without sufficient information or belief to admit or deny the  
7 remaining allegations, on that basis deny them. Defendants specifically deny any  
8 allegations that they have engaged in discriminatory lending and further deny that  
9 their practices have harmed minorities.

10 43. Paragraph 43 states no factual allegations as to Defendants and  
11 therefore no response is required. To the extent that a response is required,  
12 Defendants are without sufficient information or belief to admit or deny the  
13 allegations in Paragraph 43, including whether the statements attributed to the cited  
14 report are true, and, on that basis, deny them. To the extent Paragraph 43 makes  
15 any allegations that pertain to Defendants, Defendants deny these allegations in  
16 their entirety.

17 44. Paragraph 44 states no factual allegations as to Defendants and  
18 therefore no response is required. To the extent that a response is required,  
19 Defendants are without sufficient information or belief to admit or deny the  
20 allegations in Paragraph 44, including whether the statements attributed to the cited  
21 report are true, and, on that basis, deny them. To the extent Paragraph 44 makes  
22 any allegations that pertain to Defendants, Defendants deny these allegations in  
23 their entirety.

24 45. Paragraph 45 states no factual allegations as to Defendants and  
25 therefore no response is required. To the extent that a response is required,  
26 Defendants are without sufficient information or belief to admit or deny the  
27 allegations in Paragraph 45, including whether the statements attributed to the cited  
28 report are true, and, on that basis, deny them. To the extent Paragraph 45 makes



1 any allegations that pertain to Defendants, Defendants deny these allegations in  
2 their entirety.

3 46. Paragraph 46 states no factual allegations as to Defendants and  
4 therefore no response is required. To the extent that a response is required,  
5 Defendants are without sufficient information or belief to admit or deny the  
6 allegations in Paragraph 46, including whether the statements attributed to the cited  
7 report are true, and, on that basis, deny them. To the extent Paragraph 46 makes  
8 any allegations that pertain to Defendants, Defendants deny these allegations in  
9 their entirety.

10 47. Paragraph 47 states no factual allegations as to Defendants and  
11 therefore no response is required. To the extent that a response is required,  
12 Defendants are without sufficient information or belief to admit or deny the  
13 allegations in Paragraph 47, including whether the statements attributed to the cited  
14 studies are true, and, on that basis, deny them. To the extent Paragraph 47 makes  
15 any allegations that pertain to Defendants, Defendants deny these allegations in  
16 their entirety.

17 48. Paragraph 48 states no factual allegations as to Defendants and  
18 therefore no response is required. To the extent that a response is required,  
19 Defendants are without sufficient information or belief to admit or deny the  
20 allegations in Paragraph 48, including whether the statements attributed to the cited  
21 report are true, and, on that basis, deny them. To the extent Paragraph 48 makes  
22 any allegations that pertain to Defendants, Defendants deny these allegations in  
23 their entirety.

24 49. Paragraph 49 states no factual allegations as to Defendants and  
25 therefore no response is required. To the extent that a response is required,  
26 Defendants are without sufficient information or belief to admit or deny the  
27 allegations in Paragraph 49, including whether the statements attributed to the cited  
28 report are true, and, on that basis, deny them. To the extent Paragraph 49 makes

1 any allegations that pertain to Defendants, Defendants deny these allegations in  
2 their entirety.

3 50. Paragraph 50 states no factual allegations as to Defendants and  
4 therefore no response is required. To the extent that a response is required,  
5 Defendants are without sufficient information or belief to admit or deny the  
6 allegations in Paragraph 50, including whether the statements attributed to the cited  
7 report are true, and, on that basis, deny them. To the extent Paragraph 50 makes  
8 any allegations that pertain to Defendants, Defendants deny these allegations in  
9 their entirety.

10 51. Paragraph 51 states no factual allegations as to Defendants and  
11 therefore no response is required. To the extent that a response is required,  
12 Defendants are without sufficient information or belief to admit or deny the  
13 allegations in Paragraph 51, including whether the statements attributed to the cited  
14 report are true, and, on that basis, deny them. To the extent Paragraph 51 makes  
15 any allegations that pertain to Defendants, Defendants deny these allegations in  
16 their entirety.

17 52. Paragraph 52 states no factual allegations as to Defendants and  
18 therefore no response is required. To the extent that a response is required,  
19 Defendants are without sufficient information or belief to admit or deny the  
20 allegations in Paragraph 52, including whether the statements attributed to the cited  
21 report are true, and, on that basis, deny them. To the extent this paragraph states  
22 any allegations as to Defendants, Defendants deny them in their entirety.

23 53. Defendants deny the allegations in Paragraph 53, except Defendants  
24 admit that lending requirements have changed over time.

25 54. Paragraph 54 states no factual allegations as to Defendants and  
26 therefore no response is required. Defendants are without sufficient information or  
27 belief to admit or deny the allegations in Paragraph 54, including whether the  
28 statements attributed to the cited report are true, and, on that basis, deny them. To

1 the extent Paragraph 54 makes any allegations that pertain to Defendants,  
2 Defendants deny these allegations in their entirety.

3 55. Paragraph 55 states no factual allegations as to Defendants and  
4 therefore no response is required. To the extent that a response is required,  
5 Defendants are without sufficient information or belief to admit or deny the  
6 allegations in Paragraph 55, including whether the statements attributed to the cited  
7 report are true, and, on that basis, deny them. To the extent Paragraph 55 makes  
8 any allegations that pertain to Defendants, Defendants deny these allegations in  
9 their entirety.

10 56. Paragraph 56 states no factual allegations as to Defendants and  
11 therefore no response is required. To the extent that a response is required,  
12 Defendants are without sufficient information or belief to admit or deny the  
13 allegations in Paragraph 56, including whether the statements attributed to the cited  
14 report are true, and, on that basis, deny them. To the extent Paragraph 56 makes  
15 any allegations that pertain to Defendants, Defendants deny these allegations in  
16 their entirety.

