**UNITED STATES DISTRICT COURT**
**SOUTHERN DISTRICT OF NEW YORK**

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| MORTGAGE RESOLUTION SERVICING, LLC, 1ST FIDELITY LOAN SERVICING, LLC, and S & A CAPITAL PARTNERS, INC.,<br><br>Plaintiffs,<br><br>v.<br><br>JPMORGAN CHASE BANK, N.A., CHASE HOME FINANCE, LLC, and JPMORGAN CHASE & CO.,<br><br>Defendants. | No. 15-cv-00293(LTS)(JCF) |

**DECLARATION OF HELEN DAVIS CHAITMAN**

HELEN DAVIS CHAITMAN hereby declares under penalties of perjury as follows:

1. I am an attorney duly licensed to practice in the State of New York. I am of counsel to Chaitman LLP, attorneys for Plaintiffs S&A Capital Partners, Inc. ("S&A"), Mortgage Resolution Servicing, LLC ("MRS") and 1st Fidelity Loan Servicing, LLC ("1st Fidelity").

2. I submit this declaration in support of Plaintiffs' Opposition to Defendants' Motion for a protective order. The matters set forth herein are based on my review of the files and discussions with Plaintiffs.

3. The Plaintiffs are in the business of buying mortgage loans (including the note, the mortgage or deed of trust, the full collateral file and the servicing file and history) that are not performing according to their original terms, (TAC[1] ¶ 12) with the goal of working out payment plans with the borrowers to enable them to remain in their homes (TAC ¶ 13). Plaintiffs claim that the Defendants, who are responsible for providing $8 billion of relief to consumers pursuant to certain settlements with the government, dumped large amounts of liabilities and defective loans on Plaintiffs

[1] The Third Amended Complaint in this action ("TAC") is attached as **Exhibit A.**

and also committed wholescale fraud on Plaintiffs as part of a scheme to appear to comply with those settlements. While Defendants seek to mischaracterize their wrongdoing as a mere breach of contract, Plaintiffs have alleged in the TAC that Defendants also committed wholescale fraud on Plaintiffs as part of a scheme to appear to comply with those settlements.

4. In the TAC, Plaintiffs allege that the Defendants first enticed them to purchase a series of mortgage loans that Defendants claimed were first lien residential mortgages which did not make financial sense for Defendants to retain—when they were really mostly deficiency claims that had been improperly serviced. Then, after entering into settlements with the government which required Defendants to pay out over $8 billion in consumer relief, Defendants sought consumer relief credit by forgiving loans and releasing liens that had previously been sold to the Plaintiffs. Based on this fact pattern, Plaintiffs brought claims for breach of contract (Counts One through Three), Conversion (Count Four), Tortious Interference (Count Five) Fraud and Negligent Misrepresentation (Count Six and Seven), Slander of Title (Count Eight) and for civil RICO liability (Count Nine).

5. There are scores of instances in which, as alleged in the TAC, Defendants have released liens, forgiven loans or otherwise taken actions on properties or collateral that relate to loans that they have already sold to the Plaintiffs. Plaintiffs contend that this has wreaked havoc with regard to the loans in question and that the volume of the incidences and the uncertainty regarding others has caused severe harm to the Plaintiffs and their businesses. I am advised that borrowers have had difficulties in selling their properties, and Plaintiffs have incurred significant time and effort in attempting to assist them. The following comprise just a few examples of the numerous problems that have arisen and costs that have been incurred in attempting to resolve them. I am advised that there are many other instances, and more arise each week.

Example 1

6. I am advised that S&A is being sued in California by one of its borrowers, who claims that he does not owe any money on a home equity loan S&A purchased from Chase that is significantly in default. Attached hereto as **Exhibit B** is the Summons and Complaint in *Ibrahim v. S&A Capital Partners, Inc.*, Superior Court of California, Los Angeles County, Case No. BC610552. S&A has the note, and the mortgage is recorded and assigned from Chase to S&A. Attached hereto as **Exhibit C** is the Assignment of Mortgage from Chase to S&A, dated May 5, 2009. The loan in question is serviced by an entity named BSI on behalf of S&A. However, Chase has seemingly continued to service the loan and, in the interim, has apparently changed the loan number. Attached hereto as **Exhibit D** is a letter from Chase to Mr. Ibrahim dated October 15, 2015. S&A cannot foreclose until this issue is resolved.

Example 2

7. I am advised that another of Plaintiffs' borrowers simply stopped paying the loan servicer, and abandoned the property. Attached hereto as **Exhibit E** is an Assignment of Deed of Trust from Chase to S&A, dated March 9, 2010, and a further Assignment from S&A to 1st Fidelity dated March 16, 2010. On December 11, 2014, Plaintiffs advanced real estate taxes of $5,105.42 to prevent a tax foreclosure sale on the property. Attached hereto as **Exhibit F** is a Tax Lien Sale Certificate of Redemption dated December 11, 2014. However, Plaintiffs have since learned that on or around October 30, 2013, Chase apparently filed a lien release on the security for the mortgage. Attached hereto as **Exhibit G** is a Release of Deed of Trust dated October 30, 2013. Yesterday, Plaintiffs received a copy of a title commitment on the property, dated July 29, 2016, attached as **Exhibit H**, that indicates that Plaintiffs' lien is no longer on the property. I am advised that Plaintiffs have been informed that the sale is due to close imminently. Plaintiffs have been unable to foreclose and must file suit to attempt to prevent further damages forthwith.