17 57. Paragraph 57 states no factual allegations as to Defendants and  
18 therefore no response is required. To the extent that a response is required,  
19 Defendants are without sufficient information or belief to admit or deny the  
20 allegations in Paragraph 57, including whether the statements attributed to the cited  
21 report are true, and, on that basis, deny them. To the extent Paragraph 57 makes  
22 any allegations that pertain to Defendants, Defendants deny these allegations in  
23 their entirety.

24 58. Defendants lack knowledge or information sufficient to form a belief  
25 as to the truth of allegations involving unidentified purported “confidential  
26 witnesses” (“CWs”) and, on that basis, deny them. Defendants deny any remaining  
27 allegations of Paragraph 58 and specifically deny any and all allegations of  
28 wrongdoing.

1           59. Defendants lack knowledge or information sufficient to form a belief  
2 as to the truth of the allegations of Paragraph 59 involving unidentified purported  
3 CW1 and, on that basis, deny them.

4           60. Defendants lack knowledge or information sufficient to form a belief  
5 as to the truth of the allegations of Paragraph 60 involving unidentified purported  
6 CW2 and, on that basis, deny them.

7           61. Defendants lack knowledge or information sufficient to form a belief  
8 as to the truth of the allegations of Paragraph 61 involving unidentified purported  
9 CW3 and, on that basis, deny them.

10          62. Defendants lack knowledge or information sufficient to form a belief  
11 as to the truth of the allegations of Paragraph 62 involving unidentified purported  
12 CW4 and, on that basis, deny them.

13          63. Defendants deny the allegations of Paragraph 63 in their entirety.

14          64. Defendants lack knowledge or information sufficient to form a belief  
15 as to the truth of the allegations of Paragraph 64 involving unidentified purported  
16 CW3 and, on that basis, deny them. Defendants deny any remaining allegations of  
17 Paragraph 64 and specifically deny any and all allegations of wrongdoing.

18          65. Defendants lack knowledge or information sufficient to form a belief  
19 as to the truth of the allegations of Paragraph 65 involving unidentified purported  
20 CW3 and, on that basis, deny them. Defendants deny any remaining allegations of  
21 Paragraph 65 and specifically deny any and all allegations of wrongdoing.

22          66. Defendants deny the allegations of Paragraph 66 in their entirety.

23          67. Defendants lack knowledge or information sufficient to form a belief  
24 as to the truth of the allegations of Paragraph 67 involving unidentified purported  
25 CW1 and, on that basis, deny them. Defendants deny any remaining allegations of  
26 Paragraph 67 and specifically deny any and all allegations of wrongdoing.

27          68. Defendants lack knowledge or information sufficient to form a belief  
28 as to the truth of the allegations of Paragraph 68 involving unidentified purported

1 CW1 and, on that basis, deny them. Defendants deny any remaining allegations of  
2 Paragraph 68 and specifically deny any and all allegations of wrongdoing.

3 69. Defendants lack knowledge or information sufficient to form a belief  
4 as to the truth of the allegations of Paragraph 69 involving unidentified purported  
5 CW1 and, on that basis, deny them. Defendants deny any remaining allegations of  
6 Paragraph 69 and specifically deny any and all allegations of wrongdoing.

7 70. Defendants lack knowledge or information sufficient to form a belief  
8 as to the truth of the allegations of Paragraph 70 involving unidentified purported  
9 CW1 and, on that basis, deny them. Defendants deny any remaining allegations of  
10 Paragraph 70 and specifically deny any and all allegations of wrongdoing.

11 71. Defendants lack knowledge or information sufficient to form a belief  
12 as to the truth of the allegations of Paragraph 71 involving unidentified purported  
13 CW1 and, on that basis, deny them. Defendants deny any remaining allegations of  
14 Paragraph 71 and specifically deny any and all allegations of wrongdoing.

15 72. Defendants lack knowledge or information sufficient to form a belief  
16 as to the truth of the allegations of Paragraph 72 involving unidentified purported  
17 CW1 and, on that basis, deny them. Defendants deny any remaining allegations of  
18 Paragraph 72 and specifically deny any and all allegations of wrongdoing.

19 73. Defendants lack knowledge or information sufficient to form a belief  
20 as to the truth of the allegations of Paragraph 73 involving unidentified purported  
21 CW2 and, on that basis, deny them. Defendants deny any remaining allegations of  
22 Paragraph 73 and specifically deny any and all allegations of wrongdoing.

23 74. Defendants deny the allegations in the first sentence of Paragraph 74.  
24 Defendants lack knowledge or information sufficient to form a belief as to the truth  
25 of the remaining allegations of Paragraph 74 involving unidentified purported CW2  
26 and, on that basis, deny them. Defendants deny any remaining allegations of  
27 Paragraph 74 and specifically deny any and all allegations of wrongdoing.  
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1           75. Defendants lack knowledge or information sufficient to form a belief  
2 as to the truth of the allegations of Paragraph 75 involving unidentified purported  
3 CW2 and, on that basis, deny them. Defendants deny any remaining allegations of  
4 Paragraph 75 and specifically deny any and all allegations of wrongdoing.

5           76. Defendants lack knowledge or information sufficient to form a belief  
6 as to the truth of the allegations of Paragraph 76 involving unidentified purported  
7 CW2 and, on that basis, deny them. Defendants deny any remaining allegations of  
8 Paragraph 76 and specifically deny any and all allegations of wrongdoing.

9           77. Defendants lack knowledge or information sufficient to form a belief  
10 as to the truth of the allegations of Paragraph 77 involving unidentified purported  
11 CW2 and, on that basis, deny them. Defendants deny any remaining allegations of  
12 Paragraph 77 and specifically deny any and all allegations of wrongdoing.

13           78. Defendants lack knowledge or information sufficient to form a belief  
14 as to the truth of the allegations of Paragraph 78 involving unidentified purported  
15 CW3 and, on that basis, deny them. Defendants deny any remaining allegations of  
16 Paragraph 78 and specifically deny any and all allegations of wrongdoing.

17           79. Defendants lack knowledge or information sufficient to form a belief  
18 as to the truth of the allegations of Paragraph 79 involving unidentified purported  
19 CW4 and, on that basis, deny them. Defendants deny any remaining allegations of  
20 Paragraph 79 and specifically deny any and all allegations of wrongdoing.

21           80. Defendants deny the allegations of Paragraph 80 in their entirety.

22           81. Defendants lack knowledge or information sufficient to form a belief  
23 as to the truth of the allegations of Paragraph 81 involving unidentified purported  
24 CW3 and, on that basis, deny them. Defendants deny any remaining allegations of  
25 Paragraph 81 and specifically deny any and all allegations of wrongdoing.

26           82. Defendants lack knowledge or information sufficient to form a belief  
27 as to the truth of the allegations of Paragraph 82 involving unidentified purported  
28

1 CW3 and, on that basis, deny them. Defendants deny any remaining allegations of  
2 Paragraph 82 and specifically deny any and all allegations of wrongdoing.

3 83. Defendants deny the allegations in Paragraph 83 in their entirety and  
4 specifically deny that they originated predatory loans.

5 84. Defendants state that any data they have publicly reported speaks  
6 for itself and deny any characterizations or allegations of the same contrary thereto.  
7 Defendants deny any remaining allegations of Paragraph 84 and specifically deny  
8 any and all allegations of wrongdoing, except that they state that they are without  
9 sufficient knowledge or information to admit or deny the allegations that purport to  
10 be based on some unknown statistical analysis (including unknown sources of data)  
11 conducted by or relied upon by Plaintiff and, on that basis, deny those allegations.

12 85. Defendants deny the allegations in Paragraph 85 in their entirety.

13 86. Defendants deny the allegations in Paragraph 86 in their entirety.

14 87. Paragraph 87 states no factual allegations as to Defendants and  
15 therefore no response is required. To the extent that a response is required,  
16 Defendants are without sufficient information or belief to admit or deny the  
17 allegations in Paragraph 87, including whether the statements attributed to the cited  
18 article are true, and, on that basis, deny them. To the extent Paragraph 87 makes  
19 any allegations that pertain to Defendants, Defendants deny these allegations in  
20 their entirety.

21 88. Paragraph 88 states no factual allegations as to Defendants and  
22 therefore no response is required. To the extent that a response is required,  
23 Defendants are without sufficient information or belief to admit or deny the  
24 allegations in Paragraph 88, including whether the statements attributed to the cited  
25 article are true, and, on that basis, deny them. To the extent Paragraph 88 makes  
26 any allegations that pertain to Defendants, Defendants deny these allegations in  
27 their entirety.

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1           89. Paragraph 89 states no factual allegations as to Defendants and  
2 therefore no response is required. To the extent that a response is required,  
3 Defendants are without sufficient information or belief to admit or deny the  
4 allegations in Paragraph 89, including whether the statements attributed to the cited  
5 report are true, and, on that basis, deny them. To the extent Paragraph 89 makes  
6 any allegations that pertain to Defendants, Defendants deny these allegations in  
7 their entirety.

8           90. Defendants deny the allegations of Paragraph 90 in their entirety.

9           91. Defendants state that any data they have publicly reported speaks  
10 for itself and deny any characterizations or allegations of the same contrary thereto.  
11 Defendants deny any remaining allegations of Paragraph 91 and specifically deny  
12 any and all allegations of wrongdoing, except that they state that they are without  
13 sufficient knowledge or information to admit or deny the allegations that purport to  
14 be based on some unknown statistical analysis (including unknown sources of data)  
15 conducted by or relied upon by Plaintiff and, on that basis, deny those allegations.  
16 Defendants further deny that they originated predatory loans.

17           92. Defendants state that any data they have publicly reported speaks  
18 for itself and deny any characterizations or allegations of the same contrary thereto.  
19 Defendants deny any remaining allegations of Paragraph 92 and specifically deny  
20 any and all allegations of wrongdoing, except that they state that they are without  
21 sufficient knowledge or information to admit or deny the allegations that purport to  
22 be based on some unknown statistical analysis (including unknown sources of data)  
23 conducted by or relied upon by Plaintiff and, on that basis, deny those allegations.  
24 Defendants further deny that they originated predatory loans.

25           93. Defendants state that any data they have publicly reported speaks  
26 for itself and deny any characterizations or allegations of the same contrary thereto.  
27 Defendants deny any remaining allegations of Paragraph 93 and specifically deny  
28 any and all allegations of wrongdoing, except that they state that they are without



1 sufficient knowledge or information to admit or deny the allegations that purport to  
2 be based on some unknown statistical analysis (including unknown sources of data)  
3 conducted by or relied upon by Plaintiff and, on that basis, deny those allegations.  
4 Defendants further deny that they originated predatory loans.

5 94. Defendants state that any data they have publicly reported speaks  
6 for itself and deny any characterizations or allegations of the same contrary thereto.  
7 Defendants deny any remaining allegations of Paragraph 94 and specifically deny  
8 any and all allegations of wrongdoing, except that they state that they are without  
9 sufficient knowledge or information to admit or deny the allegations that purport to  
10 be based on some unknown statistical analysis (including unknown sources of data)  
11 conducted by or relied upon by Plaintiff and, on that basis, deny those allegations.  
12 Defendants further deny that they originated predatory loans.

13 95. Defendants deny the allegations of Paragraph 95 in their entirety.

14 96. Defendants deny the allegations of Paragraph 96 in their entirety.

15 97. Defendants state that any data they have publicly reported speaks  
16 for itself and deny any characterizations or allegations of the same contrary thereto.  
17 Defendants deny any remaining allegations of Paragraph 97 and specifically deny  
18 any and all allegations of wrongdoing, except that they state that they are without  
19 sufficient knowledge or information to admit or deny the allegations that purport to  
20 be based on some unknown statistical analysis (including unknown sources of data)  
21 conducted by or relied upon by Plaintiff and, on that basis, deny those allegations.