Example 3

8. I am advised that one of S&A's borrowers recently attempted to sell her house in Scottsdale, AZ. Apparently, she discovered that Chase held a lien against the title to her house related to a line of credit opened in 2004, which was never drawn upon but had incurred a $214 fee. The "loan" for the fee was believed to be sold to Plaintiff MRS in 2006, but Chase never sent the loan file or the assignment to the Plaintiff. Attached as **Exhibit I** is an email from Plaintiff to Chase seeking the appropriate assignments, together with an email from the borrower to Plaintiff explaining her difficulty.

9. I am advised that when Plaintiff tried to resolve the issue for the borrower, the first assignment Chase sent was an assignment from Chase as Bank One to Chase as JP Morgan Chase and it had been robo-signed by an individual purporting to be a Vice President at Chase but whose role was actually more junior. Attached hereto as **Exhibit J** is an Arizona Assignment of Deed of Trust from Chase to Chase dated April 1, 2016. Its signatory, Tiffany Holmes, is stamped on the document as a Chase Vice President and the notary, in Omachita County, Louisiana, represents that the signatory is sworn to be a Vice President. I am advised that the assignment was forwarded by email to Plaintiff by Ms. Holmes, who signs herself as an "MB Doc Ops Sr. Specialist" on the email, not a Vice President. Attached .hereto as **Exhibit K** is an email from Ms. Holmes to Plaintiff dated April 1, 2016.

10. This document could not be recorded: it purported to be signed by a Vice President at Chase who was not, in fact, a Vice President, and assigned the loan from Chase to Chase rather than to Plaintiff.

11. Plaintiffs next received another assignment from Chase, dated June 8, 2016. This was also signed by Ms. Holmes as Vice President. It did, however, transfer the mortgage from Chase to

MRS. Attached as **Exhibit L** is an assignment dated June 8, 2016. Finally, with the assistance of a Chase Private Banker, Plaintiffs obtained for the borrower a proper assignment dated June 15, 2016.

Example 4

12. I am advised that on May 9, 2016, Plaintiff MRS received a call from one of its borrowers regarding a mortgage note purportedly assigned to MRS that the borrower said Chase told him had a zero balance. Attached hereto as **Exhibit M** is a Verification of Mortgage dated May 9, 2016 that Chase apparently provided to the borrower.

13. The original balance on the note as it was sold to MRS was $18,452.36, according to the spreadsheet sent to MRS by Chase on February 23, 2009. Both Chase and Plaintiffs have a copy of this document. This borrower's information appears at line 307. Given the extensive personally identifying information in the document about hundreds of borrowers, it is not being submitted as an exhibit. We will make the document available to the Court as needed.

14. It is impossible for MRS to assist the borrower and, of course, no way for MRS to obtain payment of the loan at this time.

Example 5

15. I am informed that, according to a Mr. Joseph Davis, Plaintiffs are the owners of his home equity line of credit, apparently sold to Plaintiffs by Chase. Plaintiffs have no actual knowledge or record, beyond Mr. Davis' word, that they ever owned Mr. Davis' home equity line of credit.

16. I am further informed that Mr. Davis reported to Plaintiffs that a loan officer at Chase told him that on his home loan with Chase, "all services charges were removed and the account was "charged off" in 2006. Mr. Davis also informed Plaintiffs that the loan nonetheless remained open and was subsequently sold in 2009 to MRS. While Chase did make an assignment of mortgage and recorded it on October 22, 2015 (six years after the claimed original purchase of the MRS loans from

Chase in 2009), I am advised that neither Chase nor Mr. Davis ever notified Plaintiffs that it existed. A copy of the Assignment of Mortgage dated October 22, 2015 is attached hereto as **Exhibit N.**

17. Mr. Davis has filed complaints about Plaintiffs to the Illinois and Florida Attorneys General. Plaintiffs are obliged to respond. Attached hereto as **Exhibit O** is a copy of the complaints, dated January 3 and February 3, 2016.

18. The foregoing represents just a very few examples of the problems that have arisen, and continue to arise, with the loans that are the subject of this lawsuit. If a protective order such as the one proposed by Defendants is entered, then it is entirely possible that in the course of discovery in this case, Plaintiffs may obtain a document that could resolve (or at least alleviate) a difficulty on a loan, but then have to pay further costs and expenses and, just as important, spend time, in seeking to obtain that document in another context, simply to clear up some of the harm Defendants have caused.

19. In order to address this potential issue, we have previously proposed to Defendants that the use of the documents in question be extended to include in-house and outside counsel or investigators participating in other lawsuits, enforcement actions, arbitrations, investigations or other proceedings, or claims arising out of the loans that are the subject of this matter and of the *qui tam* Case to the extent that Mr. Schneider or any of the Plaintiffs hereto are party ("Other Claims").

20. If any Protective Order is to be entered, therefore, we would propose that the provisions set forth in **Exhibit P** be a part thereof.

21. Accordingly, Plaintiffs request that the Defendants' motion for a protective order be denied.

Dated: New York, New York
August 12, 2016

*/s/ Helen Davis Chaitman*
Helen Davis Chaitman