22 98. Defendants state that any data they have publicly reported speaks  
23 for itself and deny any characterizations or allegations of the same contrary thereto.  
24 Defendants deny any remaining allegations of Paragraph 98 and specifically deny  
25 any and all allegations of wrongdoing, except that they state that they are without  
26 sufficient knowledge or information to admit or deny the allegations that purport to  
27 be based on some unknown statistical analysis (including unknown sources of data)  
28 conducted by or relied upon by Plaintiff and, on that basis, deny those allegations.

1           99. Defendants deny the allegations in Paragraph 99.

2           100. Defendants state that any data they have publicly reported speaks  
3 for itself and deny any characterizations or allegations of the same contrary thereto.  
4 Defendants deny any remaining allegations of Paragraph 100 and specifically deny  
5 any and all allegations of wrongdoing, except that they state that they are without  
6 sufficient knowledge or information to admit or deny the allegations that purport to  
7 be based on some unknown statistical analysis (including unknown sources of data)  
8 conducted by or relied upon by Plaintiff and, on that basis, deny those allegations.

9           101. Defendants deny the allegations in Paragraph 101 in their entirety.

10           102. Paragraph 102 states no factual allegations as to Defendants and  
11 therefore no response is required. To the extent that a response is required,  
12 Defendants are without sufficient information or belief to admit or deny the  
13 allegations in Paragraph 102, including whether the statements attributed to the  
14 cited report are true, and, on that basis, deny them. To the extent Paragraph 102  
15 makes any allegations that pertain to Defendants, Defendants deny these allegations  
16 in their entirety.

17           103. Defendants deny the allegations in Paragraph 103 in their entirety.

18           104. Defendants deny the allegations of Paragraph 104 to the extent such  
19 allegations are directed at Defendants. As to any allegations not specific to  
20 Defendants, Defendants lack information or knowledge sufficient to form a belief  
21 and, on that basis, deny them.

22           105. Defendants lack knowledge or information sufficient to form a belief  
23 as to the truth of the allegations in Paragraph 105 and, on that basis, deny them.  
24 Defendants specifically deny any allegation in this regard that they solicited  
25 homeowners for loans with improper underwriting or engaged in any other  
26 wrongdoing. Defendants deny any remaining allegations in Paragraph 105 and  
27 state that they do not relate to Defendants.  
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1           106. Defendants state that any data they have publicly reported speaks  
2 for itself and deny any characterizations or allegations of the same contrary thereto.  
3 Defendants deny any remaining allegations of Paragraph 106 and specifically deny  
4 any and all allegations of wrongdoing, except that they state that they are without  
5 sufficient knowledge or information to admit or deny the allegations that purport to  
6 be based on some unknown statistical analysis (including unknown sources of data)  
7 conducted by or relied upon by Plaintiff and, on that basis, deny those allegations.  
8 Defendants further deny that they originated predatory loans.

9           107. Defendants state that any data they have publicly reported speaks  
10 for itself and deny any characterizations or allegations of the same contrary thereto.  
11 Defendants deny any remaining allegations of Paragraph 107 and specifically deny  
12 any and all allegations of wrongdoing, except that they state that they are without  
13 sufficient knowledge or information to admit or deny the allegations that purport to  
14 be based on some unknown statistical analysis (including unknown sources of data)  
15 conducted by or relied upon by Plaintiff and, on that basis, deny those allegations.  
16 Defendants further deny that they originated predatory loans.

17           108. Defendants state that any data they have publicly reported speaks  
18 for itself and deny any characterizations or allegations of the same contrary thereto.  
19 Defendants deny any remaining allegations of Paragraph 108 and specifically deny  
20 any and all allegations of wrongdoing, except that they state that they are without  
21 sufficient knowledge or information to admit or deny the allegations that purport to  
22 be based on some unknown statistical analysis (including unknown sources of data)  
23 conducted by or relied upon by Plaintiff and, on that basis, deny those allegations.  
24 Defendants further deny that they originated predatory loans.

25           109. Defendants state that any data they have publicly reported speaks  
26 for itself and deny any characterizations or allegations of the same contrary thereto.  
27 Defendants deny any remaining allegations of Paragraph 109 and specifically deny  
28 any and all allegations of wrongdoing, except that they state that they are without

1 sufficient knowledge or information to admit or deny the allegations that purport to  
2 be based on some unknown statistical analysis (including unknown sources of data)  
3 conducted by or relied upon by Plaintiff and, on that basis, deny those allegations.  
4 Defendants further deny that they originated predatory loans.

5 110. Defendants deny the first sentence of Paragraph 110 and specifically  
6 deny any and all allegations of wrongdoing. The second and third sentences of  
7 Paragraph 110 characterize the Complaint, to which no response is required. To the  
8 extent a response is required, Defendants state that the Complaint speaks for itself.  
9 Defendants deny any remaining allegations in Paragraph 110. Defendants further  
10 deny that they originated predatory loans.

11 111. Defendants deny the allegations in Paragraph 111 in their entirety.

12 112. Paragraph 112 characterizes the Complaint to which no response is  
13 required. To the extent a response is required, Defendants state that the Complaint  
14 speaks for itself. Defendants deny any factual allegations of Paragraph 112, deny  
15 Plaintiff is entitled to relief, and specifically deny any and all allegations of  
16 wrongdoing.

17 113. Paragraph 113 states no factual allegations as to Defendants and  
18 therefore no response is required. To the extent that a response is required,  
19 Defendants are without sufficient information or belief to admit or deny the  
20 allegations in Paragraph 113, including whether the statements attributed to the  
21 cited report are true, and, on that basis, deny them. To the extent Paragraph 113  
22 makes any allegations that pertain to Defendants, Defendants deny these allegations  
23 in their entirety.

24 114. Paragraph 114 states no factual allegations as to Defendants and  
25 therefore no response is required. To the extent that a response is required,  
26 Defendants are without sufficient information or belief to admit or deny the  
27 allegations in Paragraph 114, including whether the statements attributed to the  
28 cited report are true, and, on that basis, deny them. To the extent Paragraph 114

1 makes any allegations that pertain to Defendants, Defendants deny these allegations  
2 in their entirety.

3 115. Paragraph 115 states no factual allegations as to Defendants and  
4 therefore no response is required. To the extent that a response is required,  
5 Defendants are without sufficient information or belief to admit or deny the  
6 allegations in Paragraph 115, including whether the statements attributed to the  
7 cited articles are true, and, on that basis, deny them. To the extent Paragraph 115  
8 makes any allegations that pertain to Defendants, Defendants deny these allegations  
9 in their entirety.

10 116. Paragraph 116 states no factual allegations as to Defendants and  
11 therefore no response is required. To the extent that a response is required,  
12 Defendants are without sufficient information or belief to admit or deny the  
13 allegations in Paragraph 116, including whether the statements attributed to the  
14 cited report are true, and, on that basis, deny them. To the extent Paragraph 116  
15 makes any allegations that pertain to Defendants, Defendants deny these allegations  
16 in their entirety.

17 117. Defendants state that the first sentence of Paragraph 117 states no  
18 factual allegations as to Defendants and therefore no response is required. To the  
19 extent that a response is required, Defendants are without sufficient information or  
20 belief to admit or deny the allegations in Paragraph 117, including whether the  
21 statements attributed to the cited report are true, and, on that basis, deny them.  
22 Defendants deny the allegations in second sentence of Paragraph 117 in their  
23 entirety.

24 118. Defendants lack knowledge or information sufficient to form a belief  
25 as to the truth of the allegations in Paragraph 118 and, on that basis, deny them.  
26 Defendants deny any remaining allegations in Paragraph 118 and specifically deny  
27 that Plaintiff has suffered damages of a result of their conduct.  
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1           119. Defendants lack knowledge or information sufficient to form a belief  
2 as to the truth of the allegations in Paragraph 119 and, on that basis, deny them.  
3 Defendants deny any remaining allegations in Paragraph 119 and any and all  
4 allegations of wrongdoing.

5           120. Defendants deny the allegations of Paragraph 120 in their entirety.

6           121. Defendants deny the allegations of Paragraph 121 in their entirety.

7           122. Paragraph 122 states no factual allegations as to Defendants and  
8 therefore no response is required. To the extent that a response is required,  
9 Defendants are without sufficient information or belief to admit or deny the  
10 allegations in Paragraph 122, and therefore deny those allegations on that basis.

11           123. Defendants deny the allegations of Paragraph 123 in their entirety.

12           124. Paragraph 124 states no factual allegations as to Defendants and  
13 therefore no response is required. To the extent that a response is required,  
14 Defendants are without sufficient information or belief to admit or deny the  
15 allegations in Paragraph 124, including whether the statements attributed to the  
16 cited report are true, and, on that basis, deny them. To the extent Paragraph 124  
17 makes any allegations that pertain to Defendants, Defendants deny these allegations  
18 in their entirety.

19           125. Paragraph 125 states no factual allegations as to Defendants and  
20 therefore no response is required. To the extent that a response is required,  
21 Defendants are without sufficient information or belief to admit or deny the  
22 allegations in Paragraph 125, including whether the statements attributed to the  
23 cited report are true, and, on that basis, deny them. To the extent Paragraph 125  
24 makes any allegations that pertain to Defendants, Defendants deny these allegations  
25 in their entirety.

26           126. Paragraph 126 states no factual allegations as to Defendants and  
27 therefore no response is required. To the extent that a response is required,  
28 Defendants are without sufficient information or belief to admit or deny the

1 allegations in Paragraph 126, and therefore deny those allegations on that basis.  
2 Defendants specifically deny that Plaintiff suffered any harm and that Defendants  
3 made discriminatory loans.

4 127. Paragraph 127 states no factual allegations as to Defendants and  
5 therefore no response is required. To the extent that a response is required,  
6 Defendants are without sufficient information or belief to admit or deny the  
7 allegations in Paragraph 127, including whether the statements attributed to the  
8 cited report are true, and, on that basis, deny them. To the extent Paragraph 127  
9 makes any allegations that pertain to Defendants, Defendants deny these allegations  
10 in their entirety.

11 128. Defendants deny the allegations of Paragraph 128 in their entirety.

12 129. Defendants deny the allegations in first and third sentences of  
13 Paragraph 129 in their entirety. Defendants lack knowledge or information  
14 sufficient to form a belief as to the truth of the allegations in the second sentence of  
15 Paragraph 129, including whether the statements attributed to the cited article are  
16 true, and, on that basis, deny them. To the extent the second sentence of Paragraph  
17 129 makes any allegations that pertain to Defendants, Defendants deny these  
18 allegations in their entirety.

19 130. Paragraph 130 states no factual allegations as to Defendants and  
20 therefore no response is required. To the extent that a response is required,  
21 Defendants are without sufficient information or belief to admit or deny the  
22 allegations in Paragraph 130, and therefore deny those allegations on that basis.

23 131. Paragraph 131 states no factual allegations as to Defendants and  
24 therefore no response is required. To the extent that a response is required,  
25 Defendants are without sufficient information or belief to admit or deny the  
26 allegations in Paragraph 131, and therefore deny those allegations on that basis.

27 132. Paragraph 132 states no factual allegations as to Defendants and  
28 therefore no response is required. To the extent that a response is required,

1 Defendants are without sufficient information or belief to admit or deny the  
2 allegations in Paragraph 132, including whether the statements attributed to the  
3 cited report are true, and, on that basis, deny them. To the extent Paragraph 132  
4 makes any allegations that pertain to Defendants, Defendants deny these allegations  
5 in their entirety.

6 133. Paragraph 133 states no factual allegations as to Defendants and  
7 therefore no response is required. To the extent that a response is required,  
8 Defendants are without sufficient information or belief to admit or deny the  
9 allegations in Paragraph 133, including whether the statements attributed to the  
10 cited report are true, and, on that basis, deny them. To the extent Paragraph 133  
11 makes any allegations that pertain to Defendants, Defendants deny these allegations  
12 in their entirety.

13 134. Defendants deny the allegations of Paragraph 134 in their entirety.

14 135. Defendants deny the allegations of Paragraph 135 in their entirety.

15 136. Defendants repeat and incorporate by reference each and every answer  
16 set forth in the preceding paragraphs.

17 137. Paragraph 137 states legal conclusions to which no response is  
18 required.

19 138. Defendants deny the allegations in Paragraph 138 and specifically  
20 deny any and all allegations of wrongdoing.

21 139. Defendants deny the allegations in Paragraph 139 and specifically  
22 deny any and all allegations of wrongdoing.

23 140. Defendants deny the allegations in Paragraph 140 and specifically  
24 deny any and all allegations of wrongdoing.

25 141. Defendants deny the allegations in Paragraph 141 and specifically  
26 deny any and all allegations of wrongdoing.

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1 142. Paragraph 142 consists of conclusions of law and constitute vague and  
2 ambiguous generalized allegations to which no response is required. To the extent  
3 a response is required, Defendants deny the allegations contained in Paragraph 142.

4 143. Paragraph 143 consists of conclusions of law to which no response is  
5 required. To the extent a response is required, Defendants deny the allegations  
6 contained in Paragraph 143.

7 144. Defendants deny the allegations in Paragraph 144 and specifically  
8 deny any and all allegations of wrongdoing.

9 145. Defendants deny the allegations in Paragraph 145 and specifically  
10 deny any and all allegations of wrongdoing.

11 146. Paragraph 146 consists of conclusions of law and/or general statements  
12 to which no response is required. To the extent a response is required, Defendants  
13 deny the allegations contained in Paragraph 146.

14 147. Defendants repeat and incorporate by reference each and every answer  
15 set forth in the preceding paragraphs.

16 148. Defendants deny the allegations in Paragraph 148 and specifically  
17 deny any and all allegations of wrongdoing.

18 149. Defendants deny the allegations in Paragraph 149 and specifically  
19 deny any and all allegations of wrongdoing.

20 150. Defendants deny the allegations in Paragraph 150 and specifically  
21 deny any and all allegations of wrongdoing. Defendants further deny that Plaintiff  
22 is entitled to any relief whatsoever.

23 **AFFIRMATIVE DEFENSES**

24 As for Defendants' separate and additional defenses, which apply to all of  
25 Plaintiff's claims unless specified below, Defendants allege as follows. Defendants  
26 hereby expressly incorporate the allegations of their Answer as set out above and,  
27 with respect to each affirmative defense, incorporates the facts alleged as to each  
28 other affirmative defense.

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**FIRST AFFIRMATIVE DEFENSE**

1. The Complaint, and each claim contained in it, fails to state a claim upon which relief may be granted.

**SECOND AFFIRMATIVE DEFENSE**

2. Plaintiff lacks standing under Article III of the United States Constitution.

**THIRD AFFIRMATIVE DEFENSE**

3. Plaintiff has no cause of action and otherwise lacks standing to sue under the Fair Housing Act.

**FOURTH AFFIRMATIVE DEFENSE**

4. Plaintiff and the claims it seeks to bring do not fall within the zone of interests protected by the Fair Housing Act.

**FIFTH AFFIRMATIVE DEFENSE**

5. Plaintiff has no power under state and/or local law to bring this lawsuit or to recover the damages sought, or it has not been duly authorized to bring this suit.

**SIXTH AFFIRMATIVE DEFENSE**

6. Plaintiff's claims are barred, in whole or in part, by the applicable statutes of limitations.

**SEVENTH AFFIRMATIVE DEFENSE**

7. Plaintiff's claims are barred, in whole or in part, by the doctrine of laches.

**EIGHTH AFFIRMATIVE DEFENSE**

8. The Complaint improperly cumulates disparate claims against multiple defendants.

**NINTH AFFIRMATIVE DEFENSE**

9. Plaintiff's claims are improper and violate Defendants' due process rights under the United States and California Constitutions in that, among other

1 things, Plaintiff seeks relief, including monetary relief, with respect to, and/or  
2 arising from, alleged injuries, damages, or harms to third persons who are not  
3 named or identified in the Complaint, even though this action is not, and could not  
4 properly be, a class action.

5 **TENTH AFFIRMATIVE DEFENSE**

6 10. Plaintiff's claims are barred, in whole or in part, because they seek to  
7 impose liability on Defendants in violation of the Due Process Clauses of the  
8 United States Constitution and the California Constitution.

9 **ELEVENTH AFFIRMATIVE DEFENSE**

10 11. Plaintiff's claims are barred, in whole or in part, because they violate  
11 the Due Process Clauses of the United States Constitution and the California  
12 Constitution to the extent that they seek to deprive Defendants of traditional means  
13 of proving that Defendants' alleged unlawful conduct did not cause the alleged  
14 foreclosure, vacancy, or other alleged consequences with respect to loans or  
15 properties as to which Plaintiff claims to have incurred injuries, damages, costs,  
16 and/or other expenses.

17 **TWELFTH AFFIRMATIVE DEFENSE**

18 12. To the extent applicable, the restitution claims against Defendants are  
19 preempted or otherwise barred, in whole or in part, by federal law and any  
20 regulations promulgated thereunder. To the extent that the claims against  
21 Defendants are not preempted or otherwise barred by federal law, and any  
22 regulations promulgated thereunder, such claims are subject to the exclusive  
23 visitorial powers of the Office of the Comptroller of the Currency.

24 **THIRTEENTH AFFIRMATIVE DEFENSE**

25 13. Plaintiff's claims are barred, in whole or in part, by the principles of  
26 res judicata and/or collateral estoppel, and/or by executed releases.

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**FOURTEENTH AFFIRMATIVE DEFENSE**

14. Some of the defendants are improperly joined as defendants in this action.

**FIFTEENTH AFFIRMATIVE DEFENSE**

15. Plaintiff's claims are barred, in whole or in part, because Plaintiff has failed to join all necessary and/or indispensable parties, without whom this action cannot proceed.

**SIXTEENTH AFFIRMATIVE DEFENSE**

16. Plaintiff's claims are barred, in whole or in part, because they are not prosecuted by or in the names of the real parties in interest.

**SEVENTEENTH AFFIRMATIVE DEFENSE**

17. The Complaint is too vague for Defendants to ascertain the factual bases of any claim that Plaintiff is attempting to allege. Plaintiff has, therefore, failed to plead its claims with sufficient particularity. This failure may preclude Defendants from raising all appropriate defenses, and Defendants reserve the right to raise any such additional defenses as their applicability becomes clear.

**EIGHTEENTH AFFIRMATIVE DEFENSE**

18. This action does not present a justiciable case or controversy between Plaintiff and Defendants.

**NINETEENTH AFFIRMATIVE DEFENSE**

19. Plaintiff's claims are barred, in whole or in part, by the doctrine of assumption of the risk, including the assumption of the risk by the Plaintiff and third parties who have not yet been identified.

**TWENTIETH AFFIRMATIVE DEFENSE**

20. Any injuries sustained by Plaintiff were caused, in whole or in part, by the contributory or comparative negligence, fault, responsibility, and/or causation, and/or want of due care of Plaintiff and/or third parties who have not yet been identified, and therefore Plaintiff is barred from any recovery, or any recoverable

1 damages must be reduced in proportion to the amount of negligence attributable to  
2 Plaintiff and/or such persons.

3 **TWENTY-FIRST AFFIRMATIVE DEFENSE**

4 21. Plaintiff's claims are barred, in whole or in part, because Plaintiff has  
5 failed to mitigate, minimize, or avoid any damage it allegedly sustained, and  
6 recovery against Defendants, if any, must be reduced accordingly.

7 **TWENTY-SECOND AFFIRMATIVE DEFENSE**

8 22. Plaintiff's claims are barred, in whole or in part, by the doctrine of  
9 unclean hands, the doctrine of *in pari delicto*, and the maxim that "one who seeks  
10 equity must do equity."

11 **TWENTY-THIRD AFFIRMATIVE DEFENSE**

12 23. Some or all of Plaintiff's claims for the recovery of unpaid tax receipts  
13 are barred, in whole or in part, to the extent the actual or proximate cause of any  
14 injury was Plaintiff's voluntary decisions with respect to assessments, valuations,  
15 appeals, and exclusions.

16 **TWENTY-FOURTH AFFIRMATIVE DEFENSE**

17 24. Plaintiff's claims are barred, in whole or in part, by the doctrine of  
18 comparative fault, including the fault of the Plaintiff and third parties who have not  
19 yet been identified.

20 **TWENTY-FIFTH AFFIRMATIVE DEFENSE**

21 25. Plaintiff's claims are barred, in whole or in part, because any alleged  
22 injuries to Plaintiff, or any alleged expenses incurred, were not caused by any act,  
23 or failure to act, on the part of Defendants, regardless of any other cause or event,  
24 contributing concurrently or in any sequence, to the loss.

25 **TWENTY-SIXTH AFFIRMATIVE DEFENSE**

26 26. If Plaintiff has sustained any injuries or incurred any expenses, such  
27 injuries or expenses, if any, were the result of intervening or superseding events,  
28 factors, occurrences, or conditions, which were in no way caused by Defendants

1 and for which Defendants are not liable.

2 **TWENTY-SEVENTH AFFIRMATIVE DEFENSE**

3 27. Plaintiff has not sustained any injuries or damages proximately or  
4 actually caused by Defendants.

5 **TWENTY-EIGHTH AFFIRMATIVE DEFENSE**

6 28. To the extent Plaintiff has suffered any legally cognizable injuries,  
7 damages, or harm, which Defendants deny, any such injuries, damages, or harm  
8 were the direct and proximate result of actions or omissions of third parties for  
9 which Defendants have no responsibility, or over which it has no control.

10 **TWENTY-NINTH AFFIRMATIVE DEFENSE**

11 29. Plaintiff's claims are barred, in whole or in part, because the proximate  
12 cause of any injury allegedly sustained by the Plaintiff is the Plaintiff's voluntary  
13 decision to pay certain expenses or costs.

14 **THIRTIETH AFFIRMATIVE DEFENSE**

15 30. Plaintiff's claims are barred, in whole or in part, by the doctrine of  
16 remoteness.

17 **THIRTY-FIRST AFFIRMATIVE DEFENSE**

18 31. Plaintiff's claims are barred, in whole or in part, by the doctrine of  
19 waiver.

20 **THIRTY-SECOND AFFIRMATIVE DEFENSE**

21 32. Plaintiff's claims are barred to the extent that the defenses of estoppel,  
22 laches, res judicata, collateral estoppel, statutes of limitations, assumption of risk,  
23 waiver, or any other defense would bar recovery by those individuals with respect  
24 to whose loans or properties Plaintiff claims to have incurred injuries, damages,  
25 costs, and/or other expenses.

26 **THIRTY-THIRD AFFIRMATIVE DEFENSE**

27 33. Plaintiff's claims are barred by the doctrines of accord and satisfaction  
28 and release.

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**THIRTY-FOURTH AFFIRMATIVE DEFENSE**

34. Plaintiff's claims are barred, in whole or in part, because they violate Defendants' right to a jury trial under the Seventh Amendment to the United States Constitution to the extent that, *inter alia*, they attempt to deprive Defendants of their right to have a jury determine whether they are responsible for the alleged injuries, damages, or harms to each of the specific individuals with respect to whose loans or properties Plaintiff claims to have incurred damages, costs, and/or other expenses.

**THIRTY-FIFTH AFFIRMATIVE DEFENSE**

35. To the extent Plaintiff has suffered any legally cognizable injuries, damages, or harm, which Defendants deny, Plaintiff's claims are barred, in whole or in part, because at all relevant times Defendants have operated their business in compliance with applicable laws and regulations.

**THIRTY-SIXTH AFFIRMATIVE DEFENSE**

36. Any and all actions Defendants took with respect to Plaintiff were taken in the good faith exercise of Defendants' reasonable business judgment and were justified and undertaken in good faith for a valid business purpose.

**THIRTY-SEVENTH AFFIRMATIVE DEFENSE**

37. Defendants acted with good faith and had an objectively reasonable belief their conduct did not violate the law.

**THIRTY-EIGHTH AFFIRMATIVE DEFENSE**

38. Plaintiff's claims are barred, in whole or in part, by the municipal cost recovery rule.

**THIRTY-NINTH AFFIRMATIVE DEFENSE**

39. Plaintiffs' claims are barred in that the alleged conduct of Defendants was privileged.

**FORTIETH AFFIRMATIVE DEFENSE**

40. To the extent Plaintiff's claims are premised, in whole or in part, on

1 injuries allegedly resulting from pursuit or, or statements or conduct in, judicial  
2 proceedings, such claims are barred under California Civil Code § 47(b) and/or the  
3 Noerr-Pennington doctrine.

4 **FORTY-FIRST AFFIRMATIVE DEFENSE**

5 41. Plaintiff's prayer for equitable relief is barred because equitable relief  
6 is not available under any of its alleged causes of action and because Plaintiffs have  
7 an adequate remedy at law.

8 **FORTY-SECOND AFFIRMATIVE DEFENSE**

9 42. Any recovery herein by Plaintiff would constitute unjust enrichment,  
10 and Plaintiff did not confer any benefit on Defendants.

11 **FORTY-THIRD AFFIRMATIVE DEFENSE**

12 43. Plaintiff's claims should be dismissed for the reason that, among  
13 others, Plaintiff's claims for relief are moot.

14 **FORTY-FOURTH AFFIRMATIVE DEFENSE**

15 44. Plaintiff's claims are barred because they are not ripe and rest upon  
16 future contingent events that may not occur.

17 **FORTY-FIFTH AFFIRMATIVE DEFENSE**

18 45. Plaintiff is not entitled to relief requested by the Complaint because the  
19 Court lacks any sufficiently certain, nonspeculative basis to fashion such relief.

20 **FORTY-SIXTH AFFIRMATIVE DEFENSE**

21 46. Plaintiff is not entitled to any of the injunctive relief requested by the  
22 Complaint because the hardship that would be imposed on Defendants by the relief  
23 is greatly disproportionate to any hardship that Plaintiff or others might suffer in its  
24 absence.

25 **FORTY-SEVENTH AFFIRMATIVE DEFENSE**

26 47. Plaintiff's claim for injunctive relief is barred to the extent it seeks to  
27 prevent conduct which has ceased.

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1 **FORTY-EIGHTH AFFIRMATIVE DEFENSE**

2 48. Plaintiff's claims are barred, in whole or in part, because Plaintiff,  
3 and/or the individuals with respect to whose loans or properties Plaintiff claim to  
4 have incurred damages, costs, and/or other expenses, have failed to pursue other  
5 available remedies.

6 **FORTY-NINTH AFFIRMATIVE DEFENSE**

7 49. Plaintiff's claims are barred, in whole or in part, because Defendants  
8 did not owe any legal duty to Plaintiff or, if they owed any such legal duty, they did  
9 not breach that duty.

10 **FIFTIETH AFFIRMATIVE DEFENSE**

11 50. Plaintiff may not recover on the claims pleaded in the Complaint  
12 because the damages sought are too speculative and remote.

13 **FIFTY-FIRST AFFIRMATIVE DEFENSE**

14 51. The Complaint fails to state facts sufficient to constitute a valid claim  
15 for punitive damages, including the claim for disparate impact for which punitive  
16 damages are not recoverable.

17 **FIFTY-SECOND AFFIRMATIVE DEFENSE**

18 52. Plaintiffs cannot recover punitive damages to the extent such damages  
19 would violate provisions of the United States and California Constitutions,  
20 including, but not limited to, the Due Process Clauses contained therein.

21 **FIFTY-THIRD AFFIRMATIVE DEFENSE**

22 53. The Complaint fails to allege facts, or a cause of action, sufficient to  
23 support a valid claim for attorneys' fees and costs.

24 **FIFTY-FOURTH AFFIRMATIVE DEFENSE**

25 54. Plaintiff's claims are barred to the extent that Plaintiffs have already  
26 recouped costs associated with their alleged damages.

27 **FIFTY-FIFTH AFFIRMATIVE DEFENSE**

28 55. Plaintiff's recovery is barred, in whole or in part, under principles of

1 set-off, recoupment, and/or unjust enrichment, because the alleged damages, costs,  
2 and/or other expenses that Plaintiff seeks to recover in this action are exceeded by  
3 the financial benefits that Plaintiff has realized, directly or indirectly, as a result of  
4 the conduct at issue.

5 **FIFTY-SIXTH AFFIRMATIVE DEFENSE**

6 56. Defendants JPMorgan Chase & Co. and Chase Manhattan Bank USA,  
7 N.A. did not engage in any lending conduct and cannot be held liable for any of the  
8 acts or omissions that are the subject of the Complaint.

9 **FIFTY-SEVENTH AFFIRMATIVE DEFENSE**

10 57. Defendants hereby give notice that they intend to rely on any  
11 additional affirmative defenses that become available or apparent during discovery  
12 and thus reserves the right to amend their Answer to assert such additional  
13 defenses.

14 \* \* \*

15 WHEREFORE, Defendants respectfully request that: (1) a judgment be  
16 entered in their favor against the City of Los Angeles, dismissing all claims in the  
17 Complaint with prejudice and awarding Defendants their costs and expenses,  
18 including their reasonable attorneys' fees; and (2) the Court grant Defendants such  
19 other and further relief as the Court deems appropriate.

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Dated: November 26, 2014

O'MELVENY & MYERS LLP

By:           /s/ Steven J. Olson            
          Steven J. Olson  
          Attorneys for Defendants  
          JPMORGAN CHASE & CO.; JPMORGAN  
          CHASE BANK, N.A.; and CHASE  
          MANHATTAN BANK USA, N.A.